

Company Registration Number: 08320065 (England & Wales)

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members** P Munro  
Venerable D Picken  
Southwell and Nottingham Diocese Educational Trust  
I Griffiths

**Trustees** P Munro, Chair  
R Meredith CBE, Accounting Officer  
R Periam  
Prof T Greany  
Prof Q Gu  
V Lloyd (resigned 11 September 2019)  
A Taylor (resigned 4 March 2020)  
J Luxton  
Dame S Jowett  
D Jones (appointed 1 September 2020)  
G Savidge (appointed 14 October 2020)

**Company registered number** 08320065

**Company name** Transform Trust

**Principal and registered office** Unit 11  
Castlebridge Office Village  
Kirtley Drive  
Nottingham  
NG7 1LD

**Company secretary** S Cox

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Senior management team**

R Meredith CBE, Chief Executive Officer  
S Heesom, Development Director  
S Cox, Chief Finance Officer  
J Wilkinson, Chief Operating Officer  
R Hannon, HR Director  
J Fordham, Headteacher  
M Lawrence, Headteacher  
H Tarrant, Headteacher  
C Godfrey, Headteacher  
S Farrington, Headteacher  
S O'Connor, Headteacher  
S Allison, Headteacher (resigned 23 February 2020)  
K Hambleton, Headteacher (appointed September 2020)  
P Hillier, Headteacher  
Z Cannon, Headteacher  
K Coker, Headteacher  
S Mason, Headteacher  
K Lee, Headteacher  
J Marshall, Headteacher (resigned 31 August 2020)  
L Noble, Headteacher  
C Paparozzi, Headteacher  
A Storer, Headteacher  
M Julian, Headteacher (appointed 1 September 2020)  
A Sharp, Headteacher  
N Aldridge, Headteacher

**Independent auditor**

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

**Bankers**

Lloyds Bank  
Old Market Square  
Nottingham  
NG1 6FD

**Solicitors**

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

**Structure, governance and management**

**a. Constitution**

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

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

**b. Members' liability**

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

**c. Trustees' indemnities**

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

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**e. Terms of office**

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

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

The training and induction provided for new Trustees depends on their previous experience. All Trustees are provided with previous minutes and induction with the Chief Operating Officer, plus provided copies of documents that they will need to undertake their role as Trustees. The annual strategic planning day for Trustees was held on 27 April 2020 to review and update the strategic plan, to review the ethos and vision for the Trust, and to ensure the resource plans are enablers for the plan. Dennis Jones and Gemma Savidge were appointed on 1st September 2020 and 14th October 2020 respectively.

**g. Organisational structure**

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

The Chief Executive Officer is the only Trustee who receives remuneration from the Trust. They are subject to a performance management process managed by at least 2 other Trustees. In 2019/20, this was Chair and vice Chair of the Trust Board. Trustees consider performance of the Trust, individual performance of the CEO and market rate benchmarking to ensure the CEO salary award is appropriate. A recommendation is made to the wider Trust Board who vote on the matter. The CEO carries no Trustee vote in this matter.

**i. Trade union facility time**

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

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

The Trust works closely with TT Support Services, Nottingham Schools Trust, Nottingham University, Derby University and Nottingham and Derby City local authorities in supporting schools. The Chief Executive Officer holds regular sessions with an Operational group consisting of all Headteachers of Trust schools.

**k. Engagement with employees**

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**I. Engagement with suppliers, customers and others in a business relation with the Trust**

Parental engagement remains a key focus for Transform schools, and each Headteacher manages this fundamental relationship at a local level. Naturally this has been heightened in intensity during the pandemic, with a centrally coordinated survey to all parents to gauge feelings about reopening school in June, central direction on school opening to Key Worker and vulnerable children during lockdown periods including holidays, and central communications to parents from the CEO supplementing significant day-to-day local Headteacher parental engagement. Additional measures to support parents of Free School Meal children were taken to ensure children had meals both in and out of school during lockdowns, isolations, holidays and continuing today.

Transform greatly values the relationship with suppliers and partners in delivery of education for all children in Trust schools. During the pandemic this has focused on transparency and open dialogue to ensure schools continue to benefit from reliable supply of goods and services whilst also providing clarity to suppliers for their own financial planning. Payment terms continue to be honoured.

Schools continue to engage their communities as part of business-as-usual activities and this has resulted in organic pupil number growth at 2 of our schools.

The Trust and its schools continue to engage the relevant Local Authorities in dialogue particularly in managing welfare of children. In the last year this has extended to ensuring consistent approach to risk management of Covid-19 where unity of approach across various Trust and non-Trust settings has led to the benefit of parents.

**Objectives and activities**

**a. Objects and aims**

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

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

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

**b. Objectives, strategies and activities**

During 2019/20, the principal activity of the charitable company was the operation of 18 primary-age academies in Nottingham and Derby. The schools vary in size from single form to 3 form entry. A further primary-age school joined the Trust after the balance sheet date on 1st September 2020 to make a Trust of 19 schools

Directors believe the sustainability of Transform Trust has been further enhanced in the growth to 19 schools. The new school has a "Good" Ofsted rating. Trustees are satisfied that despite the pandemic, internal and external validation is showing Trust schools are focusing on quality of education provision, some of which is now based on home learning. Additional Trust school improvement capacity is being generated within these settings.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities (continued)**

It remains a core principle that Transform Trust's children remain central to all Trust endeavours. All schools provided for key worker and vulnerable children throughout the major lockdown including half term and Easter holidays. Free School Meals were provided at home for children who were not permitted to attend school, and safeguarding protocols were stepped up to ensure school leaders saw every child routinely through lockdowns and necessary isolations. All of the usual planned Spring & Summer children events were cancelled but a number of special virtual and in-person events were held to celebrate Year 6 transition to secondary including a Trust event, film and many schools hosting picnics on the playing fields to allow Year 6 children to say goodbye to teachers and other pupils. Special provisions were made in each school to encourage every child back to school after the 1st June re-opening, and in several schools over 80% of children returned for some in-school time before the summer holidays.

Trustees also recognise the success of the Trust lies with staff, and in October 2020 asked staff how they felt in the annual Staff Survey. Staff satisfaction increased from 82.3% in 2019 for the whole Trust to 85.4% in 2020 despite the pandemic, with a spread across Trust schools from 77% to 92%. Given how the pandemic has impacted every staff member, this was a better-than-expected outcome. In 2019, feedback from staff has helped inform an action plan which has been implemented by the Executive and School leadership team in 2019/20, particularly focused on leadership development and engagement. This also appears to be borne out in the latest survey results.

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

**c. Public benefit**

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

Transform Trust is a Trust offering education to children aged 3 to 11 and strives to promote and support the advancement of education within a local context. The schools provide an extensive programme of educational and recreational activity all designed to contribute to the overall education of its children.

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report**

**Achievements and performance**

No Ofsted Inspections have been held this year.

In the last year, we welcomed Ravensdale Junior School and Lawn Primary School to the Trust.

**COVID-19 Review**

Transform's 18 primary schools have been open throughout the COVID-19 pandemic (including half term and Easter holidays), with the exception of 2 schools in April/May. In both bases, provision for Key worker and vulnerable children moved to neighbouring Trust schools. On 1st June 2020 all Trust schools re-opened for Year 6 children, and provision was made for all children to return to school before the end of the school year. This included formally bringing Year 5 back for the final 3 weeks of term for transition to year 6.

This protocol enabled school buildings to function, parents and children to adjust to new routines, and for all normal operational issues to continue. Normal everyday estates repairs, maintenance and checks were routinely carried out throughout the pandemic. Cleaning regimes were and remain heightened, seating plans for desks and staff rooms changed to 2 metre distancing from June to July, and then classroom layouts changed back to near-normal from September. Marking out of school grounds for distancing, creating one-way systems, installing hand sanitiser dispensers and all measures ensuring bubble integrity have become normal. Mask and visor wearing was also introduced for all visitors and outside areas. This has been achieved whilst continuing to retain a secure environment for children, and one conducive to children's educational learning.

Digital investment has been accelerated during the pandemic, specifically in securing high-speed internet leased lines for all schools, and provision of mobile digital devices in order to facilitate the at-home education offer for many children. Local governing bodies, school and Trust centre staff use digital meeting solutions to facilitate remote working and to maintain oversight. Meeting attendance has improved in some contexts and this will likely be the favoured meeting format in those contexts after the pandemic.

**a. Key performance indicators**

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

- Ofsted Inspection results;
- SAT results (not held in 2019/20);
- External independent review outcomes;
- Internal standards and partnership reviews;
- Annual Staff Survey results;
- External Audit review and Management Letter;
- Internal Audit review and actions arising;
- Internal assessment of Teaching judged to be good or better;
- Pupils numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- General financial stability and robustness balancing budgets in each school each year;
- Staff Vacancies and ability to recruit and fill vacancies;
- Active involvement in partnership of schools and Transform Trust activities;

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the financial statements. The impact of COVID 19 has been considered on pages 8, 11 and 12.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**c. Promoting the success of the company**

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

In 2019/20 Trustees have considered their own skills and having recruited a HR professional in 2019 have now appointed an experienced qualified accountant to the Board in 2020. Ongoing internal review is a key part of ensuring the Board can meet the needs of Transform in the future as our aspiration remains on growth.

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

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

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

**Financial review**

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy's total funds at the end of the period are £45,468,237 of which £65,209,298 is in the restricted fixed asset fund, leaving a total deficit reserve balance of both general restricted and unrestricted funds of £19,741,061; this is due to the LGPS deficit of £25,345,000. However, the LGPS liability will not materialise in the near future and actual reserve funding available to the academy excluding the LGPS liability is £5,603,939, of which £1,251,775 is restricted funding and £4,352,164 is unrestricted funding.

At 31 August 2020, the net book value of fixed assets was £65,209,298 and movements in tangible fixed assets are shown in note 14 to the financial statements. During the period the assets were used exclusively for

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review (continued)**

providing education and the associated support services to the pupils of the Academy.

**a. Reserves policy**

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

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

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

As at 31 August 2020 the Trust has 'free' reserves i.e. those reserves that are freely available for general purposes of the Trust total £4,352,164. The restricted fixed asset fund totals £65,209,298 which can only be realised by disposing of tangible fixed assets. Restricted reserves are in deficit by £24,093,225 of which £25,345,000 relates to Local Government Pension Fund deficit which is due to be repaid in line with the agreed terms of the Fund. The remainder of the restricted reserves, a surplus of £1,251,775, must only be spent as intended, the majority of which relates to grant funding from government sources to support delivery of education across the Trust.

The pension reserve held within restricted funds was in deficit by £25,345,000 at 31 August 2020. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

The balance on restricted general funds (excluding pension reserve) is £1,251,775 and the balance on unrestricted funds is £4,352,164 at 31 August 2020, giving a combined funds figure of £5,603,939. This is more than the level determined by Trustees to be appropriate and capital investment is planned over the next 5 years to utilise these reserves.

**b. Investment policy**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review (continued)**

**c. Principal risks and uncertainties**

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

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

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

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

The current portfolio of schools has the following Ofsted judgements: Sneinton - Outstanding; Edale Rise - Good; Highbank - Good; Brocklewood - Good; Allenton - Good; Rosslyn Park - Good; Bulwell St Mary's - Good; Burford - Good; Robert Shaw - Requires Improvement; William Booth - Good; Pear Tree Junior - Special Measures; Breadsall Hill Top - Special Measures; Whitegate - Requires Improvement; South Wilford Endowed C of E - Outstanding; Parkdale - Good; Zaytouna - Requires Improvement. New schools joining the Trust in 2019/20: Ravensdale - Good; Lawn - Outstanding.

The main risks that the Trust is exposed to are summarised below. For each of these risks, the probability and impact have been considered together with appropriate management action and management plans:

- **Reliance on members of the Executive Team and key staff** ongoing training and development opportunities, market rate review and succession planning
- **Overtrading** ongoing focus on building capacity and regular external assessment
- **Effective Local Governance** ongoing assessment, training and investment
- **Finance** strict adherence by schools to finance handbook, and regular in year monitoring of finance position by Trustees

The Risk Register is reviewed annually by Trustees and updated accordingly.

**COVID-19 risks**

**Finance risk**

The vast majority of Trust and school income was unaffected by the COVID-19 pandemic, as ESFA and Local Authority school funding was protected throughout. The only funding stream that was negatively impacted was for before and after-school clubs, as these services were no longer required. As a result, the Trust was able to maintain full employment of staff and did not take advantage of the Job Retention Scheme.

Throughout the pandemic, financial claims made against Trust schools have been scrutinised carefully and triangulated with other evidence, and the Trust position has always been that taxpayers' support should only be sought once. Therefore, assurance was sought from any suppliers seeking to press financial claim that they were not also benefitting from Job Retention or Self Employment Relief Schemes.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review (continued)**

All schools ended the year in a stronger financial position than budgeted. However ongoing operational costs are higher due to increased level of PPE/hand sanitiser as well as supply staff to enable bubble integrity across school. This is being carefully monitored as estimates made at the time of the budget could not be accurately made. Schools have been granted extra funding in the form of the COVID-catch up fund but this is rightly focused on children making up gaps in their education progress. Cost pressures therefore remain high and as staff increasingly isolate as cases grow, staff supply costs are high.

**Operational risk**

There is a risk that schools will not be able to function without increasingly self-isolating staff. All Trust schools have a specific COVID-19 Risk Assessment that is also signed-off by an allocated member of the Trust Executive Team. Any positive case is examined to determine the Public Health England position and moderated to ensure all schools adopt the common best practice approach to isolations. The key to the approach is to attempt to determine the source of infection, so that measures in school can be adapted in response. This has added great confidence that the Risk Assessment and in-school protocols are robust and isolations are working. Further, a HSE visit to a Trust school in October lent further weight to the thoroughness and quality of the Risk Assessments with no points for improvement made.

**d. Risk management**

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

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

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

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Fundraising**

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

**Streamlined energy and carbon reporting**

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas data were all compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet. On site renewable solar photovoltaic electricity figures are reported without subtracting the electricity exported to the grid since all the generated electricity is consumed on site. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh)

Energy type	2019/20
<b>Mandatory energy:</b>	
Gas	5,760,066
Purchased electricity from the grid	1,785,279
Transport fuel	5,637
<b>Total mandatory energy</b>	<b>7,550,982</b>
<b>Voluntary energy:</b>	
Consumed electricity from on-site renewable sources	56,283
<b>Total voluntary energy</b>	<b>56,283</b>
<b>Total mandatory &amp; voluntary energy</b>	<b>7,607,265</b>

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

Intensity ratio

The primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

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

Emission source	2019/20
<b>Mandatory emissions:</b>	
<u>Scope 1</u>	
Natural gas	1,059.1
<u>Scope 2</u>	
Purchased electricity (location-based)	416.2
<u>Scope 3</u>	
Transport – Business travel in employee owned vehicles	1.4
<b>Total gross mandatory emissions</b>	<b>1,476.7</b>
<u>Intensity ratios (mandatory emissions only)</u>	
Tonnes of CO <sub>2</sub> e per pupil	0.239
Tonnes of CO <sub>2</sub> e per square meter floor area	0.0368

Energy efficiency action during current financial year

It is worth noting that energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. Despite this temporary reduction in energy use, the Trust is committed to reducing longer term emissions and this year has seen the implementation of energy efficiency measures. Throughout this reporting year the Trust has conducted a thorough review of the control settings of all the heating, hot water and air conditioning systems across the whole estate. The settings have all been optimised on both the timing and temperatures to ensure energy is consumed in the most efficient manner. In addition to this, the normal servicing of the heating plant is regularly undertaken. Due to COVID-19, video conferencing has been utilised throughout the Trust and this is going to be used significantly in the future to reduce transport costs. All of these actions are sensible low cost measures that are implemented before any investments in energy efficient technology.

In terms of upgrading, Robert Shaw has invested £100,000 in a new heating system and Burford has spent £70,000 refurbishing their heating system. A future plan that is currently under consideration is the upgrading of the heating system at Allenton.



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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**Plans for future periods**

Transform Trust has acquired the assets and liabilities of Ashbrook Junior School on 1 September 2020. Transform continues to be open for other primary schools looking to join a child led Multi Academy Trust.

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

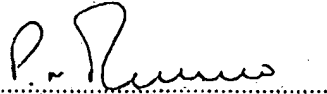
The Academy Trust does not currently hold any funds on behalf of others.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *16 December 2020* and signed on its behalf by:



**P Munro**  
Chair

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## TRANSFORM TRUST

(A company limited by guarantee)

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### GOVERNANCE STATEMENT

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#### Scope of responsibility

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

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

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

#### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year, with 5 Board meetings and 1 Strategy Day.

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

Trustee	Meetings attended	Out of a possible
P Munro, Chair	6	6
R Meredith CBE, Accounting Officer	6	6
R Periam	5	6
Prof T Greany	6	6
Prof Q Gu	4	6
V Lloyd (resigned 11 September 2019)	0	0
A Taylor (resigned 4 March 2020)	2	3
J Luxton	4	6
Dame S Jowett	6	6
D Jones (appointed 1 September 2020)	0	0
G Savidge (appointed 14 October 2020)	0	0

Peter Munro has been elected to continue as Chair of Trust Board with effect from 1st September 2019. Dennis Jones (Chair of LGB Chairs) and Gemma Savidge were appointed to the Board from 1st September 2020 and 14th October 2020 respectively. Vernon Lloyd and Alex Taylor resigned as Trustees on 11th September 2019 and 1st March 2020 respectively. Overall, the number of Trustees on the Board has returned to 9.

2019/20 was a more challenging year for the Board and new methods of maintaining effective oversight were introduced. This was to protect the Health and Safety of Trustees, and some planned committee and a Board meeting in March were rescheduled to take place as a digital format instead. This format has proved a great success and has been used for the remainder of the academic year.

An external review of the Trust Board was conducted by Challenge Partners in the autumn term of 2018 and Trustees are conducting their own self-evaluation process in the autumn term of 2020.

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**Governance review**

Directors conduct a continual review of governance across the Trust, both at Trustee and Local Governing Body level. At Trustee level, a wish to appoint an experienced qualified accountant has led to the appointment of Gemma Savidge to the Board. This has led to a strengthening of Trustee representation on the Audit & Finance Committee.

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

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Periam	3	3
Prof T Greany	3	3

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Munro (Chair)	2	3
R Meredith CBE (Accounting Officer)	3	3
Prof Q Gu	3	3
Prof T Greany	2	3
A Taylor (resigned 4 March 2020)	1	1
Dame S Jowett	3	3

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Luxton	4	4
R Periam	3	4
R Meredith CBE (Accounting Officer)	3	4

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Munro (Chair)	1	1
Prof Q Gu	1	1
J Luxton	0	1

**Review of value for money**

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

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

- Trust Centre deliver financial services to all Trust schools. Increased professional expertise has led to reductions in finance risk in schools.
- Consolidation of suppliers into a single library was undertaken across all Trust schools. This will further enable cost savings due to scale to be liberated.
- Consolidation of MIS across all Trust schools – this has improved the quality of central absence reporting for children, allowed skill-sharing across schools, saved money through scale buying and saved IT support costs from moving to a cloud-based solution
- Handling pandemic financial claims from suppliers – all centralised and navigated with both expertise and consistency. Ensured all services being paid for delivered value, and ensured suppliers had the transparency to enable legitimate claims for government assistance.
- Claims made on public funding by Transform followed the spirit of the funding, and bore in mind that the tax payer already funds schools in GAG. Eg, No furlough claims have been made by Transform.
- Establishing business specification leased lines (broadband) into schools to enable the digital investments underway to meet the needs of children in school. This is required to fully realise the benefits of accelerating investment in all schools

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Transform Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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**TRANSFORM TRUST**

(A company limited by guarantee)

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Audit and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and this is performed by a suitably qualified finance professional at Trust Centre. The individual performing the checks is not involved in the day-to-day management of the finance function. A review of the systems of internal control and compliance with the Trust Financial Handbook in each Academy school is conducted termly, and reports are considered by the Audit & Finance Committee.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on each Academy school's financial systems. On a termly basis, the Chief Operating Officer has shared the reports with the Audit & Finance Committee discussing the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. Actions are agreed to remediate and further improve the internal control framework as a result.

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

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**TRANSFORM TRUST**

(A company limited by guarantee)

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

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

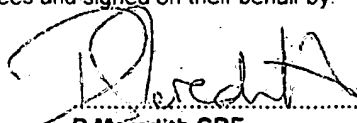
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



P Munro  
Chair

Date: 16/12/20



R Meredith CBE  
Accounting Officer

Date: 16/12/20

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**TRANSFORM TRUST**

(A company limited by guarantee)

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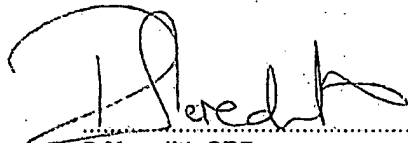
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Transform Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency ('the ESFA') of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



**R Meredith CBE**  
Accounting Officer

Date: 16/12/20

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**TRANSFORM TRUST**

(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

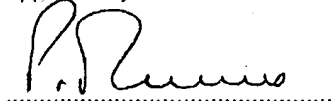
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**P Munro**  
Chair

Date: 16/12/20



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**TRANSFORM TRUST**

(A company limited by guarantee)

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

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**Opinion**

We have audited the financial statements of Transform Trust (the 'Academy Trust') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 to 2020.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

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

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

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

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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

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**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 22, 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.

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

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

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

**Use of the audit report**

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

*David Hoose*

David Hoose (Senior Statutory Auditor)  
for and on behalf of  
**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 18/12/2020

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**TRANSFORM TRUST**

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

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In accordance with the terms of our engagement letter dated 23 September 2020 and further to the requirements of the Education and Skills Funding Agency ('the ESFA') as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Transform Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Transform Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Transform Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Transform Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Transform Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Transform Trust's funding agreement with the Secretary of State for Education dated 29 May 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

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**TRANSFORM TRUST**

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Mazars LLP*

**Mazars LLP**  
Chartered Accountants  
Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 18/12/2020

**TRANSFORM TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer on conversion from local authority		7,514	(1,203,901)	9,008,000	7,811,613	-
Transfer of existing academy joining the Academy Trust		-	-	-	-	5,861,275
Other donations and capital grants		109,499	-	1,103,298	1,212,797	1,124,642
Charitable activities	4	389,519	34,739,606	-	35,129,125	31,402,043
Teaching schools	30	-	-	-	-	40,000
Other trading activities	5	318,556	71,624	-	390,180	475,185
Investment income	6	11,905	-	-	11,905	5,987
<b>Total income</b>		<b>836,993</b>	<b>33,607,329</b>	<b>10,111,298</b>	<b>44,555,620</b>	<b>38,909,132</b>
<b>Expenditure on:</b>						
Raising funds	7	148,654	127,645	-	276,299	384,652
Charitable activities	8	379,176	36,580,331	1,670,480	38,629,987	34,781,497
Teaching schools	30	-	-	-	-	40,000
<b>Total expenditure</b>		<b>527,830</b>	<b>36,707,976</b>	<b>1,670,480</b>	<b>38,906,286</b>	<b>35,206,149</b>
<b>Net income</b>		<b>309,163</b>	<b>(3,100,647)</b>	<b>8,440,818</b>	<b>5,649,334</b>	<b>3,702,983</b>

**TRANSFORM TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Net income brought forward</b>		309,163	(3,100,647)	8,440,818	5,649,334	3,702,983
Transfers between funds	18	-	(681,859)	681,859	-	-
<b>Net movement in funds before other recognised losses</b>		309,163	(3,782,506)	9,122,677	5,649,334	3,702,983
<b>Other recognised gains/losses:</b>						
Actuarial losses on defined benefit pension schemes	25	-	(3,207,000)	-	(3,207,000)	(4,400,000)
<b>Net movement in funds</b>		309,163	(6,989,506)	9,122,677	2,442,334	(697,017)
<b>Reconciliation of funds:</b>						
Total funds brought forward		4,043,001	(17,103,719)	56,086,621	43,025,903	43,722,920
Net movement in funds		309,163	(6,989,506)	9,122,677	2,442,334	(697,017)
<b>Total funds carried forward</b>		4,352,164	(24,093,225)	65,209,298	45,468,237	43,025,903

**TRANSFORM TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 08320065

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	65,209,298	56,086,621
		<u>65,209,298</u>	<u>56,086,621</u>
<b>Current assets</b>			
Stocks	15	63,495	57,313
Debtors	16	1,487,708	1,936,269
Cash at bank and in hand	23	6,639,424	5,721,371
		<u>8,190,627</u>	<u>7,714,953</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	17	(2,586,688)	(2,289,671)
		<u>5,603,939</u>	<u>5,425,282</u>
<b>Net current assets</b>			
		5,603,939	5,425,282
<b>Net assets excluding pension liability</b>		70,813,237	61,511,903
Defined benefit pension scheme liability	25	(25,345,000)	(18,486,000)
		<u>45,468,237</u>	<u>43,025,903</u>
<b>Total net assets</b>			
		<u>45,468,237</u>	<u>43,025,903</u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	65,209,298	56,086,621
Restricted income funds	18	1,251,775	1,382,281
		<u>66,461,073</u>	<u>57,468,902</u>
Restricted funds excluding pension liability	18	66,461,073	57,468,902
Pension reserve	18	(25,345,000)	(18,486,000)
		<u>41,116,073</u>	<u>38,982,902</u>
<b>Total restricted funds</b>	18	41,116,073	38,982,902
Unrestricted income funds	18	4,352,164	4,043,001
		<u>45,468,237</u>	<u>43,025,903</u>
<b>Total funds</b>			
		<u>45,468,237</u>	<u>43,025,903</u>



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**TRANSFORM TRUST**

(A company limited by guarantee)  
REGISTERED NUMBER: 08320065

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 28 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



**P Munro**  
Chair

Date: 16/12/20.

The notes on pages 33 to 64 form part of these financial statements.

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	1,415,394	441,408
<b>Cash flows from investing activities</b>	21	(497,341)	349,465
<b>Change in cash and cash equivalents in the year</b>		918,053	790,873
Cash and cash equivalents at the beginning of the year		5,721,371	4,930,498
<b>Cash and cash equivalents at the end of the year</b>	<b>22, 23</b>	<b>6,639,424</b>	<b>5,721,371</b>

The notes on pages 33 to 64 form part of these financial statements.

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**TRANSFORM TRUST**

(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Transform Trust meets the definition of a public benefit entity under FRS 102.

**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.

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the 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.

• **Transfer on conversion**

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

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable

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**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Taxation**

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

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

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

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**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

At 31 August 2020 the Trust holds properties under 125-year leases from NCC and Derby City Council. These properties are included at their depreciated replacement cost at the date of conversion to academy status.

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

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

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

Land and buildings includes land valued at £9,118,986 (2018: £8,406,486) which is not subject to depreciation.

**1.7 Stocks**

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

**1.8 Liabilities**

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

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**TRANSFORM TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.9. Financial instruments**

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

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

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

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

**1.10 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.



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**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.11 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.

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

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transfer on conversion from local authority	7,514	(1,203,901)	9,008,000	7,811,613	-
Transfer of existing academy joining the Academy Trust	-	-	-	-	5,861,275
Donations	109,499	-	-	109,499	19,020
Capital grants	-	-	1,103,298	1,103,298	1,105,622
<b>Total 2020</b>	<b>117,013</b>	<b>(1,203,901)</b>	<b>10,111,298</b>	<b>9,024,410</b>	<b>6,985,917</b>
<b>Total 2019</b>	<b>85,357</b>	<b>561,174</b>	<b>6,339,386</b>	<b>6,985,917</b>	

**TRANSFORM TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	26,757,811	26,757,811	24,213,612
Other DfE Group grants	-	5,382,423	5,382,423	4,514,978
	-	32,140,234	32,140,234	28,728,590
<b>Other government grants</b>				
Local authority grants	-	2,597,393	2,597,393	2,307,456
Other income from the Academy Trust's educational operations	389,519	-	389,519	365,997
	389,519	2,597,393	2,986,912	2,673,453
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	1,979	1,979	-
<b>Total 2020</b>	<u>389,519</u>	<u>34,739,606</u>	<u>35,129,125</u>	<u>31,402,043</u>
<b>Total 2019</b>	<u>365,997</u>	<u>31,036,046</u>	<u>31,402,043</u>	

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £1,979 of additional premises and free school meals costs. These costs are included in notes 7 and 8 below as appropriate.

The academy didn't furlough any of its staff under the government's CJRS.

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**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	10,709	-	10,709	22,567
Income from other charitable activities	229,853	71,624	301,477	389,848
Income from ancillary trading activities	77,994	-	77,994	62,770
<b>Total 2020</b>	<b>318,556</b>	<b>71,624</b>	<b>390,180</b>	<b>475,185</b>
<b>Total 2019</b>	<b>271,165</b>	<b>204,020</b>	<b>475,185</b>	

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	11,905	11,905	5,987
<b>Total 2019</b>	<b>5,987</b>	<b>5,987</b>	

**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**7. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising funds:					
Allocated support costs	-	-	276,299	276,299	384,652
Academy Trust's educational operations:					
Direct costs	23,634,019	-	1,483,681	25,117,700	24,540,759
Allocated support costs	7,418,424	1,802,668	4,291,195	13,512,287	10,240,738
Teaching school	-	-	-	-	40,000
<b>Total 2020</b>	<b>31,052,443</b>	<b>1,802,668</b>	<b>6,051,175</b>	<b>38,906,286</b>	<b>35,206,149</b>
<b>Total 2019</b>	<b>26,938,267</b>	<b>1,733,216</b>	<b>6,534,666</b>	<b>35,206,149</b>	

**8. Charitable activities**

	2020 £	2019 £
Direct costs - educational operations	25,117,700	24,540,759
Support costs - educational operations	13,512,287	10,240,738
	<b>38,629,987</b>	<b>34,781,497</b>
	<b>2020 £</b>	<b>2019 £</b>
<b>Support costs</b>		
Staff costs	7,418,424	4,321,013
Depreciation	1,670,480	1,340,011
Technology costs	416,448	275,962
Premises costs	1,803,668	1,733,216
Legal costs - conversion	5,014	-
Legal costs - other	3,921	-
Other support costs	1,832,315	2,266,541
Governance costs	362,017	303,995
	<b>13,512,287</b>	<b>10,240,738</b>

**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	68,254	54,305
Depreciation of tangible fixed assets	1,670,480	1,340,011
Fees paid to auditor for:		
- audit	20,750	19,000
- other services	7,180	8,700
	<u>1,706,664</u>	<u>1,380,016</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	21,552,965	19,075,309
Social security costs	2,013,713	1,780,252
Pension costs	6,665,665	4,968,113
	<u>30,232,343</u>	<u>25,823,674</u>
Agency staff costs	613,945	793,273
Staff restructuring costs	34,173	111,298
Staff development and other staff costs	171,982	210,022
	<u>31,052,443</u>	<u>26,938,267</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £33,310 (2019 - £59,716). Individually the payments were £23,001 and £11,172.

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**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**10. Staff (continued)**

**c. Staff numbers**

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

	2020 No.	2019 No.
Teachers	342	308
Administration and support	669	594
Management	22	20
	<u>1,033</u>	<u>922</u>

**d. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	8
In the band £70,001 - £80,000	9	7
In the band £80,001 - £90,000	3	3
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £2,215,454 (2019 £1,856,046).

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**TRANSFORM TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**11. Central services**

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

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

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

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

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Sneinton St Stephen's CoE Primary School	63,296	61,074
Edale Rise Primary and Nursery School	75,447	74,439
Highbank Primary School	79,538	77,273
Brocklewood Primary School	154,210	158,608
Rosslyn Park Primary School	194,715	188,849
Allenton Community Primary School	110,651	106,560
Bulwell St Mary's CoE Primary School	80,961	80,785
Burford Primary and Nursery School	63,713	63,901
William Booth Primary and Nursery School	71,040	68,002
Robert Shaw Primary and Nursery School	105,110	101,265
Whitegate Primary and Nursery School	109,898	106,170
Pear Tree Community Junior School	96,221	95,039
Breadsall Hill Top Primary School	93,331	95,525
South Wilford Endowed CoE Primary School	78,264	75,148
Parkdale Primary School	88,913	85,286
Zaytouna Primary School	76,971	78,717
Lawn Primary School	62,172	-
Ravensdale Primary School	72,099	-
<b>Total</b>	<b>1,676,550</b>	<b>1,516,641</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Trustees' remuneration and expenses**

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

		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
R Meredith CBE, Accounting Officer	Remuneration	130 - 135	125 - 130
	Pension contributions paid	30 - 35	20 - 25
Prof Q Gu	Remuneration	-	5 - 10
	Pension contributions paid	-	-

During the year ended 31 August 2020, Trustee expenses payments totalling £361 (2019 - £NIL) were reimbursed to 2 trustees (2019 - no trustees)

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

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim and the cost for the year ended 31 August 2020 was included within the total insurance cost.

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**14. Tangible fixed assets**

	Land and buildings £	Furnitures, fittings & equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	57,314,784	1,274,663	1,002,568	59,592,015
Additions	1,106,753	186,996	491,408	1,785,157
Transfer on conversion	9,008,000	-	-	9,008,000
At 31 August 2020	67,429,537	1,461,659	1,493,976	70,385,172
<b>Depreciation</b>				
At 1 September 2019	2,503,820	519,789	481,785	3,505,394
Charge for the year	1,097,285	251,219	321,976	1,670,480
At 31 August 2020	3,601,105	771,008	803,761	5,175,874
<b>Net book value</b>				
At 31 August 2020	63,828,432	690,651	690,215	65,209,298
At 31 August 2019	54,810,964	754,874	520,783	56,086,621

**15. Stocks**

	2020 £	2019 £
Stock	63,495	57,313

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**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	6,865	6,960
VAT repayable	182,310	722,996
Other debtors	6,195	3,442
Prepayments and accrued income	1,292,338	1,202,871
	<u>1,487,708</u>	<u>1,936,269</u>

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

	2020 £	2019 £
Trade creditors	652,900	867,781
Amounts owed to group undertakings	675	10,378
Other creditors	64,269	5,461
Accruals and deferred income	1,868,844	1,406,051
	<u>2,586,688</u>	<u>2,289,671</u>

	2020 £	2019 £
Deferred income at 1 September 2019	804,250	618,032
Resources deferred during the year	971,579	804,250
Amounts released from previous periods	(804,250)	(618,032)
	<u>971,579</u>	<u>804,250</u>

Deferred income includes the following:

Rates Relief	£65,204
KS1 Top Up Funding	£7,252
KS2 Moderation	£4,396
UIFSM	£364,732
Breakfast Club	£900
SEN Funding	£12,701
High needs	£38,070
Early Years	£411,889
PE & Sport unused	£29,534
Other	£11,848
Trips Income	£5,832
Ashbrook conversion grant	£14,752
AIA	£4,469

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**18. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds - all funds	4,043,001	836,993	(527,830)	-	-	4,352,164
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,382,281	26,757,811	(26,206,458)	(681,859)	-	1,251,775
Pupil Premium	-	3,095,154	(3,095,154)	-	-	-
Other restricted grants	-	5,123,364	(5,123,364)	-	-	-
Pension reserve	(18,486,000)	(1,369,000)	(2,283,000)	-	(3,207,000)	(25,345,000)
	<u>(17,103,719)</u>	<u>33,607,329</u>	<u>(36,707,976)</u>	<u>(681,859)</u>	<u>(3,207,000)</u>	<u>(24,093,225)</u>
<b>Restricted fixed asset funds</b>						
Capital donations	52,874,370	9,008,000	(249,131)	-	-	61,633,239
DfE/ESFA capital grants	3,212,251	1,103,298	(1,421,349)	681,859	-	3,576,059
	<u>56,086,621</u>	<u>10,111,298</u>	<u>(1,670,480)</u>	<u>681,859</u>	<u>-</u>	<u>65,209,298</u>
<b>Total Restricted funds</b>	<u>38,982,902</u>	<u>43,718,627</u>	<u>(38,378,456)</u>	<u>-</u>	<u>(3,207,000)</u>	<u>41,116,073</u>
<b>Total funds</b>	<u>43,025,903</u>	<u>44,555,620</u>	<u>(38,906,286)</u>	<u>-</u>	<u>(3,207,000)</u>	<u>45,468,237</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

Transfers relate to revenue funds used for capital expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Sneinton St Stephen's CoE Primary School	266,417	275,338
Edale Rise Primary and Nursery School	180,192	195,262
Highbank Primary School	227,277	172,421
Brocklewood Primary School	172,782	221,860
Rosslyn Park Primary School	269,858	289,559
Allenton Community Primary School	585,781	370,289
Bulwell St Mary's CoE Primary School	375,978	313,311
Burford Primary and Nursery School	181,605	112,183
William Booth Primary and Nursery School	132,058	73,614
Robert Shaw Primary and Nursery School	221,852	157,572
Whitegate Primary and Nursery School	700,978	644,528
Pear Tree Community Junior School	122,152	329,765
Breadsall Hill Top Primary School	149,154	226,474
South Wilford Endowed CoE Primary School	261,761	281,916
Parkdale Primary School	272,183	249,731
Zaytouna Primary School	246,684	587,292
Lawn Primary School	33,043	-
Ravensdale Junior School	182,345	-
Transform Trust	1,021,839	924,167
Total before fixed asset funds and pension reserve	5,603,939	5,425,282
Restricted fixed asset fund	65,209,298	56,086,621
Pension reserve	(25,345,000)	(18,486,000)
<b>Total</b>	<b>45,468,237</b>	<b>43,025,903</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Sneinton St Stephen's CoE Primary School	826,752	212,727	60,546	204,803	1,304,828	1,265,584
Edale Rise Primary and Nursery School	1,016,165	217,726	63,132	214,145	1,511,168	1,505,123
Highbank Primary School	1,079,980	300,968	55,852	171,212	1,608,012	1,507,024
Brocklewood Primary School	2,262,545	660,579	121,628	319,321	3,364,073	3,263,850
Rosslyn Park Primary School	2,616,555	727,350	178,688	446,164	3,968,757	3,736,846
Allenton Community Primary School	1,524,168	373,085	48,293	192,134	2,137,680	2,062,077
Bulwell St Mary's CoE Primary School	987,252	246,342	107,343	247,817	1,588,754	1,621,647
Burford Primary and Nursery School	772,620	260,267	71,477	161,273	1,265,637	1,297,912
William Booth Primary and Nursery School	912,329	251,222	70,987	221,257	1,455,795	1,316,474
Robert Shaw Primary and Nursery School	1,449,179	327,059	42,836	245,042	2,064,116	2,216,833
Whitegate Primary and Nursery School	1,473,476	439,824	83,873	202,570	2,199,743	2,063,778
Pear Tree Community Junior School	1,302,866	357,635	80,354	222,832	1,963,687	2,013,780
Breadsall Hill Top Primary School	1,321,254	388,203	43,967	198,451	1,951,875	1,929,714
South Wilford Endowed CoE Primary School	1,146,174	221,873	93,402	299,586	1,761,035	1,697,057
Parkdale Primary School	1,209,733	179,761	91,420	297,440	1,778,354	1,767,968
Zaytouna Primary School	1,047,661	289,154	91,039	241,397	1,669,251	1,606,306
Lawn Primary School	936,496	317,624	16,330	108,122	1,378,572	-
Ravensdale Junior School	991,826	408,773	35,771	141,657	1,578,027	-
Transform Trust	756,988	1,238,252	126,743	564,459	2,686,442	2,994,165
<b>Academy Trust</b>	<b>23,634,019</b>	<b>7,418,424</b>	<b>1,483,681</b>	<b>4,699,682</b>	<b>37,235,806</b>	<b>33,866,138</b>

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

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	3,775,079	728,506	(460,584)	-	-	4,043,001
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,148,181	24,213,612	(23,770,926)	(208,586)	-	1,382,281
Pupil Premium	-	2,995,660	(2,995,660)	-	-	-
Other restricted grants	-	4,711,968	(4,711,968)	-	-	-
Pension reserve	(12,079,000)	(80,000)	(1,927,000)	-	(4,400,000)	(18,486,000)
	<u>(10,930,819)</u>	<u>31,841,240</u>	<u>(33,405,554)</u>	<u>(208,586)</u>	<u>(4,400,000)</u>	<u>(17,103,719)</u>
<b>Restricted fixed asset funds</b>						
Capital donations	47,770,787	5,233,764	(130,181)	-	-	52,874,370
DfE/ESFA capital grants	3,107,873	1,105,622	(1,209,830)	208,586	-	3,212,251
	<u>50,878,660</u>	<u>6,339,386</u>	<u>(1,340,011)</u>	<u>208,586</u>	<u>-</u>	<u>56,086,621</u>
<b>Total Restricted funds</b>	<u>39,947,841</u>	<u>38,180,626</u>	<u>(34,745,565)</u>	<u>-</u>	<u>(4,400,000)</u>	<u>38,982,902</u>
<b>Total funds</b>	<u>43,722,920</u>	<u>38,909,132</u>	<u>(35,206,149)</u>	<u>-</u>	<u>(4,400,000)</u>	<u>43,025,903</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Analysis of net assets between funds**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	65,209,298	65,209,298
Current assets	4,352,164	3,838,463	-	8,190,627
Creditors due within one year	-	(2,586,688)	-	(2,586,688)
Provisions for liabilities and charges	-	(25,345,000)	-	(25,345,000)
<b>Total</b>	<b>4,352,164</b>	<b>(24,093,225)</b>	<b>65,209,298</b>	<b>45,468,237</b>

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	56,086,621	56,086,621
Current assets	4,043,001	3,671,952	-	7,714,953
Creditors due within one year	-	(2,289,671)	-	(2,289,671)
Provisions for liabilities and charges	-	(18,486,000)	-	(18,486,000)
<b>Total</b>	<b>4,043,001</b>	<b>(17,103,719)</b>	<b>56,086,621</b>	<b>43,025,903</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Reconciliation of net income to net cash flow from operating activities**

	2020 £	2019 £
Net income for the period (as per statement of financial activities)	5,649,334	3,702,983
<b>Adjustments for:</b>		
Depreciation charges	1,670,480	1,340,011
Transfer on conversion	(7,811,613)	-
Transfer of existing academy joining the Academy Trust	-	(5,861,275)
Interest receivable	(11,905)	(5,987)
(Increase)/decrease in stocks	(6,182)	10,258
Decrease in debtors	448,561	115,277
Increase in creditors	297,017	318,763
Capital grants from DfE and other capital income	(1,103,298)	(1,105,622)
Defined benefit pension scheme cost less contributions payable	1,915,000	1,607,000
Defined benefit pension scheme finance cost	368,000	320,000
<b>Net cash provided by operating activities</b>	<b>1,415,394</b>	<b>441,408</b>

**21. Cash flows from investing activities**

	2020 £	2019 £
Interest received	11,905	5,987
Purchase of tangible assets	(1,785,157)	(1,469,707)
Capital grants from DfE Group	1,103,298	1,105,622
Cash transferred on conversion from local authority	172,613	-
Cash transferred on transfer from an Academy Trust	-	707,563
<b>Net cash (used in)/provided by investing activities</b>	<b>(497,341)</b>	<b>349,465</b>

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

	2020 £	2019 £
Cash in hand	6,639,424	5,721,371

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	Cash transferred on conversion from local authority £	At 31 August 2020 £
Cash at bank and in hand	5,721,371	745,440	172,613	6,639,424

**24. Conversion to an Academy Trust**

On 1 September 2019 Ravensdale Junior School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Transform Trust from Derby City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	4,028,000	4,028,000
Cash - representing budget surplus on LA funds	7,514	-	-	7,514
Cash - representing budget surplus on other school funds	-	159,017	-	159,017
LGPS pension deficit	-	(662,000)	-	(662,000)
	7,514	(502,983)	4,028,000	3,532,531

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**24. Conversion to an Academy Trust (continued)**

On 1 December 2019 Lawn Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Transform Trust from Derby City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	4,980,000	4,980,000
Cash - representing budget surplus on other school funds	6,082	-	6,082
LGPS pension deficit	(707,000)	-	(707,000)
<b>Net (liabilities)/assets</b>	<b>(700,918)</b>	<b>4,980,000</b>	<b>4,279,082</b>

**25. Pension commitments**

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

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

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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. 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 £2,761,017 (2019 - £1,738,113).

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 2020 was £2,054,000 (2019 - £1,718,000), of which employer's contributions totalled £1,579,000 (2019 - £1,305,000) and employees' contributions totalled £ 475,000 (2019 - £413,000). The agreed contribution rates for future years are 18% for employers and 5.5% to 7.5% for employees.

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

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**25. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Discount rate for scheme liabilities	1.60 - 1.70	1.90
Rate of increase in salaries	2.90 - 3.30	2.80 - 3.65
Rate of increase for pensions in payment / inflation	2.20 - 2.30	2.15 - 2.30
Inflation assumption (CPI)	2.20 - 2.30	2.15 - 2.30

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

	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	21.6 - 21.8	21.7 - 21.9
Females	23.7 - 24.4	24.4
<i>Retiring in 20 years</i>		
Males	22.6 - 23.2	23.3 - 23.9
Females	25.1 - 25.9	26.2 - 26.5

**Sensitivity analysis**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Discount rate +0.1%	1,239,000	985,000
Discount rate -0.1%	158,000	138,000
Pension increase rate 0.1%	1,074,000	835,000

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Equities	11,277,920	9,387,000
Gilts	2,368,680	389,000
Other bonds	519,000	1,803,000
Property	898,120	1,827,000
Cash	2,180,280	576,000
Other	1,429,000	1,134,000
<b>Total market value of assets</b>	<b>18,673,000</b>	<b>15,116,000</b>

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**25. Pension commitments (continued)**

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

	2020 £	2019 £
Current service cost	(3,492,000)	(2,482,000)
Past service cost	-	(428,000)
Interest income	325,000	369,000
Interest cost	(693,000)	(689,000)
Administrative expenses	(2,000)	(2,000)
<b>Total amount recognised in the statement of financial activities</b>	<b>(3,862,000)</b>	<b>(3,232,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>33,602,000</b>	<b>24,839,000</b>
Transfer on conversion	2,635,000	-
Transferred in on existing academies joining the trust	-	296,000
Current service cost	3,492,000	2,482,000
Interest cost	693,000	689,000
Employee contributions	475,000	413,000
Actuarial losses	3,370,000	4,711,000
Benefits paid	(249,000)	(256,000)
Past service costs	-	428,000
<b>At 31 August</b>	<b>44,018,000</b>	<b>33,602,000</b>

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**25. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	15,116,000	12,760,000
Transfer on conversion	1,266,000	-
Transferred in on existing academies joining the trust	-	216,000
Interest income	325,000	369,000
Actuarial gains	163,000	311,000
Employer contributions	1,579,000	1,305,000
Employee contributions	475,000	413,000
Benefits paid	(249,000)	(256,000)
Administrative expenses	(2,000)	(2,000)
<b>At 31 August</b>	<b>18,673,000</b>	<b>15,116,000</b>

**26. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	63,052	68,254
Later than 1 year and not later than 5 years	35,319	89,987
	<b>98,371</b>	<b>158,241</b>

**27. Members' liability**

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



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**28. Related party transactions**

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

**Expenditure Related Party Transactions****TT Support Services Limited ("TTSA")**

TTSA is wholly owned by the Trust. It provides membership and staff training and advice to the educational sector. The Trust purchased services costing £27,865 (2019 - £44,476) from TTSA and made sales of £21,183 (2019 - £719) from TTSA. The balance owed to TTSA by the Trust at 31 August 2020 was £675 (2019 - £10,476).

**EPIC Partners**

Three members of the senior management team, K Lee, S O'Connor and C Paparozzi, were directors (resigned in July 2019) in EPIC Partners, a company limited by guarantee during the year. During the period, the Trust purchased educational services from EPIC Partners amounting to £Nil (2019 - £13,492). The balance owed by the Trust at 31st August 2020 was £Nil (2019 - £Nil).

**Income Related Party Transactions****Inspiring Leaders Limited**

A member of the senior management team, R Meredith CBE, was a director in Inspiring Leads Limited during the year, a company limited by guarantee. During the period, the Trust received income from Inspiring Leaders Limited amounting to £7,446 (2019 - £7,041). The balance owed by the Trust at 31st August 2020 was £Nil (2019 - £Nil).

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

**29. Post balance sheet events**

Ashbrook Junior School joined Transform Trust on 1 September 2020. The assets and liabilities were transferred for £Nil consideration.

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**30. Teaching school trading account**

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
<b>Direct income</b>				
Other income			40,000	
<b>Total income</b>				40,000
<b>Expenditure</b>				
<b>Other expenditure</b>				
Other support staff costs			40,000	
<b>Other expenditure</b>				
<b>Total expenditure</b>		-		40,000
<b>Surplus from all sources</b>		-		-
<b>Teaching school balances at 1 September 2019</b>		-		-
<b>Teaching school balances at 31 August 2020</b>		-		-

As at 31 August 2020 the surplus carried forward was £Nil (2019 - £Nil).

**31. Principal subsidiaries**

**TT Support Services Limited**

Subsidiary name	TT Support Services Limited
Company registration number	08413480
Basis of control	100% owned subsidiary
Total assets as at 31 August 2020	£164,087
Total liabilities as at 31 August 2020	(£33,655)
Total equity as at 31 August 2020	£130,432
Turnover for the year ended 31 August 2020	£245,497
Expenditure for the year ended 31 August 2020	(£115,785)
Profit for the year ended 31 August 2020	£129,712