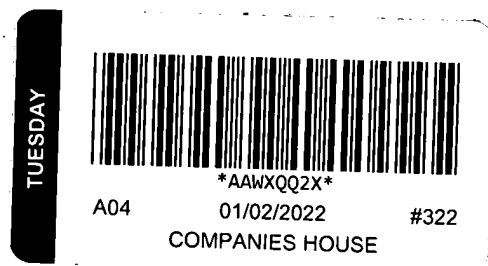


Company Registration Number: 10038640 (England and Wales)

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

| | Page |
|---|----------------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 |
| Statement of Trustees' responsibilities | 17 |
| Independent auditors' report on the financial statements | 18 - 21 |
| Independent reporting accountant's report on regularity | 22 - 23 |
| Statement of financial activities incorporating income and expenditure account | 24 |
| Balance sheet | 25 |
| Statement of cash flows | 26 |
| Notes to the financial statements | 27 - 57 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|----------------------------------|--|
| Members | Ms Becca Mattingley (appointed 26 January 2021) Mrs Joan Watkins Ms Judith Goodchild (resigned 18 August 2021) Mr Martin O'Sullivan (appointed 7 September 2021) Mr Paul Winterton Mr Nicholas Greenhalgh (appointed 26 January 2021) |
| Trustees | Dr Clive Grace OBE, Chair (appointed 13 November 2020) Ms Carole Burgoyne MBE, Co-Chair (appointed 13 November 2020) ^{1,3,4} |
| Trustees | Mr Peter Cubbon, Trustee (resigned 2 October 2021) ¹ Dr Karen Deeny, Co-Chair ^{2,3,4} Ms Geraldine Herage, Trustee (appointed 13 November 2020) ^{2,4} Mr Peter McDonnell, Trustee ^{1,2} Mr Graham Oliver, Trustee (appointed 13 November 2020) ¹ Mr Denis Parsons, Acting Chair (resigned 31 May 2021) Dr Tim Searle, Trustee ² Mr Timothy Thexton, Trustee ^{1,3} ¹ Finance & Audit Committee ² Education & Outcomes Committee ³ Remuneration Committee ⁴ Safeguarding and Wellbeing Committee |
| Company registered number | 10038640 |
| Company name | Transforming Futures Multi Academy Trust Limited |
| Registered office | PHP Law 6 Delamore Park Cornwood Ivybridge Plymouth PL21 9QP |
| Chief executive officer | Mr Gavin Gracie |
| Senior management team | Mr Gavin Gracie, CEO & Accounting Officer Mrs Diane Dimond, CFO (appointed 12/10/2020, resigned 30/09/2021) Mrs Josie Medforth, COO & CFO (appointed 01/10/2021) Mr Matt Bindon, Headteacher ACE Schools Mr Lee Earnshaw, Headteacher Courtlands Special School Mrs Hannah Smart, Headteacher ACE Tiverton |
| Bankers | Lloyds Bank PLC 37 Ridgeway Plympton Plymouth PL7 2AP |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

| | |
|-------------------|---|
| Solicitors | PHP Law 6 Delamore Park Cornwood Ivybridge Plymouth PL21 9QP |
|-------------------|---|

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates:

- a primary special SEMH academy, Courtlands for pupils aged 4 to 11 in Plymouth.
- a special SEMH academy, Ace Tiverton Special School for pupils aged 12 to 16 in Tiverton.
- alternative provision academy with PRU for pupils aged 12 to 16 in Plymouth, Hospital, s19 and WRAP provision in for pupils aged 4 to 19 in Plymouth and specialist provision in Cornwall, Plymouth and Exeter for pupils aged 4 to 19.

Its academies have a combined pupil capacity of 434 and had a roll of 353 in the school census on January 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Transforming Futures Multi Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Transforming Futures Multi Academy Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover Trustee liability, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The indemnity is unlimited.

Method of recruitment and appointment or election of Trustees

The Board considers the skills, experience, and different perspectives of potential new Trustees. The Board also undertakes an annual assessment to identify whether further Trustees with specific skills, or further individual training are required. Potential Trustees are recommended to Members for appointment. Trustees are appointed for a four-year term. Trustees may be re-appointed subject to remaining eligible by criteria.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but always includes a tour of the Academies and a chance to meet staff and pupils. This has been done virtually in the current year due to Covid restrictions. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

ORGANISATIONAL STRUCTURE

During the year, the Trust operated through the following structures:

- Members, who appoint and hold the Board to account
- Board of Trustees, who set the Trust strategy delegating delivery to the Trust Executive and holding them to account
- Executive Officers, responsible for delivering the Trust strategy

At academy level, the Trust previously took advice from Regional Clusters. Through lockdowns during the pandemic, it proved impossible for Cluster members to visit academies, and these fell away. The Trust is currently recruiting to Local Advisory Groups who will undertake the role previously fulfilled by the Clusters.

The organisational structure is based on a delegated authority framework which clearly defines the roles and responsibilities and encourages distributed leadership and involvement in decision making at all levels. Members have overall responsibility for the appointment and removal of Trustees and are signatories of the Articles of Association.

The Board are responsible and accountable for the Trust's performance together with its secure and sound financial management. Trustees work within the agreed ethos and values framework and are ultimately responsible for the financial performance of each academy. They also have responsibility for curriculum, staffing and facilities. The Board normally meets once each term. The Board establishes the overall framework for the Trust's governance, including delegating responsibility for various aspects to committees. Committee membership, terms of reference and procedures and advisory groups are reserved for the Board.

It receives reports including policies from its committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are four committees as follows:

- Finance and Audit Committee - meets each half term and is responsible for monitoring, evaluating and reviewing policy and performance of financial management, compliance with reporting and regulatory requirements and reporting. The committee receives reports from the Accounting Officer, internal and external audit. It also incorporates the role of an audit committee.
- Education and Outcomes Committee - meets at least each term to monitor, evaluate and review Academy curriculum planning and performance, communications, target setting and assessment, examinations and all pastoral issues.
- Safeguarding and Wellbeing Committee – meets at least termly reviewing all safeguarding policies and incidents, together with the Trusts obligations of duty of care to staff and students' wellbeing, including the pastoral care.
- Remuneration Committee - meets twice a year to set and approve employee benefits and salaries and review performance.

The following decisions are reserved to the Board:

- To consider any proposals for changes to the status or constitution of the Trust and its committee structure.
- To set the Trust strategic objectives.
- To appoint or remove the Chair and/or Vice Chairs.
- To appoint the CEO and Headteachers and Clerk to the Trustees.
- To approve the Annual Development Plan and budget.

The Board recommend the Annual Report for approval by members.

The Board devolve responsibility for day-to-day management of the Trust to the Chief Executive Officer and Executive Committee. The Executive Committee comprises the Chief Executive Officer, Head Teachers,

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

Chief Operating Officer and Chief Financial Officer. This Committee implements the policies laid down by the Trustees, reporting back to them on performance.

Trustees rely at a local level, on Local Advisory Groups to account and drive forward performance improvements, attainment, and progress in each operating site. Members are responsible for recommending an annual School Improvement Plan and monitoring policy implementation set by the Board.

The CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees and the Executive Committee comprise the key management personnel of the Academy in charge of directing and controlling, running, and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with national agreements.

The Trustees benchmark against pay levels in other Trusts of a similar size and against national agreements with unions. The benchmark is the mid-point of the range paid for similar roles adjusting for a weighting for any additional responsibilities.

Trade union facility time

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 2 | 2 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | - |
| 1%-50% | 2 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time

| | |
|---|-------------|
| Total cost of facility time | £1,250 |
| Total pay bill | £10,538,372 |
| The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100 | 0.012% |

Paid trade union activities

| | |
|--|------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100 | 100% |
|--|------|

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

Related Parties and other Connected Charities and Organisation

There are no related parties which either control or significantly influence the decisions and operations of Transforming Futures Multi Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials.
- Regular updates to all staff members, via briefings and newsletters, covering both financial and non-financial performance.
- Termly meetings with recognised Trade Union representatives.
- Regular meetings staff and their line managers.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing, and developing academies, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Transforming Futures Multi Academy Trust to provide free education and care for pupils of different abilities. The Academy's specialism is the provision of primary SEMH; secondary SEMH with particular emphasis on autism and operating a pupil referral unit together with teaching provision for s19 pupils, hospital pupils and others requiring specialist intensive teaching.

The aims of the Academy during the year ended 31 August 2021 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils through trauma-informed practice
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners
- to enhance the tertiary provision and outcomes.
- to develop the Trust sites and infrastructure to enable students to achieve their full potential.
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Trust's capacity to manage change, and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust aims to enable everyone to realise their full potential within a caring environment, celebrating success and achievement, while learning from mistakes and errors. We intend to enable each student to realise his or her full academic, creative, and physical potential and to develop positive social and moral values. The Trust is a community in which children, staff and parents should be part of a happy and caring environment.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

Objectives, Strategies and Activities

The objectives of the MAT are summarised as

- to improve the educational provision in all existing academies
- to strengthen the governance and internal controls of the Trust and academies.
- to engage positively with staff, commissioners, and regulators.

Key activities and targets were identified in the Trust Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- review of numeracy, literacy and ICT capability.
- review of staffing levels in the light of budgetary pressure.
- further development of the intranet to support administration and communication.
- development and embedding of key financial and administrative procedure.
- continued development of systems for tracking and monitoring pupil attainment.
- range of activities to promote community adhesion and support of other schools and charities activities.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in the United Kingdom. Without prejudice to the generality of the forgoing by establishing, maintaining, managing and developing academies, offering a broad curriculum with a strong emphasis on SEN, but in no way limited to the specialism of autism.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Covid pandemic continued to interrupt day-to day teaching through lockdowns and infections. The Trust was able to provide remote education to all pupils through a variety of IT packages and written work remaining open throughout. The academies operated through "bubbles", segregating pupils to mitigate infection. This was enormously draining for all staff. Their focus on the pupil's wellbeing and routines was exceptional with numerous examples of contact/teaching under extraordinary circumstances, including delivering food parcels to families.

Following extensive consultation, the Trust entered a contract with Delt Shared Services to outsource all the Central Services from May 2021. All Central Service staff transferred across to Delt. This has provided the Trust with service resilience and much improved productivity and system enhancement within a short timeframe. Improvements were exemplified by the successful CIF capital improvements at Courtlands, procured through Delt and delivered on time under cost over the summer break – a period when many other schools were unable to procure workmen.

Key Performance Indicators

Ace Tiverton Special School from opening in September 2019, numbers grew from 35 to 75 in September 2021, with commensurate increases in staffing. The Academy has consulted for the procurement of an adjacent site at the Haven Centre, to provide space to take a further 25 pupils and provide additional much needed outdoor space.

ACE Schools pupil numbers referred through the DAY 6 PRU were reduced during lockdowns but offset by the academy taking more high needs WRAP pupils on roll. This provision is proving unique across Devon and

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

Cornwall enabling pupils otherwise unable to access education to learn in safe supported and encouraging environments.

Courtlands continued to provide classroom teaching throughout the lockdowns at no little impact on staff. The continuous operation through bubbles was onerous and challenging for pupils and staff. It is to the staffs credit that the overall standards of learning and pupil progression were achieved.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it 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.

FINANCIAL REVIEW

Most of the Trust's income is obtained from ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2021 the Academy received total income of £13,000,467 and incurred total expenditure of £13,719,904. The excess of expenditure over income for the year was £719,437.

At 31 August 2021 the net book value of tangible fixed assets was £10,753,877 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 6 Sept 2019 at £4,540,606. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

Reserves Policy

Trustees target a minimum level of Free Reserves across the Trust that equate to one month's operating costs and it is expected that each school will generate and contribute to the central reserves to achieve this.

These Reserves are held to cover:

- cashflow and contingency requirements
- planned or anticipated future commitments to capital projects
- financial commitments made but not yet entered
- planned investment in educational initiatives and new projects to further the objectives of the Trust.

In the medium term, Trustees aspire to a level of Free Reserves across the Trust equivalent to two months' operating costs, approximately £2,240,000. Trustees will review the level of Free Reserves annually with reference to financial risk and need and the level may be amended accordingly. All Reserves are accountable at Trust level as the Trustees have the responsibility of securing the financial stability of the Trust as a whole. The value of free reserves at the year end was £461,613.

In accordance with the Academies Trust Handbook, Trustees have determined that Transforming Futures Trust will amalgamate Free Reserves, including GAG funding, for all its academies to form one central fund. This fund can be used to meet the normal running costs at any of the academies within the trust.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

All Trust Academies are included in pooling arrangements.

Items specifically excluded from pooling arrangements will include:

- PFI funding (where applicable)
- Grants and donations where conditions of funding are school specific (where applicable).

Capital funding secured (i.e. Devolved Formula Capital, Condition Improvement Fund) is held centrally and is separately managed in accordance with the approved Estates Strategy.

Transforming Futures Trust will consider the funding needs and allocations of each constituent academy, with an appeals process outlined within the policy. Each constituent academy receives a GAG allocation statement, other funding allocations and income remittance documentation that confirm funding figures.

During the budgeting process each year, each Academy Head and service leads prepare a budget, which is scrutinised by the Executive Team. The budgets will be reviewed alongside the various funding allocation documentation to ensure that the budgets set, are in line with pooling arrangements.

Where a constituent academy or service area generates an unbudgeted in-year deficit, the academy/service area will need to confirm to the Executive team how the unbudgeted revenue deficit arose (i.e., via unanticipated events or poor budget management). Where the Trust had not formally approved for a constituent academy to incur additional expenditure following the approval of the budget, the cause of the deficit will be examined by the Executive Team; and if required this will be dealt with through the Trust's performance management process. The constituent academy will normally be required to repay any unapproved in year deficit in the future year(s).

Where a constituent academy or service area generates an in-year surplus this will be pooled at the end of the year as part of Free Reserves.

Expenditure of Reserves can only be undertaken when agreed by the Trust and will take into account:

- the overall Reserves of the Trust
- the operational risks faced by the Trust
- the priority for school capital investment and maintenance plans across the Trust.

The Trust may also choose to identify some of the Reserves as Designated Reserves, which are being held for a specific purpose, such as a capital project. The Trust will decide when Designated Reserves will be spent and always retains the right to reallocate these Reserves depending upon the needs of the Trust overall.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of funding receipts, the Trust may at times hold cash balances surplus to its immediate short-term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised or used.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has reviewed the major risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety, and discipline.
- Financial - the Trust has considerable reliance on continued Government funding through the ESFA together with funding from Local Authorities. Circa 40% of the Trust's incoming resources were ESFA funded, 60% came from Local Authorities. Whilst this level is expected to continue, there is no assurance that Government nor Local authority policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. DfE is currently preparing a policy paper on SEN provision which is likely to impact on these areas as is the policy encouraging all school to academise. This later policy will require further statutory legislation to clarify the responsibilities of DfE and local authorities on funding.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Trust is dependent on continuing to achieve the highest educational standards and building individual strengths. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.
- Staffing - the success of the Trust is reliant upon the quality of its staff. Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - all finance staff receive training to keep them up to date with financial practice requirements and develop their skills.
- The Trust has agreed a Risk Management Strategy, a Risk Register, and a Risk Management Plan. These have been discussed by the Board and include the financial risks to the Trust. The register and plan are regularly reviewed by the Board and the Executive considering any new information and formally reviewed annually.
- The Trustees have assessed the major risks to which the Trust is exposed, those relating to its finances, teaching, facilities, and other operational areas. The Trustees have implemented several systems to assess and mitigate those risks, including internal controls described elsewhere. Where significant financial risk remains, they have ensured they have adequate insurance cover.
- At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant impact on liquidity.
- The Board recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Board consider that the Trust can meet its known annual contribution commitments for the foreseeable future, the risk from this liability is mitigated.

FUNDRAISING

The Trust does not undertake any significant fundraising and does not engage any fundraising agencies.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

STREAMLINED ENERGY AND CARBON REPORTING

Quantification and Reporting Methodology

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

PLANS FOR FUTURE PERIODS

The trust continues to seek innovative ways to engage pupils at all levels, seeking to encourage their attainment at aspirational levels. A key part of this objective is the appointment, development and retention of excellent staff.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the custodian Trustees of any other Charity.

AUDITOR

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 02/12/2021 and signed on the board's behalf by:



Dr Clive Grace OBE
Chair of Trustees

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the chief executive, 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 Transforming futures Multi Academy Trust and the Secretary of State for Education.

They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year.

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

| Trustee | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Dr C Grace OBE | 7 | 7 |
| Mrs C Burgoyne OBE | 7 | 7 |
| Mr P Cubbon | 6 | 9 |
| Dr Karen Deeny | 9 | 9 |
| Mrs G Herage | 7 | 7 |
| Mr P McDonnell | 9 | 9 |
| Mr G Oliver | 7 | 7 |
| Mr D Parsons | 3 | 9 |
| Dr T Searle | 8 | 9 |
| Mr T Thexton | 9 | 9 |

The new Trustees took office in November and were immediately faced with the challenges of induction under further lockdowns in January. The board determined to focus on the governance frameworks and extensive work has been done and is ongoing in this regard. This required a lot of additional input from Trustees to assist with the Trusts capacity issues, which was gratefully welcomed.

Improvements have greatly strengthened the overall internal control and risk recognition frameworks, enabling the Trust to record a good financial performance for the year.

The major task undertaken during the Spring period was the analysis and subsequent approval to enter the partnership arrangement with Delt Shared Services. Delt took on all the Central Service functions for the Trust from May 2021. This is an unusual yet highly effective solution for a small Trust, such as Transforming Futures, and has provided a step change in service delivery over the remainder of the year.

Governance Review

During the year, the Board undertook a full review of the governance framework, documenting processes and responsibilities to ensure that all areas of risk were subject to management oversight and Board challenge. This work was reviewed by an independent third party who made some further recommendations. As a direct result, the Board reformed its committee structure as follows:

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- **Education and Outcomes:** reviewing the educational strategy, curriculum and outcomes
- **Safeguarding and Wellbeing:** reviewing the safeguarding of pupils and staff and ensuring that appropriate measures are in place and active, for both pupil and staff wellbeing
- **Finance and Audit:** reviewing financial and risk performance
- **Remuneration:** reviewing salary proposals and executive appointments

The Trust is currently recruiting for Community Participation Groups. These forums will be associated with each academy, working alongside staff ensuring policies are embedded and local support and challenge is given, advising the Board/Committees as appropriate.

This focus has provided clarity for Trustees and management on the key external and internal drivers which are closely managed. The governance arrangements are then further informed by the risk management systems constantly updated.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is review the financial performance, risk management and audit results in detail. Recognising the need to widen the skill sets of trustees on this committee additional trustees were appointed as shown below. The committee reviewed progress on the major projects throughout.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Mr G Oliver | 4 | 4 |
| Mr P Cubbon | 1 | 5 |
| Dr T Searle | 1 | 1 |
| Mr T Thexton | 5 | 5 |
| Mrs C Burgoyne OBE | 4 | 4 |
| Mr P McDonnell | 4 | 4 |

REVIEW OF VALUE FOR MONEY

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

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

- proposing and negotiating the arrangements with Delt Shared Services.
- maintaining tight controls over finances over the delegated responsibility to budget holders through routine review and challenge.
- Implementing a robust procurement process evaluating potential suppliers and entering clear transparent agreements and then managing the relationships.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Transforming

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined procurement guidelines
- delegation of decision making and financial control authority balanced by a segregation of duties

The Board of Trustees considered the need for a specific internal audit function and decided to appoint Griffin Chartered Accountants to this function. Griffin undertook two audits during the year and their reports have been considered by the Finance and Audit Committee.

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

- financial budgeting and monitoring processes
- payroll
- segregation of duties and access to ledgers
- governance regularity and risk management
- purchases
- CIF bids and condition surveys

Griffin reported to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. All recommendations have been delivered and closed off.

REVIEW OF EFFECTIVENESS

As Accounting Officer the Chief Executive 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 both internal and external auditors
- The Schools Management Resource toolkit from the DfE
- External governance review and reports
- Routine monthly review of academy data both financial and non-financial to triangulate results

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and together with the actions taken to address all audit recommendations and ensure continuous improvement of the system is in place.

Approved by order of the Trustees of the Board of Trustees on 02/12/2021 and signed on its behalf by:



Dr Clive Grace OBE
Trustee



Mr Gavin Gracie
Accounting Officer

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr Gavin Gracie

Accounting Officer

Date: 2 December 2021

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

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

Company law requires the Trustees to prepare financial statements for each financial 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 2020 to 2021;
- 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:



Dr Clive Grace OBE

Chair of Trustees

Date: 2 December 2021

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED**

OPINION

We have audited the financial statements of Transforming Futures Multi Academy Trust Limited (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- 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.

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

USE OF OUR REPORT

This report is made solely to the 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Connor FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 20 December 2021

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 26 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Transforming Futures Multi Academy Trust Limited during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF TRANSFORMING FUTURES MULTI ACADEMY TRUST
LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Transforming Futures Multi Academy Trust Limited's funding agreement with the Secretary of State for Education dated 27 May 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

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

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

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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



Kevin Connor FCA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 20 December 2021

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------|---------------------------------|-------------------------------|---|--------------------------|--------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | - | - | 667,325 | 667,325 | 4,623,754 |
| Other trading activities | | 24,380 | - | - | 24,380 | 14,181 |
| Investments | 6 | 121 | - | - | 121 | 436 |
| Charitable activities | 4 | 282,018 | 12,025,398 | - | 12,307,416 | 11,144,278 |
| Other income | 7 | 1,225 | - | - | 1,225 | 9,713 |
| Total income | | 307,744 | 12,025,398 | 667,325 | 13,000,467 | 15,792,362 |
| Expenditure on: | | | | | | |
| Raising funds | | 20,913 | - | - | 20,913 | 27,603 |
| Charitable activities | | 115,581 | 13,027,965 | 555,445 | 13,698,991 | 12,272,400 |
| Total expenditure | 8 | 136,494 | 13,027,965 | 555,445 | 13,719,904 | 12,300,003 |
| Net income/ (expenditure) | | 171,250 | (1,002,567) | 111,880 | (719,437) | 3,492,359 |
| Transfers between funds | 19 | - | (127,331) | 127,331 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 171,250 | (1,129,898) | 239,211 | (719,437) | 3,492,359 |
| Actuarial losses on defined benefit pension schemes | 26 | - | (629,000) | - | (629,000) | (372,000) |
| Net movement in funds | | 171,250 | (1,758,898) | 239,211 | (1,348,437) | 3,120,359 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 257,556 | (3,426,295) | 10,997,091 | 7,828,352 | 4,707,993 |
| Net movement in funds | | 171,250 | (1,758,898) | 239,211 | (1,348,437) | 3,120,359 |
| Total funds carried forward | | 428,806 | (5,185,193) | 11,236,302 | 6,479,915 | 7,828,352 |

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

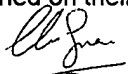
The notes on pages 27 to 57 form part of these financial statements.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10038640

BALANCE SHEET
AS AT 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 15 | 838 | 16,515 |
| Tangible assets | 16 | 10,753,877 | 10,980,576 |
| | | <u>10,754,715</u> | <u>10,997,091</u> |
| Current assets | | | |
| Debtors | 17 | 1,104,391 | 224,707 |
| Cash at bank and in hand | | 733,954 | 1,031,295 |
| | | <u>1,838,345</u> | <u>1,256,002</u> |
| Creditors: amounts falling due within one year | 18 | (895,145) | (879,741) |
| Net current assets | | <u>943,200</u> | <u>376,261</u> |
| Total assets less current liabilities | | <u>11,697,915</u> | <u>11,373,352</u> |
| Defined benefit pension scheme liability | 26 | (5,218,000) | (3,545,000) |
| Total net assets | | <u><u>6,479,915</u></u> | <u><u>7,828,352</u></u> |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 19 | 11,236,302 | 10,997,091 |
| Restricted income funds | 19 | 32,807 | 118,705 |
| | | <u>11,269,109</u> | <u>11,115,796</u> |
| Restricted funds excluding pension liability | 19 | 11,269,109 | 11,115,796 |
| Pension reserve | 19 | (5,218,000) | (3,545,000) |
| Total restricted funds | 19 | <u>6,051,109</u> | <u>7,570,796</u> |
| Unrestricted income funds | 19 | 428,806 | 257,556 |
| Total funds | | <u><u>6,479,915</u></u> | <u><u>7,828,352</u></u> |

The financial statements on pages 24 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Dr Clive Grace OBE
 (Chair of Trustees)
 Date: 2 December 2021

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|---|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 21 | (653,768) | 760,421 |
| Cash flows from investing activities | 22 | 356,427 | (180,001) |
| Change in cash and cash equivalents in the year | | (297,341) | 580,420 |
| Cash and cash equivalents at the beginning of the year | | 1,031,295 | 450,875 |
| Cash and cash equivalents at the end of the year | 23, 24 | 733,954 | 1,031,295 |

The notes on pages 27 to 57 form part of these financial statements

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2020 to 2021 issued by 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.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the 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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE (CONTINUED)

- **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 INTEREST RECEIVABLE

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

1.6 INTANGIBLE ASSETS

Intangible assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

| | |
|-------------------|--------|
| Computer software | - 33 % |
|-------------------|--------|

1.7 TANGIBLE FIXED ASSETS

Assets costing £250 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:

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

| | |
|------------------------------|---|
| Long-term leasehold property | - 125 years straight line (Land) or 50 years straight line (Buildings) |
| Furniture and equipment | - 5 years straight line |
| Computer equipment | - 3 years straight line |

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

1.11 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 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

Critical areas of judgement:

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------|--|---------------------------------------|---------------------------------------|
| Donated fixed assets | 27,950 | 27,950 | 4,542,606 |
| Capital Grants | 639,375 | 639,375 | 81,148 |
| | <u>667,325</u> | <u>667,325</u> | <u>4,623,754</u> |

In the prior year, leasehold land and buildings at ACE Tiverton Special School were donated to the Trust by Devon County Council amounting to £4,542,606.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| DFE/ESFA GRANTS | | | |
| Capital Grants | - | 4,075,940 | 4,075,940 |
| Pupil Premium | - | 301,213 | 301,213 |
| Other DfE/ESFA Grants | - | 63,999 | 63,999 |
| | - | 4,441,152 | 4,441,152 |
| OTHER GOVERNMENT GRANTS | | | |
| High Needs | - | 7,110,253 | 7,110,253 |
| Other government grants: excluding capital | - | 271,375 | 271,375 |
| | - | 7,381,628 | 7,381,628 |
| Other income from the Academy Trust's education | 282,018 | - | 282,018 |
| COVID-19 ADDITIONAL FUNDING (DFE/ESFA) | | | |
| Catch-up Premium | - | 70,560 | 70,560 |
| Other DfE/ESFA COVID-19 Funding | - | 47,098 | 47,098 |
| | - | 117,658 | 117,658 |
| COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA) | | | |
| Mass Testing Funding | - | 84,960 | 84,960 |
| | - | 84,960 | 84,960 |
| | 282,018 | 12,025,398 | 12,307,416 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION (CONTINUED)

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|---|------------------------------------|----------------------------------|-----------------------------|
| DFE/ESFA GRANTS | | | |
| Capital Grants | - | 4,027,479 | 4,027,479 |
| Pupil Premium | - | 244,589 | 244,589 |
| Other DfE/ESFA Grants | - | 48,241 | 48,241 |
| | - | 4,320,309 | 4,320,309 |
| OTHER GOVERNMENT GRANTS | | | |
| High Needs | - | 6,429,875 | 6,429,875 |
| Other government grants: excluding capital | - | 353,468 | 353,468 |
| | - | 6,783,343 | 6,783,343 |
| Other income from the Academy Trust's education | 35,527 | - | 35,527 |
| COVID-19 ADDITIONAL FUNDING (DFE/ESFA) | | | |
| Other DfE/ESFA COVID-19 Funding | - | 5,099 | 5,099 |
| | - | 5,099 | 5,099 |
| | 35,527 | 11,108,751 | 11,144,278 |

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £70,560 of funding for catch-up premium and costs incurred in respect of this funding totalled £70,560.

5. INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Fees received | 24,380 | 24,380 | 14,181 |

All prior year amounts relate to unrestricted funds.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

6. INVESTMENT INCOME

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | 121 | 121 | 436 |

All prior year amounts relate to unrestricted funds.

7. OTHER INCOMING RESOURCES

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Solar panel income | 1,225 | 1,225 | 9,713 |

All prior year amounts relate to unrestricted funds.

8. EXPENDITURE

| | Staff Costs 2021 £ | Premises 2021 £ | Other 2021 £ | Total 2021 £ |
|--|--------------------------|-----------------------|--------------------|--------------------|
| Expenditure on fundraising trading activities: | | | | |
| Direct costs | - | - | 20,913 | 20,913 |
| Education: | | | | |
| Direct costs | 8,888,066 | 407,948 | 683,246 | 9,979,260 |
| Allocated support costs | 1,650,306 | 822,013 | 1,247,412 | 3,719,731 |
| | 10,538,372 | 1,229,961 | 1,951,571 | 13,719,904 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

8. EXPENDITURE (CONTINUED)

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ |
|--|--------------------------|-----------------------|--------------------|--------------------|
| Expenditure on fundraising trading activities: | | | | |
| Direct costs | - | - | 27,603 | 27,603 |
| Education: | | | | |
| Direct costs | 8,515,344 | 141,351 | 190,029 | 8,846,724 |
| Allocated support costs | 1,162,255 | 584,246 | 1,676,175 | 3,422,676 |
| | <u>9,677,599</u> | <u>725,597</u> | <u>1,893,807</u> | <u>12,297,003</u> |

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|-----------|---|-------------------------------|-----------------------------|
| Education | <u>9,979,260</u> | <u>3,719,731</u> | <u>13,698,991</u> |

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|-----------|---|-------------------------------|-----------------------------|
| Education | <u>8,846,724</u> | <u>3,422,676</u> | <u>12,269,400</u> |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

| | Total funds 2021 £ | Total funds 2020 £ |
|---------------------------------------|-----------------------------|-----------------------------|
| Pension finance cost | 13,000 | 11,000 |
| Staff costs | 1,004,222 | 1,065,664 |
| Depreciation | 555,445 | 415,385 |
| Other costs | 47,348 | 4,457 |
| Supply teachers | 141,554 | 96,591 |
| Recruitment and support | 51,199 | 66,042 |
| Maintenance of premises and equipment | 146,601 | 232,318 |
| Cleaning | 65,173 | 64,905 |
| Rent and rates | 207,159 | 146,265 |
| Energy costs | 109,926 | 96,706 |
| Insurance | 97,034 | 43,287 |
| Security and transport | 189,973 | 264,866 |
| Catering | 121,719 | 126,316 |
| Technology costs | 293,749 | 214,539 |
| Office overheads | 210,358 | 184,766 |
| Legal and professional | 436,812 | 348,315 |
| Bank interest and charges | 179 | 1,689 |
| Governance costs | 28,280 | 39,565 |
| TOTAL 2021 | 3,719,731 | 3,422,676 |

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

| | 2021 £ | 2020 £ |
|---------------------------------------|-----------|-----------|
| Operating lease rentals | 177,348 | 174,612 |
| Depreciation of tangible fixed assets | 539,768 | 394,606 |
| Amortisation of intangible assets | 15,677 | 20,779 |
| Fees paid to auditors for: | | |
| - audit | 16,500 | 20,000 |
| - other services | 3,560 | 3,250 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

| | 2021 £ | 2020 £ |
|---------------------------|-------------------|------------------|
| Wages and salaries | 6,860,487 | 6,098,642 |
| Social security costs | 609,842 | 528,613 |
| Pension costs | 2,334,096 | 1,852,586 |
| | <u>9,804,425</u> | <u>8,479,841</u> |
| Agency staff costs | 712,084 | 1,153,516 |
| Staff restructuring costs | 21,863 | 44,242 |
| | <u>10,538,372</u> | <u>9,677,599</u> |

Staff restructuring costs comprise:

| | 2021 £ | 2020 £ |
|--------------------|---------------|---------------|
| Severance payments | 21,863 | 44,242 |
| | <u>21,863</u> | <u>44,242</u> |

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21,863 (2020: £44,242). Individually, the payments were £12,051 and £9,812.

c. STAFF NUMBERS

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

| | 2021 No. | 2020 No. |
|----------------------------|-------------|-------------|
| Teachers | 70 | 71 |
| Administration and support | 231 | 194 |
| Management | 5 | 8 |
| | <u>306</u> | <u>273</u> |

Included in administration and support staff numbers are teaching related posts of 192 (2020: 150).

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

| | 2021 | 2020 |
|--------------------------------|--------------|--------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 3 | 3 |
| In the band £70,001 - £80,000 | 3 | 2 |
| In the band £90,001 - £100,000 | 1 | - |
| | ===== | ===== |

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 £511,564 (2020 £507,249).

12. CENTRAL SERVICES

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

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services he provides undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of his services as a Trustee. Other Trustees did not receive any payments, other than expenses from the Academy Trust in respect of their role as Trustees. The Chief Executive Officer resigned from his role as a Trustee in the prior year and therefore only remuneration relating to this period has been disclosed. The value of Trustees' remuneration and other benefits was as follows: G Gracie: Remuneration £Nil (2020: £45,000 - £50,000), Employer's pension contributions £Nil (2020: £5,000 - £10,000).

Other related party transactions involving Trustees are set out in Note 29.

During the year, retirement benefits were accruing to no Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, travel, subsistence and other academy expenses totalling £98 were reimbursed or paid directly to 2 Trustees (2020 - £3,706 to 3 Trustees).

14. 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 business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

15. INTANGIBLE ASSETS

| | Computer software £ |
|-----------------------|------------------------------------|
| COST | |
| At 1 September 2020 | 87,785 |
| At 31 August 2021 | 87,785 |
| AMORTISATION | |
| At 1 September 2020 | 71,270 |
| Charge for the year | 15,677 |
| At 31 August 2021 | 86,947 |
| NET BOOK VALUE | |
| At 31 August 2021 | 838 |
| At 31 August 2020 | 16,515 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

16. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------|
| COST OR VALUATION | | | | |
| At 1 September 2020 | 10,858,211 | 406,438 | 759,429 | 12,024,078 |
| Additions | 95,739 | 78,646 | 138,684 | 313,069 |
| At 31 August 2021 | 10,953,950 | 485,084 | 898,113 | 12,337,147 |
| DEPRECIATION | | | | |
| At 1 September 2020 | 367,209 | 179,505 | 496,788 | 1,043,502 |
| Charge for the year | 276,947 | 78,564 | 184,257 | 539,768 |
| At 31 August 2021 | 644,156 | 258,069 | 681,045 | 1,583,270 |
| NET BOOK VALUE | | | | |
| At 31 August 2021 | 10,309,794 | 227,015 | 217,068 | 10,753,877 |
| At 31 August 2020 | 10,491,002 | 226,933 | 262,641 | 10,980,576 |

17. DEBTORS

| | 2021 £ | 2020 £ |
|--------------------------------|-----------|-----------|
| DUE WITHIN ONE YEAR | | |
| Trade debtors | 205,923 | 61,143 |
| Other debtors | 6,651 | 878 |
| Prepayments and accrued income | 790,274 | 124,502 |
| VAT recoverable | 101,543 | 38,184 |
| | 1,104,391 | 224,707 |

Prepayments and accrued income includes £515,615 of Condition Improvement Fund awarded but not yet received.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Trade creditors | 181,506 | 237,107 |
| Other taxation and social security | 134,485 | 116,179 |
| Other creditors | 143,991 | 138,056 |
| Accruals and deferred income | 435,163 | 388,399 |
| | <u>895,145</u> | <u>879,741</u> |
| | 2021 £ | 2020 £ |
| Deferred income | | |
| Deferred income at 1 September 2020 | 25,256 | 10,127 |
| Resources deferred during the year | 113,315 | 25,256 |
| Amounts released from previous periods | (25,256) | (10,127) |
| Deferred income at 31 August 2021 | <u>113,315</u> | <u>25,256</u> |

At the balance sheet date the Academy Trust was holding funds received in advance for education provision.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 257,556 | 307,744 | (136,494) | - | - | 428,806 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant (GAG) | 118,705 | 4,075,940 | (4,034,507) | (127,331) | - | 32,807 |
| High Needs Funding | - | 7,110,253 | (7,110,253) | - | - | - |
| Pupil Premium | - | 301,213 | (301,213) | - | - | - |
| UIFSM | - | 24,741 | (24,741) | - | - | - |
| PE & Sport Grant | - | 33,290 | (33,290) | - | - | - |
| COVID-19 Catch-up Premium | - | 70,560 | (70,560) | - | - | - |
| Other DfE/ESFA COVID-19 Funding | - | 47,098 | (47,098) | - | - | - |
| Other Non DfE/ESFA COVID-19 Funding | - | 84,960 | (84,960) | - | - | - |
| Other Restricted Income | - | 277,343 | (277,343) | - | - | - |
| Pension reserve | (3,545,000) | - | (1,044,000) | - | (629,000) | (5,218,000) |
| | <u>(3,426,295)</u> | <u>12,025,398</u> | <u>(13,027,965)</u> | <u>(127,331)</u> | <u>(629,000)</u> | <u>(5,185,193)</u> |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---|--|--------------------------|----------------------------|--------------------------|-------------------------|--------------------------------------|
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed Assets Fund | 10,980,576 | - | (539,768) | 313,069 | - | 10,753,877 |
| DfE/ESFA Capital Grant | - | 637,325 | - | (185,738) | - | 451,587 |
| Other Capital Grants | - | 30,000 | - | - | - | 30,000 |
| Intangible Assets Fund | 16,515 | - | (15,677) | - | - | 838 |
| | <u>10,997,091</u> | <u>667,325</u> | <u>(555,445)</u> | <u>127,331</u> | <u>-</u> | <u>11,236,302</u> |
| TOTAL RESTRICTED FUNDS | <u>7,570,796</u> | <u>12,692,723</u> | <u>(13,583,410)</u> | <u>-</u> | <u>(629,000)</u> | <u>6,051,109</u> |
| TOTAL FUNDS | <u><u>7,828,352</u></u> | <u><u>13,000,467</u></u> | <u><u>(13,719,904)</u></u> | <u><u>-</u></u> | <u><u>(629,000)</u></u> | <u><u>6,479,915</u></u> |

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

19. STATEMENT OF FUNDS (CONTINUED)

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

Restricted Funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs. An amount of £127,331 has been transferred out of the fund for the acquisition of fixed assets.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

UIFSM is made up of funding received to provide universal infant free school meals.

PE & Sports Grant – This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

COVID-19 Catch-up Premium - A one-off universal catch-up premium for the 2020/21 academic year to support children and young people to catch up lost time after school closure.

Other DfE/ESFA COVID-19 Funding - Other funding associated with the costs incurred relating to COVID-19.

Other Non DfE/ESFA COVID-19 Funding - Allocated funding under the National Testing Programme to support the Trust with the costs incurred conducting on-site testing.

Other restricted income - this represents other sources of restricted curriculum income.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Fixed Assets Fund - these funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts. The transfer in represents the additions in the year.

DfE/ESFA Capital Grants - this represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets. £185,738 has been transferred out of the fund to cover the cost of fixed assets acquired during the year.

Other Capital Grants - this represents other capital grants used to cover the purchase of the Academy's assets.

OTHER INFORMATION

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 2021.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

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

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|---------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 351,247 | 59,857 | (153,548) | - | - | 257,556 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant (GAG) | 189,775 | 4,027,479 | (3,918,112) | (180,437) | - | 118,705 |
| High Needs Funding | - | 6,429,875 | (6,429,875) | - | - | - |
| Pupil Premium | - | 244,589 | (244,589) | - | - | - |
| UIFSM | - | 8,547 | (8,547) | - | - | - |
| PE & Sport Grant | - | 33,150 | (33,150) | - | - | - |
| Other Restricted Income | 5,686 | 365,111 | (370,797) | - | - | - |
| Pension reserve | (2,447,000) | - | (726,000) | - | (372,000) | (3,545,000) |
| | <u>(2,251,539)</u> | <u>11,108,751</u> | <u>(11,731,070)</u> | <u>(180,437)</u> | <u>(372,000)</u> | <u>(3,426,295)</u> |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

| | | | | | | |
|---------------------------------------|-------------------------|--------------------------|----------------------------|-----------------|-------------------------|-------------------------|
| Fixed Assets Fund | 6,570,991 | 4,540,606 | (394,606) | 263,585 | - | 10,980,576 |
| DfE/ESFA Capital Grant | - | 19,957 | - | (19,957) | - | - |
| Other Capital Grants | - | 63,191 | - | (63,191) | - | - |
| Intangible Assets Fund | 37,294 | - | (20,779) | - | - | 16,515 |
| | <u>6,608,285</u> | <u>4,623,754</u> | <u>(415,385)</u> | <u>180,437</u> | <u>-</u> | <u>10,997,091</u> |
| TOTAL RESTRICTED FUNDS | <u>4,356,746</u> | <u>15,732,505</u> | <u>(12,146,455)</u> | <u>-</u> | <u>(372,000)</u> | <u>7,570,796</u> |
| TOTAL FUNDS | <u><u>4,707,993</u></u> | <u><u>15,792,362</u></u> | <u><u>(12,300,003)</u></u> | <u><u>-</u></u> | <u><u>(372,000)</u></u> | <u><u>7,828,352</u></u> |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| ACE Schools Plymouth | - | - |
| Courtlands Special School | - | - |
| Tiverton, Devon | - | - |
| Central MAT Services | 461,613 | 376,261 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 461,613 | 376,261 |
| Restricted fixed asset fund | 11,236,302 | 10,997,091 |
| Pension reserve | (5,218,000) | (3,545,000) |
| | <hr/> | <hr/> |
| TOTAL | 6,479,915 | 7,828,352 |
| | <hr/> <hr/> | <hr/> <hr/> |

TOTAL COST ANALYSIS BY ACADEMY

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2021 £ |
|---------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| ACE Schools Plymouth | 5,606,861 | 204,631 | 393,196 | 1,286,513 | 7,491,201 |
| Courtlands Special School | 1,905,037 | 113,246 | 64,060 | 357,868 | 2,440,211 |
| Tiverton, Devon | 970,362 | 78,926 | 113,957 | 310,218 | 1,473,463 |
| Central MAT Services | 151,336 | 378,419 | 17,764 | 168,065 | 715,584 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| ACADEMY TRUST | 8,633,596 | 775,222 | 588,977 | 2,122,664 | 12,120,459 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2020 £ |
|---------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| ACE Schools Plymouth | 5,404,603 | 212,220 | 333,737 | 882,367 | 6,832,927 |
| Courtlands Special School | 1,615,485 | 109,007 | 56,090 | 229,816 | 2,010,398 |
| Tiverton, Devon | 579,623 | 81,104 | 110,437 | 146,125 | 917,289 |
| Central MAT Services | 749,955 | 759,924 | 14,493 | 599,632 | 2,124,004 |
| ACADEMY TRUST | 8,349,666 | 1,162,255 | 514,757 | 1,857,940 | 11,884,618 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 10,753,877 | 10,753,877 |
| Intangible fixed assets | - | - | 838 | 838 |
| Current assets | 428,806 | 927,952 | 481,587 | 1,838,345 |
| Creditors due within one year | - | (895,145) | - | (895,145) |
| Provisions for liabilities and charges | - | (5,218,000) | - | (5,218,000) |
| TOTAL | 428,806 | (5,185,193) | 11,236,302 | 6,479,915 |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 10,980,576 | 10,980,576 |
| Intangible fixed assets | - | - | 16,515 | 16,515 |
| Current assets | 257,556 | 998,446 | - | 1,256,002 |
| Creditors due within one year | - | (879,741) | - | (879,741) |
| Pension scheme liability | - | (3,545,000) | - | (3,545,000) |
| TOTAL | 257,556 | (3,426,295) | 10,997,091 | 7,828,352 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

21. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|--|------------------|----------------|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (719,437) | 3,492,359 |
| ADJUSTMENTS FOR: | | |
| Amortisation | 15,677 | 20,779 |
| Depreciation | 539,768 | 394,606 |
| Capital grants from DfE and other capital income | (669,375) | (83,148) |
| Interest receivable | (121) | (436) |
| Defined benefit pension scheme cost less contributions payable | 988,000 | 683,000 |
| Defined benefit pension scheme finance cost | 56,000 | 43,000 |
| (Increase)/decrease in debtors | (879,684) | 290,472 |
| Increase in creditors | 15,404 | 460,395 |
| Assets donated | - | (4,540,606) |
| NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES | (653,768) | 760,421 |

22. CASH FLOWS FROM INVESTING ACTIVITIES

| | 2021 £ | 2020 £ |
|--|----------------|------------------|
| Interest received | 121 | 436 |
| Purchase of intangible assets | - | - |
| Purchase of tangible fixed assets | (313,069) | (263,585) |
| Capital grants from DfE / ESFA | 639,375 | 19,957 |
| Capital grants from Local Authorities | 30,000 | 63,191 |
| NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES | 356,427 | (180,001) |

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2021 £ | 2020 £ |
|--|----------------|------------------|
| Cash in hand and at bank | 733,954 | 1,031,295 |
| TOTAL CASH AND CASH EQUIVALENTS | 733,954 | 1,031,295 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

24. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 September 2020 £ | Cash flows £ | At 31 August 2021 £ |
|--------------------------|--------------------------------|------------------|---------------------------|
| Cash at bank and in hand | 1,031,295 | (297,341) | 733,954 |
| | <u>1,031,295</u> | <u>(297,341)</u> | <u>733,954</u> |

25. CAPITAL COMMITMENTS

| | 2021 £ | 2020 £ |
|--|----------------|-----------|
| CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS | | |
| Acquisition of tangible fixed assets | <u>471,781</u> | <u>-</u> |

26. 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 Peninsula Pensions (a shared administration service on behalf of Devon and Somerset administering authorities). 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.

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

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.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

26. PENSION COMMITMENTS (CONTINUED)

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 2023.

The employer's pension costs paid to TPS in the year amounted to £763,000 (2020 - £554,000).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £800,000 (2020 - £636,000), of which employer's contributions totalled £589,000 (2020 - £478,000) and employees' contributions totalled £ 218,000 (2020 - £158,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 - 12.5 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.

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

26. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

| | 2021 | 2020 |
|--|--------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.85 | 3.20 |
| Rate of increase for pensions in payment/inflation | 2.85 | 2.20 |
| Discount rate for scheme liabilities | 1.70 | 1.65 |
| Inflation assumption (CPI) | 2.85 | 2.20 |
| Commutation of pensions to lump sums | 50.00 | 50.00 |
| RPI assumption | 2.85 | 2.20 |

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

| | 2021 | 2020 |
|-----------------------|--------------|--------------|
| | Years | Years |
| Retiring today: | | |
| Males | 22.7 | 22.9 |
| Females | 24.0 | 24.1 |
| Retiring in 20 years: | | |
| Males | 24.0 | 24.3 |
| Females | 25.4 | 25.5 |

SENSITIVITY ANALYSIS

| | 2021 | 2020 |
|--|--------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | 8,935 | 5,722 |
| Discount rate -0.1% | 9,479 | 6,071 |
| Mortality assumption - 1 year increase | 9,540 | 6,091 |
| Mortality assumption - 1 year decrease | 8,878 | 5,703 |
| CPI rate +0.1% | 9,471 | 6,065 |
| CPI rate -0.1% | 8,943 | 5,728 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

26. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

| | 2021 £ | 2020 £ |
|-------------------------------------|------------------|------------------|
| Equities | 2,313,000 | 1,402,000 |
| Gilts | 475,000 | 83,000 |
| Corporate bonds | 70,000 | 111,000 |
| Property | 295,000 | 187,000 |
| Cash and other liquid assets | 22,000 | 27,000 |
| Other | 521,000 | 539,000 |
| TOTAL MARKET VALUE OF ASSETS | 3,696,000 | 2,349,000 |

The actual return on scheme assets was £549,000 (2020 - £9,000).

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

| | 2021 £ | 2020 £ |
|---|--------------------|--------------------|
| Current service cost | (1,576,000) | (1,161,000) |
| Past service cost | (1,000) | - |
| Interest income | 43,000 | 40,000 |
| Interest cost | (99,000) | (83,000) |
| Administrative expenses | - | (1,000) |
| TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES | (1,633,000) | (1,205,000) |

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

| | 2021 £ | 2020 £ |
|------------------------|------------------|------------------|
| AT 1 SEPTEMBER | 5,894,000 | 4,309,000 |
| Current service cost | 1,576,000 | 1,161,000 |
| Interest cost | 99,000 | 83,000 |
| Employee contributions | 218,000 | 158,000 |
| Actuarial losses | 1,133,000 | 222,000 |
| Benefits paid | (7,000) | (39,000) |
| Past service costs | 1,000 | - |
| AT 31 AUGUST | 8,914,000 | 5,894,000 |

TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

26. PENSION COMMITMENTS (CONTINUED)

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

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| AT 1 SEPTEMBER | 2,349,000 | 1,862,000 |
| Interest income | 45,000 | 41,000 |
| Actuarial gains/(losses) | 504,000 | (150,000) |
| Employer contributions | 589,000 | 478,000 |
| Employee contributions | 218,000 | 158,000 |
| Benefits paid | (7,000) | (39,000) |
| Effects of non-routine settlements | (2,000) | (1,000) |
| AT 31 AUGUST | 3,696,000 | 2,349,000 |

27. OPERATING LEASE COMMITMENTS

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

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Not later than 1 year | 115,373 | 177,348 |
| Later than 1 year and not later than 5 years | 73,940 | 157,442 |
| | 189,313 | 334,790 |

28. MEMBERS' LIABILITY

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

29. RELATED PARTY TRANSACTIONS

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

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

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

30. CONTROLLING PARTY

The Trust is controlled by its Trustees