

Company Registration Number: 08320065 (England & Wales)

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**TRANSFORM TRUST**  
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**



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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 16
Governance Statement	17 - 21
Statement on Regularity, Propriety and Compliance	22
Statement of Trustees' Responsibilities	23
Independent Auditor's Report on the Financial Statements	24 - 27
Independent Reporting Accountant's Report on Regularity	28 - 29
Statement of Financial Activities Incorporating Income and Expenditure Account	30 - 31
Balance Sheet	32 - 33
Statement of Cash Flows	34
Notes to the Financial Statements	35 - 67

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	P Munro Southwell and Nottingham Diocese Educational Trust I Griffiths M Cooper
<b>Trustees</b>	P Munro, Chair R Meredith CBE, Accounting Officer R Periam Prof T Greany Prof Q Gu (resigned 31 December 2021) J Luxton (resigned 31 December 2021) Dame S Jowett D Jones G Savidge S Dennis (appointed 1 January 2022) R Shaffi (appointed 14 February 2022) M Butler (appointed 1 May 2022) Dr C Gripton (appointed 16 September 2022)
<b>Company registered number</b>	08320065
<b>Company name</b>	Transform Trust
<b>Principal and registered office</b>	Unit 11 Castlebridge Office Village Kirtley Drive Nottingham NG7 1LD
<b>Company secretary</b>	S Cox

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Senior management  
team**

R Meredith CBE, Chief Executive Officer  
S Cox, Chief Finance Officer  
J Wilkinson, Chief Operating Officer  
R Hannon, HR Director  
J Fordham, Headteacher (deceased December 2021)  
M Lawrence, Headteacher  
H Tarrant, Headteacher  
C Godfrey, Headteacher (resigned February 2022)  
S Farrington, Headteacher  
S O'Connor, Headteacher  
K Hambleton, Headteacher  
P Hillier, Headteacher  
A Sharp, Headteacher  
Z Cannon, Headteacher  
K Coker, Headteacher  
S Mason, Headteacher  
K Lee, Partnership Director, Headteacher  
L Noble, Headteacher  
C Paparozzi, Headteacher  
A Storer, Headteacher  
M Julian, Headteacher (resigned April 2022)  
N Aldridge, Headteacher (appointed 1 December 2021)

**Independent auditor**

Mazars LLP  
Chartered Accountants  
Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

**Bankers**

Lloyds Bank  
Old Market Square  
Nottingham  
NG1 6FD

**Solicitors**

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

The Trust's principal object and activity has been to manage the provision of education to primary-age school pupils in schools within the East Midlands.

**Structure, governance and management**

**a. Constitution**

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

**b. Members' liability**

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

**c. Trustees' indemnities**

The Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Trust.

Details of the insurance cover are provided in note 13 to the financial statements.

**d. Method of recruitment and appointment or election of Trustees**

Members of the charitable company are nominated by the Diocese of Southwell & Nottingham Educational Trust, the main sponsor of the Trust. Under the terms of its Articles, the Academy Trust shall have the following Directors:

- The number of Directors shall be not less than four but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.
- A minimum of 4 Directors appointed by the Members under Article 50
- Up to 2 Academy Directors under Articles 51-52
- Up to 2 Parent Governors appointed under Articles 53-56
- The Chief Executive Officer under Article 57

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**e. Terms of office**

The term of office for any Director shall be 4 years unless varied by local agreement, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

**f. Policies adopted for the induction and training of Trustees**

The training and induction provided for new Trustees depends on their previous experience. All Trustees are provided with previous minutes and induction with the Chief Operating Officer, plus provided copies of documents that they will need to undertake their role as Trustees. The annual strategic planning days for Trustees were held on 5 October 2020, 18 January 2021 and 26 April 2021 to review and update the strategic plan, to review the ethos and vision for the Trust, and to ensure the resource plans are enablers for the plan. There were 4 new Trustees appointed in Financial year; Samantha Dennis (1 January 2022), Rukia Shaffi (14 February 2022), Michael Butler MInstLM (1 May 2022) and Dr Catherine Gripton (16 September 2022). Conversely 2 Trustees have left the board in the financial year; Professor Q. Gu (31st December 2021) and Joanna Luxton (31st December 2021) have resigned from the board of Trustees.

**g. Organisational structure**

The organisational structure consists of four levels: the Trustees, the Executive Team, the Member School Local Governing Body and the Member School Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at the individual School level.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, setting vision, strategy, direction and culture for the Trust, and performance management of the CEO. This is firmly centred on the objective to improve life chances for every child within Transform Trust.

The Executive team are responsible for implementation of strategy and delivery against the annual plan and budget. Additionally to ensure all schools in the Trust are delivering improving school standards at a rate agreed by the Trust Board.

The School Local Governing Body and School Leadership Teams are delegated authority to govern/manage each School implementing the policies adopted by Trust and Local Governing Body. As a group the School Leadership Teams are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Governor. Headteacher appointments will always include the CEO. Some spending control is devolved to members of the School Leadership Team, with finance limits set requiring a member of the Executive Team to countersign.

The School Leadership Teams are responsible for the day to day operation of the School, in particular organising the teaching staff, facilities and children. This structure empowers staff at all levels to take responsibility to improve and review their working practice.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**h. Arrangements for setting pay and remuneration of key management personnel**

The Chief Executive Officer is the only Trustee who receives remuneration from the Trust. They are subject to a performance management process managed by at least 2 other Trustees. Trustees consider performance of the Trust, individual performance of the CEO and market rate benchmarking to ensure the CEO salary award is appropriate. A recommendation is made to the wider Trust Board who vote on the matter. The CEO carries no Trustee vote in this matter.

**i. Trade union facility time**

The Trust does not have any employees who are union officials. The schools purchase the service through the Local Authority.

**j. Related parties and other connected charities and organisations**

The Trust works closely with TT Support Services, Nottingham Schools Trust, Inspiring Leaders, Nottingham University, Derby University and the local authorities of Derby, Derbyshire, Nottingham and Nottinghamshire in supporting schools.

**k. Engagement with employees (Section 172 Statement)**

The Trust provides information to employees on matters of concern to them through regular communication directly through bulletins, letters and emails from the Chief Executive Officer. Fortnightly information is shared by the Trust with all Headteachers on key matters and outlines areas impacting the Trust, as well as offering opportunities to share best practice.

A collective bargaining agreement is in place with recognised Trade Unions and consultation on all matters that affect employees' interests and their terms of employment through regular meetings.

Employees are encouraged to be involved in the Trust's performance through an annual staff survey and there have been additional, shorter Wellbeing surveys that have taken place this year, to further understand employees' day to day concerns and to gather feedback. A common awareness on the part of all employees of factors affecting the performance of the company is achieved through regularly updating the Trust website and Twitter feed.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**I. Engagement with suppliers, customers and others in a business relation with the Trust (Section 172 Statement)**

Transform greatly values the relationship with suppliers and partners in delivery of education for all children in Trust schools. Transform seeks to find a balance between achieving best value for money and working constructively with preferred suppliers to leverage additional value which comes with closer collaboration. This is particularly pertinent to shared IT and software system solutions which enable a greater degree of control and potential synergies across the Trust.

Schools are increasingly engaged with their immediate communities in light of reducing pupil numbers at a number of Transform schools. Additional PR support has been deployed and tangible improvements in Ofsted ratings are helping. Additionally Transform is working with the relevant Local Authorities where pupil numbers in identified communities are in decline.

The Trust and its schools continue to engage the relevant Local Authorities in dialogue particularly in managing the welfare of children.

**Objectives and activities**

**a. Objects and aims**

The Company's object ("the Object") is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- (ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.



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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

During 2021/22, the principle activity of the charitable company was the operation of 19 primary-age academies in the Nottingham and Derby areas. The schools vary in size from single form to three form entry. Transform's objective continues to focus unwaveringly on improving school standards, and 6 OFSTED inspections of Transform schools during the Autumn Term evidenced this success (every school improving to Good or retaining Outstanding). Transform was additionally invited to deliver School Improvement in several schools, some of which have now decided to join the Trust. Transform will continue to take opportunities to grow organically where Trustees believe the Trust can make a positive difference to children, and crucially the values of school leadership align with the Trust. These schools will be welcomed into the Trust during 2022/23.

It remains a core principle that Transform Trust's children remain central to all Trust endeavours. Trustees have always greatly valued enrichment opportunities and post pandemic they are looking to reinvigorate and maximise these opportunities for young people in our Trust

Trustees also recognise the success of the Trust lies with staff, and in October 2021 asked staff how they felt in the annual Staff Survey. Overall Trust staff satisfaction increased from 82% in 2020 to 90% in 2021. This is another significant improvement, and follows strong survey results over the previous 4 years. Several schools had just had successful OFSTED inspections which may have supported the results. Survey feedback from staff informs the action plan implemented by the Executive and School leadership team, and was particularly focused on leadership development and engagement. Sustained success appears to be borne out in the very latest survey results (October 2022).

The Trustees recognise that equal opportunities for staff should be an integral part of good practice within the workplace. The Multi Academy Trust aims to promote equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. The policy of Transform Trust continues to support recruitment and retention of pupils and employees with disabilities. Transform Trust does this by adapting the physical environment and by making support resources available

**c. Public benefit**

The Directors confirm that they have complied with the Charities Act 2006 to have due regard to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit on advancing education. We have reviewed our aims and objectives and in planning our future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

Transform Trust is a Trust offering education to children aged 2 to 11 and strives to promote and support the advancement of education within a local context. The schools provide an extensive programme of educational and recreational activity all designed to contribute to the overall education of its children.

In setting objectives and planning activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit. The Directors believe that the Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report**

**Achievements and performance**

There have been 6 OFSED inspections in the year. 5 have been judged Good and 1 Outstanding. Of those 6 schools, 2 had previously been rated Special Measures and 2 Requires Improvement (double RI). This serves to represent significant steps forward since academisation. Another inspection post-balance sheet saw another Trust school maintain its Good rating.

**SAT's results**

SAT's were resumed in May 2022, having been suspended for the previous 2 years due to Covid-19 pandemic.

- 10 out of 19 schools above national average for KS2 Reading
- 8 out of 19 schools above national average for KS2 Writing
- 8 out of 19 schools above national average for KS2 Maths
- 7 out of 19 schools above national average for KS2 Combined RWM
  
- 7 out of 16 schools above national average for Yr1 Phonics
- 5 out of 16 schools above national average for KS1 Reading
- 6 out of 16 schools above national average for KS1 Writing
- 6 out of 16 schools above national average for KS1 Maths

**COVID-19 Review**

Although the COVID pandemic has abated in 2021/22 there was still an impact in cases associated with the OMICRON variant resulted in high staff and pupil absence in the Autumn term.

Local governing bodies, school and Trust centre staff continued to use digital meeting solutions, and strong meeting attendance has demonstrated this is a valuable format going forward. Since September 2021 digital and face-to-face meetings have been combined (hybrid meetings) in suitably equipped venues and Trust Centre is one of those.

**a. Key performance indicators**

The Directors consider that the following are key performance indicators for the Academy Trust:

- Ofsted Inspection results;
- SAT results;
- External independent review outcomes;
- Internal standards and partnership reviews;
- Annual Staff Survey results;
- External Audit review and Management Letter;
- Internal Audit review and actions arising;
- Internal assessment of Teaching judged to be good or better;
- Pupils numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- General financial stability and robustness balancing budgets in each school each year;
- Staff Vacancies and ability to recruit and fill vacancies;
- Active involvement in partnership of schools and Transform Trust activities;

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Promoting the success of the company (Section 172 Statement)**

Trustees act to promote the success of Transform Trust at all times. Trustees actively consider the long term, but have also recognised the need to support the Senior Management team through the immediate crisis of the pandemic.

In 2021/22 Trustees have considered their own skills, and recruited a number of new appointments. A relevant HR professional has been appointed to chair the HR Committee. Further appointments have added weight to the academic and safeguarding focus of the Board. Ongoing internal review is a key part of ensuring the Board can meet the needs of Transform in the future as our aspiration remains on growth.

Trustees greatly value the running of the annual staff survey which has now been run for 5 years. Findings are reviewed by the Board and it was pleasing to see such a strong showing from staff despite the continuing impact and disruption of the pandemic since 2020.

Children remain our focus and through the pandemic school leaders have sought to deliver education to children whatever their personal setting. This has placed great challenge on school leaders and we have supported the creative ways the Trust has operated in order to continue the education provision whilst also providing a Covid-secure environment to learning. Parents have been engaged both locally and centrally so children remain safe and at the heart of the offer.

Trustees also support the financial protocols established during the pandemic which have been centred on fairness and doing the right thing. Internal audit review has stepped up to recognise higher finance risk and the Trust has navigated these processes successfully.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report (continued)**

**Financial review**

Most of the Academy Trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust's total funds at the end of the period are £68,038k of which £69,162k is in the restricted fixed asset fund, leaving a total deficit reserve balance of both general restricted and unrestricted funds of £1,124k; this is due to the LGPS deficit of £6,623k. However, the LGPS liability will not materialise in the near future and actual reserve funding available to the academy excluding the LGPS liability is £5,499k, of which £804k is restricted funding and £4,695k is unrestricted funding.

At 31 August 2022, the net book value of fixed assets was £68,781k and movements in tangible fixed assets are shown in note 14 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

**a. Reserves policy**

The Trustees review the reserve levels of the Academy Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trustees will always try to match income with expenditure in the current year (set and manage a balanced budget) and will only carry forward reserves that it considers necessary.

The Trustees have determined that the appropriate level of free reserves should be equivalent to one month's cost, approximately £2.5m. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The Trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event they are partly used, the Trust will strive to rebuild free reserves up to the level needed.

As at 31 August 2022 the Trust has 'free' reserves i.e. those reserves that are freely available for general purposes of the Trust total £4,695k. The restricted fixed asset fund totals £69,162k which can only be realised by disposing of tangible fixed assets. Restricted reserves are in deficit by £5,819k of which £6,623k relates to Local Government Pension Fund deficit which is due to be repaid in line with the agreed terms of the Fund. The remainder of the restricted reserves, a surplus of £804k, must only be spent as intended, the majority of which relates to grant funding from government sources to support delivery of education across the Trust.

The pension reserve held within restricted funds was in deficit by £6,623k at 31 August 2022. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

The balance on restricted general funds (excluding pension reserve) is £804k and the balance on unrestricted funds is £4,695k at 31 August 2022, giving a combined funds figure of £5,499k. This is more than the level determined by Trustees to be appropriate and capital investment is planned over the next 5 years to utilise these reserves.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**b. Investment policy**

The Academy Trust seeks to maximise returns from investments, minimise risk and maintain flexibility and access to funds.

**c. Principal risks and uncertainties**

Each academy evaluates and monitors its own risks, and the Trust maintains its own risk register. The main risks that each Academy is exposed to are summarised below. For each of these risks the likelihood and impact have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the Trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

The current portfolio of schools has the following Ofsted judgements: Sneinton - Outstanding; Edale Rise - Good; Highbank - Good; Brocklewood - Good; Allenton - Good; Rosslyn Park - Good; Bulwell St Mary's - Good; Burford - Good; Robert Shaw - Good (Sept 2021); William Booth - Good (Oct 2021); Pear Tree Junior - Special Measures; Breadsall Hill Top - Good (Sept 2021); Whitegate - Good (Sept 2021); South Wilford Endowed C of E - Outstanding; Parkdale - Good; Zaytouna - Requires Improvement; Ravensdale - Good; Lawn - Outstanding (Sept 2021); Ashbrook Junior - Good.

The Top 3 Trust risks as evaluated by Trust leadership are summarised below as part of full Risk Register evaluation. For each risk, the probability and impact has been considered alongside appropriate management action:

- Reduction in Pupil numbers – census data showing consistent reduction of pupils in a small number of schools. This impacts GAG income to the school. Local birth rates and inward migration have been considered, local partners and communities engaged, and where necessary, Published Admission Number (PAN) reduced. Maintaining high school standards and enrichment opportunities for children remain key drivers to attracting parents to the school.
- Safeguarding risk to a child – Transform have a significant number of safeguarding controls in schools including safeguarding reviews to maintain standards in schools.
- Cyber – Detailed system reviews, engagement of central strategic IT partners, centralisation of MS 365 tenancy, staff training and cyber risk cover (meeting RPA requirements).

The Risk Register is reviewed annually by Trustees, Executive and Schools.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**d. Risk management**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Local Governing Bodies for each School have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have maintained systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school estates) and internal financial controls (see below) in order to manage risk. Where significant residual financial risk remains we have adequate loss cover through the RPA scheme. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**e. Financial and risk management objectives and policies**

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

Liquidity risk - The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short term borrowing.

Interest rate risk - the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

**Fundraising**

Each school within the Trust participates at low level in various forms of fundraising often in partnership with a local Parent Teacher Association (PTA) who will run local school fairs to raise funds for the school. Schools also participate in dress down days and events from nationally recognised institutions like Red Nose Day and Children in Need. Support for such events is voluntary and no professional fundraisers are engaged. School and Office Managers in school will bank any such cash sums into the single school bank account and paid over as quickly as possible. Relative to school funding obtained from other sources, such fundraising is immaterial.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Streamlined energy and carbon reporting (SECR)**

**UK energy use and associated greenhouse gas emissions**

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

**Organisational boundary**

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 19 schools controlled during the reporting period along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). The Trust does not directly own or control any vehicles.

**Reporting period**

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

**Quantification and reporting methodology**

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Where invoices did not cover the full reporting period, estimation techniques such as the pro-rata or direct comparison methods were applied. Mileage claims were used to calculate energy use and emissions associated with grey fleet. On site renewable solar photovoltaic electricity is included within scope 1 and includes all generated electricity. August month solar data was not provided and therefore the pro-rata estimation technique was used to calculate data for this month. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Streamlined energy and carbon reporting (SECR) (continued)**

**Breakdown of energy consumption used to calculate emissions (kWh)**

<u>Energy type</u>	<u>2020/21</u>	<u>2021/22</u>
<b><u>Mandatory requirements:</u></b>		
<u>Gas</u>	<u>6,206,605</u>	<u>5,742,067</u>
<u>Purchased electricity from the grid</u>	<u>1,867,569</u>	<u>1,890,005</u>
<u>Transport fuel</u>	<u>7,408</u>	<u>17,159</u>
<b><u>Total energy (mandatory)</u></b>	<b><u>8,081,581</u></b>	<b><u>7,649,231</u></b>
<b><u>Voluntary requirements:</u></b>		
<u>Generated electricity from on-site renewable sources</u>	<u>51,206</u>	<u>54,017</u>
<b><u>Total energy (voluntary)</u></b>	<b><u>51,206</u></b>	<b><u>54,017</u></b>
<b><u>Total energy (mandatory &amp; voluntary)</u></b>	<b><u>8,132,787</u></b>	<b><u>7,703,248</u></b>



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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Streamlined energy and carbon reporting (SECR) (continued)**

**Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):**

<u>Emission source</u>	<u>2020/21</u>	<u>2021/22</u>
<b><u>Mandatory requirements:</u></b>		
<u>Scope 1</u>		
<u>Natural gas</u>	<u>1,136.8</u>	<u>1,048.2</u>
<u>Company owned vehicles (minibuses)</u>	<u>0.0</u>	<u>0.0</u>
<u>Scope 2</u>		
<u>Purchased electricity (location-based)</u>	<u>396.5</u>	<u>365.5</u>
<u>Scope 3</u>		
<u>Category 6: Business travel (grey fleet)</u>	<u>1.8</u>	<u>4.2</u>
<b><u>Total gross emissions (mandatory)</u></b>	<b><u>1,535.2</u></b>	<b><u>1,417.9</u></b>
<u>Intensity ratios (mandatory emissions only)</u>		
<u>Tonnes of CO<sub>2</sub>e per pupil</u>	<u>0.244</u>	<u>0.225</u>
<u>Tonnes of CO<sub>2</sub>e per square meter floor area</u>	<u>0.038</u>	<u>0.035</u>
<b><u>Voluntary requirements:</u></b>		
<u>Scope 1</u>		
<u>Generated electricity from on-site renewable sources</u>	<u>0.0</u>	<u>0.0</u>
<b><u>Total gross emissions (voluntary)</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>
<b><u>Total gross emissions (mandatory &amp; voluntary)</u></b>	<b><u>1,535.2</u></b>	<b><u>1,417.9</u></b>

**Intensity ratio**

Two intensity ratios are reported showing emissions (tCO<sub>2</sub>e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Streamlined energy and carbon reporting (SECR) (continued)**

**Energy efficiency action during current financial year**

The Trust is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- LED lighting replacements and upgrades have been installed in various sites within this reporting period. (Allenton Community Primary School, Brocklewood Primary and Nursery School, Highbank Primary, Pear Tree Community Junior School, Robert Shaw Primary School, Rosslyn Park Primary, Whitegate Primary School and Zaytouna Primary School).
- There have been boiler and radiator replacements at Allenton Community Primary School and Robert Shaw Primary School
- There have also been roofing works at Brocklewood Primary and Nursery School, Burford Primary and Nursery School and Zaytouna Primary School to improve insulation.
- Replacement windows with double glazing have also been installed to improve insulation at Brocklewood Primary and Nursery School, Burford Primary and Nursery School, Bulwell St Mary's Primary and Nursery School, and Robert Shaw Primary School.
- Replacement doors have also been put in to improve insulation at Robert Shaw Primary School, South Wilford Endowed Primary, Whitegate Primary School and William Booth Primary and Nursery.

**Plans for future periods**

There are currently a number of Local Authority schools who are interested in joining the Trust and significant growth is expected in 2022/23. Brierley Forest has already joined the Trust and 4 additional schools could join by the end of the financial year.

**Funds held as custodian on behalf of others**

The Academy Trust does not currently hold any funds on behalf of others.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 16, 2022 and signed on its behalf by:

  
P N Munro (Dec 16, 2022 17:30 GMT)

.....  
**P Munro**  
Chair

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The board of trustees has delegated the day to day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management, and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Transform 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 9 times during the year, with 6 Board meetings and 3 Strategy Days. Attendance during the year at Board meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Munro, (Chair)	5	6
R Meredith CBE, (Accounting Officer)	6	6
R Periam	5	6
Prof T Greany	5	6
Prof Q Gu (resigned 31 December 2021)	2	2
J Luxton (resigned 31 December 2021)	1	2
Dame S Jowett	5	6
D Jones	5	6
G Savidge	3	6
S Dennis (appointed 1 January 2022)	2	5
R Shaffi (appointed 14 February 2022)	2	3
M Butler MInstLM (appointed 1 May 2022)	2	2

Peter Munro has been elected to continue as Chair of Trust Board with effect from 1st September 2021. Dennis Jones was elected to the Board once again by fellow Chairs of Governors. Sam Dennis, Rukia Shaffi and Mike Butler were appointed to the Board during the year. Dr Catherine Gipton has joined the Board since the year end. Overall, the number of Trustees on the Board has been increased to 11 (10 at the year end).

A self-evaluation of the Trust Board was conducted in the autumn term of 2021 following the resignations of Prof Q Gu and J Luxton. A HR practitioner M Butler was appointed as a result of J Luxton's resignation to ensure a HR specialist is retained on the Board. No further skills gaps were identified.

**Conflicts of Interest**

Transform Trust maintains a Register of Interests which is available on the Trust website, and within the pen portraits of each Trustee. Local Governors and Executive Team members are also included within this protocol. At the beginning of every Trust Board or Local Governing Body meeting, declarations of interest are sought and logged in every set of Board and Governing Body minutes.

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**TRANSFORM TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**Governance review**

Directors conduct a continual review of governance across the Trust, both at Trustee and Local Governing Body level. At Trustee level, following the 2 resignations suitably experienced Trustees were sought and appointed.

The Chief Operating Officer attends all Board Meetings and reports in as a standing agenda item on Governance, Safeguarding and Data Protection. The Trust Scheme of Delegation is reviewed annually by Trustees in September.

The **Audit and Finance Committee** is a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Trust's finance, risk management and internal control framework.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Periam	3	4
Prof T Greany	4	4
D Jones	3	4
G Savidge	2	4

The **Performance Board Committee** is a sub committee of the main Board of Trustees. Its purpose is to examine in more detail the education performance of schools within the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Munro	1	1
R Meredith CBE	3	3
Prof T Greany	3	3
Prof Q Gu (resigned 31 December 2021)	1	1
Dame S Jowett (Chair)	2	3
S Dennis	2	2
R Shaffi	1	2

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**TRANSFORM TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The **HR Committee** is a sub committee of the main Board of Trustees. Its purpose is to maintain oversight for all staffing matters including policies and procedures, national pay awards, staff welfare, employment law implications and HR compliance.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Munro (Chair)	1	1
R Meredith CBE (Accounting Officer)	2	3
R Periam	3	3
J Luxton (resigned 31 December 2021)	1	1
M Butler (appointed 1 May 2022)	1	1

The **Pay Committee** is a sub-committee of the main Board of Trustees. Its purposes is to review pay recommendations and meets once a year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Munro (Chair)	2	2
S Jowett	1	2
R Periam	1	1
J Luxton (resigned 31 December 2021)	1	2
T Greany	1	1

**Review of value for money**

As Accounting Officer the Chief Executive 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 available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Centralise digital support and infrastructure for the substantial digital investment in classrooms – has included training sessions for Trustees, Headteachers and Chairs of Governors.
- Centralised Crisis media training for all Headteachers, Executive and Trustees – arranged to derive maximum value for money.
- Use of strategic partners to maximise scale and minimise costs – includes Supply Staff, IT Support, IT Infrastructure, Estates.
- Use of TCaF grant finance to fund specific capacity challenges at Trust Centre ahead of school growth.

**GOVERNANCE STATEMENT (CONTINUED)**

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

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

**Capacity to handle risk**

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

**The risk and control framework**

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

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

The Board of Trustees has considered the need for internal scrutiny and this was performed by an external suitably qualified firm, SAAF Education. A review of the systems of internal control and compliance with the Academy Trust Handbook is conducted termly. Reports are considered by the Audit & Finance Committee.

The internal scrutineer's role includes giving advice on financial matters and performing a range of checks on Trust financial systems. Actions are agreed to remediate and further improve the internal control framework as a result.

The programme of Internal Scrutiny fully delivered the scope of works set out by the Audit & Finance Committee.

There were no material control or other issues reported by the designated internal scrutineer during the year.

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**TRANSFORM TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework;
- correspondence from ESFA e.g. FNTI/NtI and 'minded to' letters.


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

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

  
P N Munro (Dec 16, 2022 17:30 GMT)

.....  
**P Munro**  
Chair

Date: Dec 16, 2022

  
R. Meredith (Dec 16, 2022 09:26 GMT)

.....  
**R Meredith CBE**  
Accounting Officer

Date: Dec 16, 2022

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**TRANSFORM TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Transform Trust I have considered my responsibility to notify the 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 Academy Trust Handbook 2021.

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

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

  
R. Meredith (Dec 16, 2022 09:26 GMT)

.....  
**R Meredith CBE**  
Accounting Officer

Date: Dec 16, 2022



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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

  
P N Munro (Dec 16, 2022 17:30 GMT)

.....  
**P Munro**  
Chair

Date: Dec 16, 2022

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**TRANSFORM TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRANSFORM TRUST**

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**Opinion**

We have audited the financial statements of Transform Trust ("the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities (incorporating income and expenditure account), the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**TRANSFORM TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRANSFORM TRUST**

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**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

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

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

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

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

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

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

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRANSFORM TRUST**

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**Responsibilities of Trustees'**

As explained more fully in the Trustees' responsibilities statement set out on page 23, the Trustees (who are also the directors 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

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**TRANSFORM TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TRANSFORM TRUST**

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**Auditor's responsibilities for the audit of the financial statements (continued)**

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

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

  
David Hoose (Dec 16, 2022 17:37 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: Dec 16, 2022

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

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In accordance with the terms of our engagement letter dated 28 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Transform Trust during the year 1 September 2021 to 31 August 2022 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 Transform Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Transform Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Transform Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Transform Trust's Accounting Officer and the Reporting Accountant**

The accounting officer is responsible, under the requirements of Transform Trust's funding agreement with the Secretary of State for Education dated 29 May 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
Mazars LLP (Dec 16, 2022 17:38 GMT)

**Mazars LLP**  
Chartered Accountants  
Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: Dec 16, 2022

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer on conversion from local authority	3	-	-	-	-	3,768
Other donations and capital grants		99	-	1,716	1,815	2,081
Other trading activities	5	415	7	-	422	361
Investment income	6	1	-	-	1	1
Charitable activities	4	629	39,462	-	40,091	38,274
<b>Total income</b>		<b>1,144</b>	<b>39,469</b>	<b>1,716</b>	<b>42,329</b>	<b>44,485</b>
<b>Expenditure on:</b>						
Raising funds	7	322	-	-	322	286
Charitable activities	8	778	43,313	2,834	46,925	42,687
<b>Total expenditure</b>		<b>1,100</b>	<b>43,313</b>	<b>2,834</b>	<b>47,247</b>	<b>42,973</b>
<b>Net income</b>		<b>44</b>	<b>(3,844)</b>	<b>(1,118)</b>	<b>(4,918)</b>	<b>1,512</b>



**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
<b>Net income brought forward</b>		44	(3,844)	(1,118)	(4,918)	1,512
Transfers between funds	18	-	(929)	929	-	-
<b>Net movement in funds before other recognised losses</b>		44	(4,773)	(189)	(4,918)	1,512
<b>Other recognised losses:</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	30,915	-	30,915	(4,939)
<b>Net movement in funds</b>		44	26,142	(189)	25,997	(3,427)
<b>Reconciliation of funds:</b>						
Total funds brought forward		4,651	(31,961)	69,351	42,041	45,468
Net movement in funds		44	26,142	(189)	25,997	(3,427)
<b>Total funds carried forward</b>		4,695	(5,819)	69,162	68,038	42,041

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08320065**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	14	68,781	69,004
		<u>68,781</u>	<u>69,004</u>
<b>Current assets</b>			
Stocks	15	93	28
Debtors	16	2,049	1,435
Cash at bank and in hand	22	6,757	7,842
		<u>8,899</u>	<u>9,305</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	17	(3,019)	(2,800)
		<u>5,880</u>	<u>6,505</u>
<b>Net current assets</b>		5,880	6,505
		<u>74,661</u>	<u>75,509</u>
<b>Net assets excluding pension liability</b>		74,661	75,509
Defined benefit pension scheme liability	25	(6,623)	(33,468)
		<u>68,038</u>	<u>42,041</u>
<b>Total net assets</b>		<u>68,038</u>	<u>42,041</u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	69,162	69,351
Restricted income funds	18	804	1,507
		<u>69,966</u>	<u>70,858</u>
Restricted funds excluding pension liability	18	69,966	70,858
Pension reserve	18	(6,623)	(33,468)
		<u>63,343</u>	<u>37,390</u>
<b>Total restricted funds</b>	18	63,343	37,390
Unrestricted income funds	18	4,695	4,651
		<u>68,038</u>	<u>42,041</u>
<b>Total funds</b>		<u>68,038</u>	<u>42,041</u>

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08320065**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

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The financial statements on pages 30 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

*P N Munro*  
P N Munro (Dec 16, 2022 17:30 GMT)

.....  
**P Munro**  
Chair

Date: Dec 16, 2022

The notes on pages 35 to 67 form part of these financial statements.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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	<b>Note</b>	<b>2022 £000</b>	<b>2021 £000</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	<b>20</b>	(824)	1,027
<b>Cash flows (used in)/provided by investing activities</b>	<b>21</b>	(261)	176
<b>Change in cash and cash equivalents in the year</b>		(1,085)	1,203
Cash and cash equivalents at the beginning of the year		7,842	6,639
<b>Cash and cash equivalents at the end of the year</b>	<b>22, 23</b>	<u>6,757</u>	<u>7,842</u>

The notes on pages 35 to 67 form part of these financial statements.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by the ESFA, the Charities Act 2011 and 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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 2022**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the 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 each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Land and buildings	- 50 years
Fixtures, fittings & equipment	- 5 years
Computer equipment	- 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.



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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

At 31 August 2022 the Trust holds properties under 125-year leases from NCC and Derby City Council. These properties are included at their depreciated replacement cost at the date of conversion to academy status.

Land adjacent to Bulwell St Mary's Primary and Nursery school, which is being used as playing fields, is held on a 125-year lease from NCC and therefore has been recognised in long leasehold land and buildings.

The freehold of the properties at Sneinton St Stephen's Church of England Primary School and Bulwell St Mary's Primary and Nursery School is held by the Diocese of Southwell and Nottingham. The properties are occupied by the Trust's schools in accordance with the terms of Church Supplemental Agreements, dates 23 December 2014 and 28 July 2016 respectively, between the Trust, the Secretary of State for education and the Diocese of Southwell and Nottingham,

The Diocese of Southwell and Nottingham own all the legal title of the land and freehold where the Academies are situated, there is no formal lease in place and the Diocese do not charge any rent for the use of the property. The Academy Trust has a licence concluded that the trust does not have control over the premises. The guidance provided in the Academies Accounts Direction states that, such assets should not be recognised in the financial statements. This guidance has been followed and, therefore, the properties have not been recognised on the Trust's Balance Sheet.

Land and buildings includes land valued at £12,112k (2021 - £12,112k) which is not subject to depreciation.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 Liabilities**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.9 Financial instruments**

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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 Trust's wholly owned subsidiary are held at face value less any impairment.

**1.10 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.11 Pensions**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/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.

**1.12 Fund accounting**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

At two of the trust's academies, the charitable company occupies the buildings under a Church Supplemental Agreement which includes a two year break clause, thus judgement has been applied in determining that these buildings should not be recognised on the Balance Sheet.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**3. Income from donations and capital grants**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Restricted fixed asset funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
Transfer on conversion from local authority	-	-	-	-	3,768
Donations	99	-	-	99	171
Donated fixed assets	-	-	67	67	-
Capital grants	-	-	1,649	1,649	1,910
<b>Total 2022</b>	<b>99</b>	<b>-</b>	<b>1,716</b>	<b>1,815</b>	<b>5,849</b>
<b>Total 2021</b>	<b>179</b>	<b>(110)</b>	<b>5,780</b>	<b>5,849</b>	

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	30,514	30,514	28,812
Other DfE/ESFA grants				
Pupil Premium	-	3,326	3,326	3,163
UFSM	-	664	664	602
Teachers' Pay and Pension Grants	-	86	86	1,232
Others	-	1,576	1,576	372
	-	36,166	36,166	34,181
<b>Other Government grants</b>				
Local authority grants	-	3,085	3,085	3,108
<b>Other income from the Academy Trust's educational operations</b>	629	211	840	450
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	-	-	504
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Other Coronavirus Funding	-	-	-	31
<b>Total 2022</b>	<b>629</b>	<b>39,462</b>	<b>40,091</b>	<b>38,274</b>
<b>Total 2021</b>	<b>425</b>	<b>37,849</b>	<b>38,274</b>	

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**5. Income from other trading activities**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
Hire of facilities	29	-	29	13
Income from other charitable activities	177	7	184	201
Income from ancillary trading activities	209	-	209	147
<b>Total 2022</b>	<b>415</b>	<b>7</b>	<b>422</b>	<b>361</b>
<b>Total 2021</b>	<b>355</b>	<b>6</b>	<b>361</b>	

**6. Investment income**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
Short term deposits	1	1	1
<b>Total 2021</b>	<b>1</b>	<b>1</b>	

**TRANSFORM TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**7. Expenditure**

	<b>Staff Costs 2022 £000</b>	<b>Premises 2022 £000</b>	<b>Other 2022 £000</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
Expenditure on raising funds:					
Allocated support costs	160	-	162	322	286
Academy Trust's educational operations:					
Direct costs	26,363	-	2,552	28,915	27,031
Allocated support costs	10,296	2,411	5,303	18,010	15,656
<b>Total 2022</b>	<b>36,819</b>	<b>2,411</b>	<b>8,017</b>	<b>47,247</b>	<b>42,973</b>
<b>Total 2021</b>	<b>34,584</b>	<b>1,792</b>	<b>6,597</b>	<b>42,973</b>	

**8. Charitable activities**

	<b>2022 £000</b>	<b>2021 £000</b>
Direct costs - educational operations	28,915	27,031
Support costs - educational operations	18,010	15,656
	<b>46,925</b>	<b>42,687</b>

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Analysis of support costs</b>		
Staff costs	10,296	8,870
Depreciation	2,201	1,949
Technology costs	121	676
Premises costs	2,411	1,793
Legal costs - conversion	-	2
Legal costs - other	10	6
Other support costs	2,617	2,065
Governance costs	354	295
	<b>18,010</b>	<b>15,656</b>



**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**9. Net income**

Net income for the year includes:

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Operating lease rentals	41	63
Depreciation of tangible fixed assets	2,201	1,949
Fees paid to auditor for:		
- audit	26	22
- other services	18	8
	<u>          </u>	<u>          </u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Wages and salaries	23,549	23,249
Social security costs	2,286	2,179
Pension costs	9,109	7,899
	<u>34,944</u>	<u>33,327</u>
Agency staff costs	1,571	1,038
Staff restructuring costs	125	62
Staff Development and other staff costs	179	157
	<u>36,819</u>	<u>34,584</u>

Staff restructuring costs comprise:

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Redundancy payments	-	3
Severance payments	125	60
	<u>125</u>	<u>63</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £56k (2021 - £37k). Individually, the payments are £1,753, £5,217, £12,935, £15,400 and £21,180.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**10. Staff (continued)**

**b. Severance payments**

The Academy Trust paid 5 severance payments in the year (2021 - 6), disclosed in the following bands:

	<b>2022 No.</b>	<b>2021 No.</b>
£0 - £25,000	3	6
£25,001 - £50,000	2	-
	<hr/>	<hr/>

**c. Staff numbers**

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

	<b>2022 No.</b>	<b>2021 No.</b>
Teachers	328	354
Administration and support	677	694
Management	23	22
	<hr/>	<hr/>
	1,028	1,070
	<hr/>	<hr/>

**d. Higher paid staff**

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

	<b>2022 No.</b>	<b>2021 No.</b>
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	6	8
In the band £80,001 - £90,000	7	6
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	1
In the band £130,001 - £140,000	1	1
	<hr/>	<hr/>

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £2,310k (2021 - £2,358k).

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**11. Central services**

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

- Financial services
- Legal services
- Educational support services
- HR services

The Academy Trust charges for these services on the following basis:

A flat percentage of income (5%) on certain income streams.

The actual amounts charged during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Sneinton St Stephen's CoE Primary School	67	66
Edale Rise Primary and Nursery School	76	76
Highbank Primary School	80	79
Brocklewood Primary School	162	159
Rosslyn Park Primary School	208	204
Allenton Community Primary School	111	112
Bulwell St Mary's CoE Primary School	73	78
Burford Primary and Nursery School	66	66
William Booth Primary and Nursery School	74	73
Robert Shaw Primary and Nursery School	104	106
Whitegate Primary and Nursery School	114	112
Pear Tree Community Junior School	112	108
Breadsall Hill Top Primary School	106	99
South Wilford Endowed CoE Primary School	86	83
Parkdale Primary School	105	93
Zaytouna Primary School	104	85
Lawn Primary School	101	94
Ravensdale Primary School	86	80
Ashbrook Junior School	41	44
<b>Total</b>	<b>1,876</b>	<b>1,817</b>

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
R Meredith CBE, CEO and Accounting Officer Remuneration	135 - 140	135 - 140
Pension contributions paid	30 - 35	30 - 35

During the period ended 31 August 2022, travel and subsistence expenses totalling £89 were reimbursed or paid directly to 1 Trustee (2021 - £840 to 1 Trustees).

**13. Trustees' and Officers' insurance**

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

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**14. Tangible fixed assets**

	<b>Land and buildings £000</b>	<b>Furniture, fittings &amp; equipment £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 September 2021	71,833	2,037	2,260	76,130
Additions	1,162	377	439	1,978
At 31 August 2022	72,995	2,414	2,699	78,108
<b>Depreciation</b>				
At 1 September 2021	4,789	1,066	1,271	7,126
Charge for the year	1,242	371	588	2,201
At 31 August 2022	6,031	1,437	1,859	9,327
<b>Net book value</b>				
At 31 August 2022	66,964	977	840	68,781
At 31 August 2021	67,044	971	989	69,004

**15. Stocks**

	<b>2022 £000</b>	<b>2021 £000</b>
Stock	93	28

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**16. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Due within one year</b>		
Trade debtors	10	8
Amounts owed by group undertakings	160	117
VAT recoverable	554	158
Other debtors	13	10
Prepayments and accrued income	1,312	1,142
	<u>2,049</u>	<u>1,435</u>

**17. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	312	295
Other creditors	6	124
Accruals and deferred income	2,701	2,381
	<u>3,019</u>	<u>2,800</u>

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September	1,355	972
Resources deferred during the year	1,561	1,355
Amounts released from previous periods	(1,355)	(972)
<b>Deferred income at 31 August</b>	<u>1,561</u>	<u>1,355</u>

Deferred income includes the following:

£Nil (2021 - £12k) KS1 Top Up Funding  
£28k (2021 - £Nil) Rates Relief  
£326k (2021 - £436k) UIFSM  
£569k (2021 - £193k) SEN Funding  
£Nil (2021 - £356k) HLN  
£397k (2021 - £270k) Early Years  
£8k (2021 - £72k) PE & Sport unused  
£227k (2021 - £12k) Other  
£6k (2021 - £4k) Trips Income

**TRANSFORM TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**18. Statement of funds**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Unrestricted funds</b>						
General Funds	4,651	1,144	(1,100)	-	-	4,695
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,507	30,514	(30,288)	(929)	-	804
Pupil Premium	-	3,326	(3,326)	-	-	-
UIFSM	-	664	(664)	-	-	-
Teachers' Pay and Pension Grant	-	86	(86)	-	-	-
Other Grants	-	4,879	(4,879)	-	-	-
Pension reserve	(33,468)	-	(4,070)	-	30,915	(6,623)
	(31,961)	39,469	(43,313)	(929)	30,915	(5,819)
<b>Restricted fixed asset funds</b>						
Transfer on conversion	64,365	-	(1,481)	929	-	63,813
DfE/ESFA capital grants	4,986	1,716	(1,353)	-	-	5,349
	69,351	1,716	(2,834)	929	-	69,162
<b>Total Restricted funds</b>	37,390	41,185	(46,147)	-	30,915	63,343
<b>Total funds</b>	42,041	42,329	(47,247)	-	30,915	68,038

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**18. Statement of funds (continued)**

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the Academy Trust;
- Pension reserve represents the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Transfers relate to revenue funds used for capital expenditure.

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



**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**18. Statement of funds (continued)**

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Funds	4,353	960	(662)	-	-	4,651
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,251	28,812	(28,213)	(343)	-	1,507
Pupil Premium	-	3,163	(3,163)	-	-	-
UIFSM	-	602	(602)	-	-	-
Teachers' Pay and Pension Grant	-	1,232	(1,232)	-	-	-
Covid Catch Up Premium	-	504	(504)	-	-	-
Other Grants	-	3,673	(3,673)	-	-	-
Pension reserve	(25,345)	(242)	(2,942)	-	(4,939)	(33,468)
	(24,094)	37,744	(40,329)	(343)	(4,939)	(31,961)
<b>Restricted fixed asset funds</b>						
Transfer on conversion	61,633	3,870	(1,481)	343	-	64,365
DfE/ESFA capital grants	3,576	1,910	(500)	-	-	4,986
	65,209	5,780	(1,981)	343	-	69,351
<b>Total Restricted funds</b>	41,115	43,524	(42,310)	-	(4,939)	37,390
<b>Total funds</b>	45,468	44,484	(42,972)	-	(4,939)	42,041

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Sneinton St Stephen's CoE Primary School	211	289
Edale Rise Primary and Nursery School	220	209
Highbank Primary School	136	156
Brocklewood Primary School	149	254
Rosslyn Park Primary School	400	329
Allenton Community Primary School	546	500
Bulwell St Mary's CoE Primary School	323	371
Burford Primary and Nursery School	107	114
William Booth Primary and Nursery School	126	154
Robert Shaw Primary and Nursery School	133	129
Whitegate Primary and Nursery School	507	705
Pear Tree Community Junior School	210	215
Breadsall Hill Top Primary School	195	118
South Wilford Endowed CoE Primary School	308	299
Parkdale Primary School	361	311
Zaytouna Primary School	191	245
Lawn Primary School	78	133
Ravensdale Junior School	151	228
Ashbrook Junior School	167	174
Transform Trust	980	1,225
Total before fixed asset funds and pension reserve	5,499	6,158
Restricted fixed asset fund	69,162	69,351
Pension reserve	(6,623)	(33,468)
<b>Total</b>	<b>68,038</b>	<b>42,041</b>

**TRANSFORM TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**18. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Sneinton St. Stephen's	1,017	144	74	229	1,464	1,313
Edale Rise	1,073	138	68	235	1,514	1,486
Highbank	1,101	273	61	165	1,600	1,558
Brocklewood	2,321	437	186	1,025	3,969	3,064
Rosslyn Park	2,706	617	232	461	4,016	3,929
Allenton	1,477	301	80	244	2,102	2,119
Bulwell St Mary's	1,036	206	47	227	1,516	1,510
Burford	842	182	80	215	1,319	1,279
William Booth	972	193	119	249	1,533	1,388
Robert Shaw	1,493	248	59	318	2,118	2,101
Whitegate	1,620	377	134	235	2,366	2,158
Pear Tree	1,445	251	120	287	2,103	2,036
Breadsall Hill Top	1,476	267	59	202	2,004	1,889
South Wilford Endowed	1,320	155	97	268	1,840	1,746
Parkdale	1,390	172	122	329	2,013	1,791
Zaytouna	1,342	287	153	326	2,108	1,723
Lawn	1,371	387	119	252	2,129	1,877
Ravensdale	1,089	400	95	188	1,772	1,606
Ashbrook	575	118	49	156	898	875
Transform Trust	858	5,142	44	618	6,662	5,576
<b>Academy Trust</b>	<b>26,524</b>	<b>10,295</b>	<b>1,998</b>	<b>6,229</b>	<b>45,046</b>	<b>41,024</b>

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**19. Analysis of net assets between funds**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	68,781	68,781
Current assets	4,695	3,823	381	8,899
Creditors due within one year	-	(3,019)	-	(3,019)
Provisions for liabilities and charges	-	(6,623)	-	(6,623)
<b>Total</b>	<b>4,695</b>	<b>(5,819)</b>	<b>69,162</b>	<b>68,038</b>

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

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	69,004	69,004
Current assets	4,651	4,307	347	9,305
Creditors due within one year	-	(2,800)	-	(2,800)
Provisions for liabilities and charges	-	(33,468)	-	(33,468)
<b>Total</b>	<b>4,651</b>	<b>(31,961)</b>	<b>69,351</b>	<b>42,041</b>

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(4,918)	1,512
<b>Adjustments for:</b>		
Depreciation charges	2,201	1,949
Transfer on conversion	-	(3,768)
Interest receivable	(1)	(1)
(Increase)/decrease in stock	(65)	36
(Increase)/decrease in debtors	(614)	53
Increase in creditors	219	214
Capital grants from DfE and other capital income	(1,649)	(1,910)
Defined benefit pension scheme cost less contributions payable	3,513	2,524
Defined benefit pension scheme finance cost	557	418
Donated fixed assets	(67)	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(824)</b>	<b>1,027</b>

**21. Cash flows from investing activities**

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Interest received	1	1
Purchase of tangible assets	(1,911)	(1,875)
Capital grants from DfE Group	1,649	1,910
Cash transferred on conversion from local authority	-	140
<b>Net cash (used in)/provided by investing activities</b>	<b>(261)</b>	<b>176</b>

**22. Analysis of cash and cash equivalents**

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Cash in hand and at bank	6,757	7,842

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**23. Analysis of changes in net debt**

	<b>At 1 September 2021 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2022 £000</b>
Cash at bank and in hand	7,842	(1,085)	6,757

**24. Capital commitments**

	<b>2022 £000</b>	<b>2021 £000</b>
Contracted for but not provided in these financial statements	-	319

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**25. Pension commitments**

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

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

Contributions amounting to £4k were payable to the schemes at 31 August 2022 (2021 - £Nil) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £3,010k (2021 - £3,068k).

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

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

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**25. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £2,447k (2021 - £2,459k), of which employer's contributions totalled £1,906k (2021 - £1,917k) and employees' contributions totalled £541k (2021 - £542k). The agreed contribution rates for future years are 18% per cent for employers and 5.5% to 7.5% per cent 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.

**CPI assumption**

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 August 2022. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 August. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

**Principal actuarial assumptions**

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Discount rate for scheme liabilities	4.25	1.65
Rate of increase in salaries	3.75 - 3.90	3.60 - 3.85
Rate of increase for pensions in payment / inflation	2.90 - 3.05	2.85 - 2.90
Inflation assumption (CPI)	2.90 - 3.05	2.85 - 2.90

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

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
Males	21.1 - 21.7	21.3 - 21.6
Females	23.8 - 24.4	23.9 - 24.3
Retiring in 20 years		
Males	22.2 - 23.0	22.5 - 22.9
Females	25.6 - 25.8	25.7 - 25.8



**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**25. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Discount rate -0.1%	858	1,577
Salary increase rate +0.1%	96	185
Pension increase rate +0.1% -	775	1,370
Mortality assumption - 1 year increase	996	2,270

**Share of scheme assets**

The Academy Trust's share of the assets in the scheme was:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Equities	15,748	15,457
Gilts	427	548
Other bonds	2,853	2,679
Property	3,317	2,211
Cash	1,266	1,036
Other	2,164	1,870
<b>Total market value of assets</b>	<b>25,775</b>	<b>23,801</b>

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Current service cost	(5,411)	(4,433)
Interest income	416	336
Interest cost	(973)	(754)
Administrative expenses	(8)	(8)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(5,976)</b>	<b>(4,859)</b>

**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**25. Pension commitments (continued)**

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

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
<b>At 1 September</b>	57,269	44,018
Transfer on conversion	-	556
Current service cost	5,411	4,433
Interest cost	973	754
Employee contributions	541	542
Actuarial (gains)/losses	(31,559)	7,341
Benefits paid	(237)	(375)
<b>At 31 August</b>	<b>32,398</b>	<b>57,269</b>

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

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
<b>At 1 September</b>	23,801	18,673
Transfer on conversion	-	314
Interest income	416	336
Actuarial (losses)/gains	(644)	2,402
Employer contributions	1,906	1,917
Employee contributions	541	542
Benefits paid	(237)	(375)
Administrative expenses	(8)	(8)
<b>At 31 August</b>	<b>25,775</b>	<b>23,801</b>

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**26. Operating lease commitments**

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	43	36
Later than 1 year and not later than 5 years	172	-
Later than 5 years	32	-
	<hr/>	<hr/>
	247	36
	<hr/>	<hr/>

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**28. Related party transactions**

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

Expenditure Related Party Transactions

**TT Support Services Limited ("TTSS")**

TTSS is wholly owned by the Trust. It provides membership and staff training and advice to the educational sector. The Trust purchased services costing £7k (2021 - £58k) from TTSS and made recharged costs of £157k (2021 - £119k) from TTSS. The balance owed from TTSS to the Trust at 31 August 2022 was £160k (2021 - £117k).

**Inspiring Leaders Limited**

A member of the senior management team, R Meredith CBE, was a Director in Inspiring Leaders Limited during the year, a company limited by guarantee. During the period, the Trust purchased services from Inspiring Leaders Limited amounting to £Nil (2021 - £15k). The balance owed to Inspiring Leaders Limited at 31st August 2022 was £Nil (2021 - £Nil).

Income Related Party Transactions

**Inspiring Leaders Limited**

A member of the senior management team, R Meredith CBE, was a director in Inspiring Leaders Limited during the year, a company limited by guarantee. During the period, the Trust received income from Inspiring Leaders Limited amounting to £Nil (2021 - £3k). The balance owed from Inspiring Leaders Limited at 31st August 2022 was £Nil (2021 - £Nil).

The transactions disclosed above have been conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy Trusts financial regulations and procurement procedures.

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**TRANSFORM TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**29. Principal subsidiaries**

**TT Support Services Limited**

Subsidiary name	TT Support Services Limited
Company registration number	08413480
Basis of control	100% owned subsidiary
Total assets as at 31 August 2022	£166k
Total liabilities as at 31 August 2022	(£165k)
Total equity as at 31 August 2022	£1k
Turnover for the year ended 31 August 2022	£157k
Expenditure for the year ended 31 August 2022	(£157k)
Profit for the year ended 31 August 2022	£Nil

**30. Post balance sheet events**

Brierley Forest Primary & Nursery School has formally joined the Trust on 1 October 2022.