
TRANSFORM TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

TRANSFORM TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 15
Governance Statement	16 - 20
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees' Responsibilities	22
Independent Auditor's Report on the Financial Statements	23 - 26
Independent Reporting Accountant's Report on Regularity	27 - 28
Statement of Financial Activities Incorporating Income and Expenditure Account	29 - 30
Balance Sheet	31 - 32
Statement of Cash Flows	33
Notes to the Financial Statements	34 - 64

TRANSFORM TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Munro Southwell and Nottingham Diocese Educational Trust I Griffiths M Cooper (appointed 13 January 2021)
Trustees	P Munro, Chair R Meredith CBE, Accounting Officer R Periam Prof T Greany Prof Q Gu 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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Senior management team

R Meredith CBE, Chief Executive Officer
S Heesom, Development Director (resigned 1 July 2021)
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
K Hambleton, Headteacher (appointed 1 September 2020)
P Hillier, Headteacher
A Sharp, Headteacher
Z Cannon, Headteacher
K Coker, Headteacher
S Mason, Headteacher
K Lee, Partnership Director, Headteacher
L Noble, Headteacher
C Paparozzi, Headteacher
A Storer, Headteacher
M Julian, Headteacher (appointed 1 September 2020)

Independent auditors

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the accounts and independent Auditor's Reports of the charitable company for the period 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy 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 Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of 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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

e. Terms of office

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

f. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their previous experience. All Trustees are provided with previous minutes and induction with the Chief Operating Officer, plus provided copies of documents that they will need to undertake their role as Trustees. The annual strategic planning days for Trustees were held on 5 October 2020, 18 January 2021 and 26 April 2021 to review and update the strategic plan, to review the ethos and vision for the Trust, and to ensure the resource plans are enablers for the plan. 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 appointments will always include the CEO. Some spending control is devolved to members of the School Leadership Team, with finance limits set requiring a member of the Executive Team to countersign.

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

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

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

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

Structure, governance and management (continued)

i. Trade union facility time

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

j. Related parties and other connected charities and organisations

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

k. Engagement with employees (Section 172 Statement)

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

A collective bargaining agreement is in place with recognised Trade Unions and consultation on all matters that affect employees' 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.

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

Transform greatly values the relationship with suppliers and partners in delivery of education for all children in Trust schools. 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 are increasingly engaged with their immediate communities, partly in response to short term covid-19 operational challenges, but also in light of reducing pupil numbers at a number of Transform schools. Additional PR support has been deployed and tangible improvements in Ofsted ratings will help. Additionally Transform is working with the relevant Local Authorities where pupil numbers in identified communities are in decline.

The Trust and its schools also continue to engage the relevant Local Authorities in dialogue particularly in managing welfare of children. In the last 2 years this has extended to ensuring a consistent Trust approach & support to risk management of Covid-19.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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 2020/21, the principal activity of the charitable company was the operation of 19 primary-age academies in Nottingham and Derby areas. The schools vary in size from single form to three form entry.

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.

It remains a core principle that Transform Trust's children remain central to all Trust endeavours. School standards and progress continued to be monitored despite the challenges in school, with blended learning both in school and at home. Devices were obtained from DfE and through school investment to support learning in both settings. Free School Meals continued at home for children who could not attend school, and safeguarding protocols were stepped up to ensure school leaders saw every child routinely through lockdown periods and frequent bubble isolations. Trustees greatly value enrichment opportunities brought about by continuing to hold Children's events. Many had to be modified to a blend of virtual and in-person events, but schools found a way.

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 had 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..

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

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.

Strategic report

Achievements and performance

No Ofsted Inspections have been held in the year, but 5 inspections have been made so far since the Balance Sheet date. 4 have been judged Good, 1 Outstanding. Of those 5 schools, 1 had previously been rated Special Measures and 2 Requires Improvement so this represents significant steps forward since academisation.

In 2020/21 Trustees welcomed Ashbrook Junior School to the Trust.

COVID-19 Review

Transform's 19 primary schools have been open throughout despite the continuance of the COVID-19 pandemic, although frequent bubble closures and isolations has disrupted attendance at school. There were observable differences in school transmission as the delta variant arrived (December 2020), and significant new adaptive steps were taken to manage this emerging risk. After the previous experience in 2020, schools had adapted their educational offer to be more flexible, and as case numbers fell nationally into Spring & Summer, more enrichment opportunities for children were possible.

Building and digital investment continued, specifically in securing high-speed internet leased lines for all schools, and enhanced 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 continued to use digital meeting solutions, and strong meeting attendance has demonstrated this is a valuable format going forward. Since September 2020 digital and face-to-face meetings have been combined (hybrid meetings) in suitably equipped venues and Trust Centre is one of those.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

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 or 2020/21);
- 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;

b. Going concern

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

c. Promoting the success of the company (Section 172 Statement)

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

In 2020/21 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.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Financial review

Most of the Academy Trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust's total funds at the end of the period are £42,041,856 of which £69,351,906 is in the restricted fixed asset fund, leaving a total deficit reserve balance of both general restricted and unrestricted funds of £27,310,050; this is due to the LGPS deficit of £33,468,000. However, the LGPS liability will not materialise in the near future and actual reserve funding available to the academy excluding the LGPS liability is £6,157,950, of which £1,507,591 is restricted funding and £4,650,359 is unrestricted funding.

At 31 August 2021, the net book value of fixed assets was £69,004,676 and movements in tangible fixed assets are shown in note 14 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

a. Reserves policy

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

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

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

As at 31 August 2021 the Trust has 'free' reserves i.e. those reserves that are freely available for general purposes of the Trust total £4,650,359. The restricted fixed asset fund totals £69,351,906 which can only be realised by disposing of tangible fixed assets. Restricted reserves are in deficit by £31,960,409 of which £33,468,000 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 £1,507,591, 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 £33,468,000 at 31 August 2021. 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 £1,507,591 and the balance on unrestricted funds is £4,650,359 at 31 August 2021, giving a combined funds figure of £6,157,950. Trustees recognise free reserves are currently in excess of the minimum level, and have embarked on some significant estate improvements across schools. This has included major roofing works at 3 schools, a major windows replacement and ongoing acceleration of refurbishments. Additionally, digital investment in the classroom accelerated by the pandemic has continued, with an ambition for every child to have an allocated device during their schooling

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

b. Investment policy

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

c. Principal risks and uncertainties

Each academy evaluates and monitors its own risks, and the Trust maintains its own risk register. The main risks that 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 - Good (Sept 2021); William Booth - Good (Oct 2021); Pear Tree Junior - Special Measures; Breadsall Hill Top - Good (Sept 2021); Whitegate - Good (Sept 2021); South Wilford Endowed C of E - Outstanding; Parkdale – Good; Zaytouna – Requires Improvement, Ravensdale – Good; Lawn – Outstanding (Sept 2021); Ashbrook Junior - Good.

The 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:

- Pupil numbers – some reductions to new pupils joining Trust schools, increased engagement with communities and development
- Reliance on members of the Executive Team and key staff - ongoing training and development opportunities, market rate review and succession planning
- 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.

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

COVID-19 risks

Finance risk

The 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 negatively impacted was for before and after-school clubs, as these services were continually disrupted. As a result, the Trust was able to maintain full employment of staff and did not take advantage of the Job Retention Scheme (“furlough”).

Throughout the pandemic, financial claims made against Trust schools have been scrutinised carefully and triangulated with other evidence, and the Trust position has continued to be that taxpayers’ support (including ESFA funding) should only be sought once.

All schools ended the year managed a maintained or stronger financial position, and were able to continue to support necessary investments in buildings and digital. Ongoing cost management is being carefully monitored as estimates made at the time of the budget needed to flex in accordance with circumstance. 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 have remained high particularly as staff have necessarily isolated as covid cases have grown, and high levels of staff supply have been necessary to maintain the education offer in schools.

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.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

e. Financial and risk management objectives and policies

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

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

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

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

Fundraising

Each school within the Trust participates at low level in various forms of fundraising often in partnership with a local Parent Teacher Association (PTA) who will run local school fairs to raise funds for the school. Schools also participate in dress down days and 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 (SECR)

UK energy use and associated greenhouse gas emissions

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

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only. This includes all 19 schools controlled during the reporting period along with employee-owned vehicles used for business mileage. The Trust does not directly own or control any vehicles.

Reporting period

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Streamlined energy and carbon reporting (SECR) (continued)

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 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with employee-owned vehicles. On site generated renewable solar photovoltaic electricity is reported; however, exported energy is not measured nor accounted for in the figure reported. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

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

Breakdown of energy consumption used to calculate emissions (kWh)

<u>Energy type</u>	<u>2019/20</u>	<u>2020/21</u>
Mandatory requirements:		
<u>Gas</u>	<u>5,760,066</u>	<u>6,206,605</u>
<u>Purchased electricity from the grid</u>	<u>1,785,279</u>	<u>1,867,569</u>
<u>Transport fuel</u>	<u>5,637</u>	<u>7,408</u>
<u>Total energy (mandatory)</u>	<u>7,550,982</u>	<u>8,081,581</u>
Voluntary requirements:		
<u>Generated electricity from on-site renewable sources</u>	<u>56,283</u>	<u>51,206</u>
<u>Total energy (voluntary)</u>	<u>56,283</u>	<u>51,206</u>
<u>Total energy (mandatory & voluntary)</u>	<u>7,607,265</u>	<u>8,132,787</u>

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Streamlined energy and carbon reporting (SECR) (continued)

Breakdown of emissions associated with the reported energy use (tCO₂e):

<u>Emission source</u>	<u>2019/20</u>	<u>2020/21</u>
<u>Mandatory requirements:</u>		
<u>Scope 1</u>		
<u>Natural gas</u>	<u>1,059.1</u>	<u>1,136.8</u>
<u>Transport - Company owned vehicles (mini-buses)</u>	<u>0.0</u>	<u>0.0</u>
<u>Scope 2</u>		
<u>Purchased electricity (location-based)</u>	<u>416.2</u>	<u>396.5</u>
<u>Scope 3</u>		
<u>Transport – Business travel in employee-owned vehicles</u>	<u>1.4</u>	<u>1.8</u>
<u>Total gross emissions (mandatory)</u>	<u>1,476.7</u>	<u>1,535.2</u>
<u>Intensity ratios (mandatory emissions only)</u>		
<u>Tonnes of CO₂e per pupil</u>	<u>0.239</u>	<u>0.244</u>
<u>Tonnes of CO₂e per square meter floor area</u>	<u>0.039*</u>	<u>0.038</u>
<u>Voluntary requirements:</u>		
<u>Scope 1</u>		
<u>Generated electricity from on-site renewable sources</u>	<u>0.0</u>	<u>0.0</u>
<u>Total gross emissions (voluntary)</u>	<u>0.0</u>	<u>0.0</u>
<u>Total gross emissions (mandatory & voluntary)</u>	<u>1,476.7</u>	<u>1,535.2</u>

*The 2019/20 tCO₂e per square meter intensity ratio has been revised from 0.037 to 0.039 following an error.

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area.

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

Energy efficiency action during current financial year

This year, the Trust have improved heating efficiency by investing in new gas boilers at Burford Primary and Nursery School, Robert Shaw Primary School and Allenton Community Primary School. Electrical efficiency has also been improved at Pear Tree Community Junior School with the installation of LED lighting in August 2021.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Streamlined energy and carbon reporting (SECR) (continued)

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 in the year. 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 continued to monitor control settings for heating, hot water and air conditioning systems across the whole estate. The settings have 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 will continue to be used in the future reducing transport costs.

Robert Shaw, Allenton & Burford have all recently invested in modern efficient heating systems, and roofing works undertaken at Breadsall and Burford which will mitigate heat loss. Roofing works at Brocklewood have been authorised, and window replacement at Robert Shaw will also see improved insulation properties at both schools.

Plans for future periods

No schools are currently planned to join Transform 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 Dec 16, 2021 and signed on its behalf by:


[P N Munro \(Dec 16, 2021 14:39 GMT\)](#)

.....
P Munro
Chair

TRANSFORM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

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 CEO, 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	6	6
J Luxton	5	6
Dame S Jowett	6	6
D Jones (appointed 1 September 2020)	5	6
G Savidge (appointed 14 October 2020)	5	6

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

A self-evaluation of the Trust Board was conducted in the autumn term of 2020 following the appointment of Gemma Savidge (qualified accountant). No further skills gaps were identified.

TRANSFORM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 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	4
Prof T Greany	4	4
D Jones (appointed 1 September 2020)	4	4
G Savidge (appointed 14 October 2020)	2	4

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

Attendance during the year at meetings was as follows:

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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	1	1

Review of value for money

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

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

- 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and 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 was performed for 2 terms by a suitably qualified finance professional at Trust Centre. The individual performing the checks was not involved in the day-to-day management of the finance function. For the 3rd term an external suitably qualified firm was engaged to conduct the internal audit works. 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 Board of Trustees has considered the need for a specific internal audit function and this was performed for 2 terms by a suitably qualified finance professional at Trust Centre. The individual performing the checks was not involved in the day-to-day management of the finance function. For the 3rd term an external suitably qualified firm was engaged to conduct the internal audit works. 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 Audit & Finance Committee agreed a scope of works with an appointed designated internal auditor. These works were carried out in accordance with the agreed scope through the course of the year, and findings reported to the Committee. No significant control matters were identified. It has been agreed at the last Audit & Finance Committee to reappoint SAAF in the role of internal auditor.

TRANSFORM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 N Munro (Dec 16, 2021 14:39 GMT)

.....
P Munro
Chair

Date: Dec 16, 2021


Rebecca Meredith (Dec 16, 2021 10:48 GMT)

.....
R Meredith CBE
Accounting Officer

Date: Dec 16, 2021

TRANSFORM TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 2020.

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 2020.

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



Rebecca Meredith (Dec 16, 2021 10:48 GMT)

.....
R Meredith CBE
Accounting Officer

Date: Dec 16, 2021

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


[P N Munro \(Dec 16, 2021 14:39 GMT\)](#)
.....
P Munro
Chair

Date: Dec 16, 2021

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Transform Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 Practise), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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

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

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

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

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.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the Trustees (who are also the Trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 (Dec 16, 2021 14:56 GMT)

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: Dec 16, 2021

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 5 October 2021 and further to the requirements of the Education and Skills Funding Agency (the ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Conclusion

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


Mazars (Dec 16, 2021 14:57 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 16, 2021

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Transfer on conversion from local authority		8,494	(110,374)	3,870,000	3,768,120	7,811,613
Other donations and capital grants		170,501	-	1,910,445	2,080,946	1,212,797
Charitable activities	4	424,445	37,849,620	-	38,274,065	35,129,125
Other trading activities	5	355,379	5,564	-	360,943	390,180
Investment income	6	1,279	-	-	1,279	11,905
Total income		960,098	37,744,810	5,780,445	44,485,353	44,555,620
Expenditure on:						
Raising funds	7	232,438	53,653	-	286,091	276,299
Charitable activities	7	429,465	40,276,225	1,980,953	42,686,643	38,629,987
Total expenditure		661,903	40,329,878	1,980,953	42,972,734	38,906,286
Net income		298,195	(2,585,068)	3,799,492	1,512,619	5,649,334

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Net income brought forward	298,195	(2,585,068)	3,799,492	1,512,619	5,649,334
Transfers between funds	-	(343,116)	343,116	-	-
Net movement in funds before other recognised losses	298,195	(2,928,184)	4,142,608	1,512,619	5,649,334
Other recognised losses:					
Actuarial losses on defined benefit pension schemes	-	(4,939,000)	-	(4,939,000)	(3,207,000)
Net movement in funds	298,195	(7,867,184)	4,142,608	(3,426,381)	2,442,334
Reconciliation of funds:					
Total funds brought forward	4,352,164	(24,093,225)	65,209,298	45,468,237	43,025,903
Net movement in funds	298,195	(7,867,184)	4,142,608	(3,426,381)	2,442,334
Total funds carried forward	4,650,359	(31,960,409)	69,351,906	42,041,856	45,468,237

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	69,004,676	65,209,298
		<u>69,004,676</u>	<u>65,209,298</u>
Current assets			
Stocks	15	27,857	63,495
Debtors	16	1,435,027	1,487,708
Cash at bank and in hand	22	7,842,494	6,639,424
		<u>9,305,378</u>	<u>8,190,627</u>
Liabilities			
Creditors: Amounts falling due within one year	17	(2,800,198)	(2,586,688)
		<u>6,505,180</u>	<u>5,603,939</u>
Net current assets			
		<u>75,509,856</u>	<u>70,813,237</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	26	(33,468,000)	(25,345,000)
		<u>42,041,856</u>	<u>45,468,237</u>
Total net assets		<u><u>42,041,856</u></u>	<u><u>45,468,237</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	69,351,906	65,209,298
Restricted income funds	18	1,507,591	1,251,775
		<u>70,859,497</u>	<u>66,461,073</u>
Restricted funds excluding pension liability	18	70,859,497	66,461,073
Pension reserve	18	(33,468,000)	(25,345,000)
		<u>37,391,497</u>	<u>41,116,073</u>
Total restricted funds	18	37,391,497	41,116,073
Unrestricted income funds	18	4,650,359	4,352,164
		<u>42,041,856</u>	<u>45,468,237</u>
Total funds		<u><u>42,041,856</u></u>	<u><u>45,468,237</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


[P N Munro \(Dec 16, 2021 14:39 GMT\)](#)

.....
P Munro
Chair

Date: Dec 16, 2021

The notes on pages 34 to 64 form part of these financial statements.

TRANSFORM TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,025,845	1,415,394
Cash flows from investing activities	21	177,225	(497,341)
Change in cash and cash equivalents in the year		1,203,070	918,053
Cash and cash equivalents at the beginning of the year		6,639,424	5,721,371
Cash and cash equivalents at the end of the year	22, 23	<u>7,842,494</u>	<u>6,639,424</u>

The notes on pages 34 to 64 form part of these financial statements.

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by the 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.

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.

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

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

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

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.

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

At 31 August 2021 the Trust holds properties under 125-year leases from NCC and Derby City Council. These properties are included at their depreciated replacement cost at the date of conversion to academy status.

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

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

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

Land and buildings includes land valued at £12,111,586 (2020 - £11,252,986) 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.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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.

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

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Transfer on conversion from local authority	8,494	(110,374)	3,870,000	3,768,120	7,811,613
Donations	170,501	-	-	170,501	109,499
Capital grants	-	-	1,910,445	1,910,445	1,103,298
Total 2021	178,995	(110,374)	5,780,445	5,849,066	9,024,410
Total 2020	117,013	(1,203,901)	10,111,298	9,024,410	

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	28,812,312	28,812,312	26,757,811
Pupil Premium	-	3,163,043	3,163,043	3,095,154
Universal Infant Free School Meals	-	601,693	601,693	684,786
Teachers' Pay and Pension Grants	-	1,232,141	1,232,141	1,188,130
Others	-	372,345	372,345	414,353
	-	34,181,534	34,181,534	32,140,234
Other Government grants				
Local authority grants	-	3,108,457	3,108,457	2,597,393
Other income from the Academy Trust's educational operations	424,445	24,646	449,091	389,519
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	504,440	504,440	-
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus Funding	-	30,543	30,543	1,979
	424,445	3,668,086	4,092,531	2,988,891
	424,445	37,849,620	38,274,065	35,129,125
Total 2020	389,519	34,739,606	35,129,125	

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

The Academy Trust received £504,440 of funding for catch up premium and costs incurred in respect of this funding totalled £504,440.

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	13,258	-	13,258	10,709
Income from other charitable activities	194,721	5,564	200,285	301,477
Income from ancillary trading activities	147,400	-	147,400	77,994
Total 2021	355,379	5,564	360,943	390,180
Total 2020	318,556	71,624	390,180	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	1,279	1,279	11,905
Total 2020	11,905	11,905	

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising funds:					
Allocated support costs	147,400	-	138,691	286,091	276,299
Academy Trust's educational operations:					
Direct costs	25,567,024	-	1,463,707	27,030,731	25,117,700
Allocated support costs	8,870,118	1,792,358	4,993,436	15,655,912	13,512,287
Total 2021	<u>34,584,542</u>	<u>1,792,358</u>	<u>6,595,834</u>	<u>42,972,734</u>	<u>38,906,286</u>
Total 2020	<u>31,052,443</u>	<u>1,802,668</u>	<u>6,051,175</u>	<u>38,906,286</u>	

8. Charitable activities

	2021 £	2020 £
Direct costs - educational operations	27,030,731	25,117,700
Support costs - educational operations	15,655,912	13,512,287
	<u>42,686,643</u>	<u>38,629,987</u>
	2021 £	2020 £
Support costs		
Staff costs	8,870,118	7,418,424
Depreciation	1,949,258	1,670,480
Technology costs	676,202	416,448
Premises costs	1,792,358	1,803,668
Legal costs - conversion	2,040	5,014
Legal costs - other	6,244	3,921
Other support costs	2,065,118	1,832,315
Governance costs	294,574	362,017
	<u>15,655,912</u>	<u>13,512,287</u>

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Operating lease rentals	63,052	68,254
Depreciation of tangible fixed assets	1,949,241	1,670,480
Fees paid to auditor for:		
- audit	22,320	20,750
- other services	8,145	7,180
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	23,249,469	21,552,965
Social security costs	2,179,479	2,013,713
Pension costs	7,898,500	6,665,665
	<u> </u>	<u> </u>
	33,327,448	30,232,343
Agency staff costs	1,037,502	613,945
Staff restructuring costs	62,424	34,173
Staff Development and other staff costs	157,168	171,982
	<u> </u>	<u> </u>
	34,584,542	31,052,443
	<u> </u>	<u> </u>

Staff restructuring costs comprise:

	2021	2020
	£	£
Redundancy payments	2,757	33,310
Severance payments	59,667	34,173
	<u> </u>	<u> </u>
	62,424	67,483
	<u> </u>	<u> </u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £36,548 (2020 - £33,310). Individually the payments are £14,181, £9,672, £9,056 and £3,639.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

10. Staff (continued)

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	354	342
Administration and support	694	669
Management	22	22
	<u>1,070</u>	<u>1,033</u>

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	8	9
In the band £80,001 - £90,000	6	3
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
In the band £130,001 - £140,000	1	1

d. 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 £2,357,755 (2020 - £2,215,454).

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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:

	2021	2020
	£	£
Sneinton St Stephen's CoE Primary School	65,906	63,296
Edale Rise Primary and Nursery School	75,707	75,447
Highbank Primary School	79,157	79,538
Brocklewood Primary School	158,917	154,210
Rosslyn Park Primary School	203,811	194,715
Allenton Community Primary School	112,156	110,651
Bulwell St Mary's CoE Primary School	77,557	80,961
Burford Primary and Nursery School	66,053	63,713
William Booth Primary and Nursery School	73,166	71,040
Robert Shaw Primary and Nursery School	105,706	105,110
Whitegate Primary and Nursery School	111,906	109,898
Pear Tree Community Junior School	107,563	96,221
Breadsall Hill Top Primary School	98,944	93,331
South Wilford Endowed CoE Primary School	82,728	78,264
Parkdale Primary School	92,573	88,913
Zaytouna Primary School	85,489	76,971
Lawn Primary School	93,670	62,172
Ravensdale Primary School	79,719	72,099
Ashbrook Junior School	43,515	-
Total	1,814,243	1,676,550

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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:

	2021	2020
	£	£
R Meredith CBE, CEO and Accounting Officer		
Remuneration	135 - 140	130 - 135
Pension contributions paid	30 - 35	30 - 35

During the period ended 31 August 2021, travel and subsistence expenses totalling £840 were reimbursed or paid directly to 1 Trustee (2020 - £361 to 2 Trustees).

13. Trustees' and Officers' insurance

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

14. Tangible fixed assets

	Land and buildings £	Furnitures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 September 2020	67,429,537	1,461,659	1,493,976	70,385,172
Additions	533,425	575,059	766,135	1,874,619
Acquisitions	3,870,000	-	-	3,870,000
At 31 August 2021	<u>71,832,962</u>	<u>2,036,718</u>	<u>2,260,111</u>	<u>76,129,791</u>
Depreciation				
At 1 September 2020	3,601,105	771,008	803,761	5,175,874
Charge for the year	1,187,598	294,633	467,010	1,949,241
At 31 August 2021	<u>4,788,703</u>	<u>1,065,641</u>	<u>1,270,771</u>	<u>7,125,115</u>
Net book value				
At 31 August 2021	<u><u>67,044,259</u></u>	<u><u>971,077</u></u>	<u><u>989,340</u></u>	<u><u>69,004,676</u></u>
At 31 August 2020	<u><u>63,828,432</u></u>	<u><u>690,651</u></u>	<u><u>690,215</u></u>	<u><u>65,209,298</u></u>

15. Stocks

	2021	2020
	£	£
Stock	<u><u>27,857</u></u>	<u><u>63,495</u></u>

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

16. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	7,870	6,865
Amounts owed by group undertakings	116,600	-
VAT repayable	158,273	182,310
Other debtors	10,189	6,195
Prepayments and accrued income	1,142,095	1,292,338
	<u>1,435,027</u>	<u>1,487,708</u>

17. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	294,627	652,900
Amounts owed to group undertakings	-	675
Other creditors	124,297	64,269
Accruals and deferred income	2,381,274	1,868,844
	<u>2,800,198</u>	<u>2,586,688</u>

	2021	2020
	£	£
Deferred income at 1 September 2020	971,579	804,250
Resources deferred during the year	1,354,873	971,579
Amounts released from previous periods	(971,579)	(804,250)
	<u>1,354,873</u>	<u>971,579</u>

Deferred income includes the following:

KS1 Top Up Funding	£12,296
UIFSM	£435,897
SEN Funding	£193,345
HLN	£356,145
Early Years	£270,219
PE & Sport unused	£71,933
Other	£10,696
Trips Income	£4,342

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	4,352,164	960,098	(661,903)	-	-	4,650,359
Restricted general funds						
General Annual Grant (GAG)	1,251,775	28,812,312	(28,213,380)	(343,116)	-	1,507,591
Pupil Premium	-	3,163,043	(3,163,043)	-	-	-
Universal Infant Free School Meals	-	601,693	(601,693)	-	-	-
Teachers' Pay and Pension Grant	-	1,232,141	(1,232,141)	-	-	-
Covid Catch Up Premium	-	504,440	(504,440)	-	-	-
Other Grants	-	3,673,181	(3,673,181)	-	-	-
Pension reserve	(25,345,000)	(242,000)	(2,942,000)	-	(4,939,000)	(33,468,000)
	<u>(24,093,225)</u>	<u>37,744,810</u>	<u>(40,329,878)</u>	<u>(343,116)</u>	<u>(4,939,000)</u>	<u>(31,960,409)</u>
Restricted fixed asset funds						
Transfer on conversion	61,633,239	3,870,000	(1,481,349)	343,116	-	64,365,006
DfE/ESFA capital grants	3,576,059	1,910,445	(499,604)	-	-	4,986,900
	<u>65,209,298</u>	<u>5,780,445</u>	<u>(1,980,953)</u>	<u>343,116</u>	<u>-</u>	<u>69,351,906</u>
Total Restricted funds	<u>41,116,073</u>	<u>43,525,255</u>	<u>(42,310,831)</u>	<u>-</u>	<u>(4,939,000)</u>	<u>37,391,497</u>
Total funds	<u><u>45,468,237</u></u>	<u><u>44,485,353</u></u>	<u><u>(42,972,734)</u></u>	<u><u>-</u></u>	<u><u>(4,939,000)</u></u>	<u><u>42,041,856</u></u>

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

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

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

Transfers relate to revenue funds used for capital expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	4,043,001	836,993	(527,830)	-	-	4,352,164
Restricted general funds						
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)	-	-	-
Universal Infant Free School Meals	-	684,786	(684,786)	-	-	-
Teachers' Pay and Pension Grant	-	1,188,130	(1,188,130)	-	-	-
Other Grants	-	3,250,448	(3,250,448)	-	-	-
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>
Restricted fixed asset funds						
Transfer on conversion	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>
Total Restricted funds	<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>
Total funds	<u><u>43,025,903</u></u>	<u><u>44,555,620</u></u>	<u><u>(38,906,286)</u></u>	<u><u>-</u></u>	<u><u>(3,207,000)</u></u>	<u><u>45,468,237</u></u>

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Sneinton St Stephen's CoE Primary School	288,630	266,417
Edale Rise Primary and Nursery School	209,261	180,192
Highbank Primary School	155,824	227,277
Brocklewood Primary School	254,313	172,782
Rossllyn Park Primary School	329,284	269,858
Allenton Community Primary School	500,071	585,781
Bulwell St Mary's CoE Primary School	371,225	375,978
Burford Primary and Nursery School	114,444	181,605
William Booth Primary and Nursery School	153,976	132,058
Robert Shaw Primary and Nursery School	128,757	221,852
Whitegate Primary and Nursery School	704,872	700,978
Pear Tree Community Junior School	215,321	122,152
Breadsall Hill Top Primary School	117,984	149,154
South Wilford Endowed CoE Primary School	298,622	261,761
Parkdale Primary School	310,796	272,183
Zaytouna Primary School	244,848	246,684
Lawn Primary School	133,035	33,043
Ravensdale Junior School	228,047	182,345
Ashbrook Junior School	174,253	-
Transform Trust	1,224,387	1,021,839
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	6,157,950	5,603,939
Restricted fixed asset fund	69,351,906	65,209,298
Pension reserve	(33,468,000)	(25,345,000)
	<hr/>	<hr/>
Total	42,041,856	45,468,237
	<hr/> <hr/>	<hr/> <hr/>

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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 2021 £	Total 2020 £
Sneinton St Stephen's	906,703	135,207	82,495	189,084	1,313,489	1,304,828
Edale Rise	1,073,595	154,461	77,976	180,000	1,486,032	1,511,168
Highbank	1,103,617	250,497	63,982	139,576	1,557,672	1,608,012
Brocklewood	2,211,810	399,858	151,600	300,484	3,063,752	3,364,073
Rosslyn Park	2,730,044	630,125	194,295	374,544	3,929,008	3,968,757
Allenton	1,553,869	289,474	75,762	199,670	2,118,775	2,137,680
Bulwell St Mary's	1,039,914	203,001	71,226	195,637	1,509,778	1,588,754
Burford	859,030	180,475	73,531	165,685	1,278,721	1,265,637
William Booth	939,695	150,825	96,388	201,308	1,388,216	1,455,795
Robert Shaw	1,501,921	227,913	110,605	260,360	2,100,799	2,064,116
Whitegate	1,524,644	318,929	131,776	182,682	2,158,031	2,199,743
Pear Tree	1,431,935	254,077	105,399	244,939	2,036,350	1,963,687
Breadsall Hill Top	1,358,829	275,284	49,139	205,696	1,888,948	1,951,875
South Wilford Endowed	1,189,747	183,836	139,932	232,707	1,746,222	1,761,035
Parkdale	1,262,949	161,838	101,385	265,095	1,791,267	1,778,354
Zaytouna	1,185,452	216,837	100,887	219,534	1,722,710	1,669,251
Lawn	1,330,586	330,543	60,774	155,141	1,877,044	1,378,572
Ravensdale	1,042,090	352,797	60,608	150,644	1,606,139	1,578,027
Ashbrook	606,210	120,809	35,679	112,164	874,862	-
Transform Trust	861,785	4,033,331	178,581	501,981	5,575,678	2,686,442
Academy Trust	25,714,425	8,870,117	1,962,020	4,476,931	41,023,493	37,235,806

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

19. Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	69,004,676	69,004,676
Current assets	4,650,359	4,307,789	347,230	9,305,378
Creditors due within one year	-	(2,800,198)	-	(2,800,198)
Provisions for liabilities and charges	-	(33,468,000)	-	(33,468,000)
Total	4,650,359	(31,960,409)	69,351,906	42,041,856

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

	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)
Total	4,352,164	(24,093,225)	65,209,298	45,468,237

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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

	2021	2020
	£	£
Net income for the year (as per Statement of Financial Activities)	1,512,619	5,649,334
Adjustments for:		
Depreciation charges	1,949,241	1,670,480
Transfer on conversion	(3,768,120)	(7,811,613)
Interest receivable	(1,279)	(11,905)
Decrease/(increase) in stock	35,638	(6,182)
Decrease in debtors	52,681	448,561
Increase in creditors	213,510	297,017
Capital grants from DfE and other capital income	(1,910,445)	(1,103,298)
Defined benefit pension scheme cost less contributions payable	2,524,000	1,915,000
Defined benefit pension scheme finance cost	418,000	368,000
Net cash provided by operating activities	1,025,845	1,415,394

21. Cash flows from investing activities

	2021	2020
	£	£
Interest received	1,279	11,905
Purchase of tangible assets	(1,874,619)	(1,785,157)
Capital grants from DfE Group	1,910,445	1,103,298
Cash transferred on conversion from local authority	140,120	172,613
Net cash provided by/(used in) investing activities	177,225	(497,341)

22. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	7,842,494	6,639,424

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Cash transferred on conversion from local authority £	At 31 August 2021 £
Cash at bank and in hand	6,639,424	1,062,950	140,120	7,842,494

24. Conversion to an Academy Trust

On 1 September 2020 Ashbrook 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 Derbyshire Local Authority 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 of £3,768,120 in the Statement of Financial Activities as Income from Donations - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	3,870,000	3,870,000
Cash - representing budget surplus on LA funds	8,494	131,626	-	140,120
Cash - representing budget surplus on other school funds	-	-	-	-
LGPS pension deficit	-	(242,000)	-	(242,000)
	<u>8,494</u>	<u>(110,374)</u>	<u>3,870,000</u>	<u>3,768,120</u>

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

25. Capital commitments

	2021	2020
	£	£
Contracted for but not provided in these financial statements	319,303	-

26. Pension commitments

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

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

Contributions amounting to £120,509 were payable to the schemes at 31 August 2021 (2020 - £Nil) and are included within creditors.

Teachers' Pension Scheme

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

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

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

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £3,309,500 (2020 - £2,761,017).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £2,459,000 (2020 - £2,054,000), of which employer's contributions totalled £1,917,000 (2020 - £1,579,000) and employees' contributions totalled £542,000 (2020 - £475,000). The agreed contribution rates for future years are 18% per cent for employers and 5.5% to 7.5% per cent for employees.

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

26. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Discount rate for scheme liabilities	1.65	1.60 - 1.70
Rate of increase in salaries	3.60 - 3.85	2.90 - 3.30
Rate of increase for pensions in payment / inflation	2.85 - 2.90	2.20 - 2.30
Inflation assumption (CPI)	2.85 - 2.90	2.20 - 2.30

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

	2021	2020
	Years	Years
Retiring today		
Males	21.3 - 21.6	21.6 - 21.8
Females	23.9 - 24.3	23.7 - 24.4
Retiring in 20 years		
Males	22.5 - 22.9	22.6 - 23.2
Females	25.7 - 25.8	25.1 - 25.9

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.1%	1,577,000	1,239,000
Salary increase rate +0.1%	185,000	158,000
Pension increase rate +0.1%	1,370,000	1,074,000

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

26. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	15,457,000	11,277,920
Gilts	548,000	2,368,680
Other bonds	2,679,000	519,000
Property	2,211,000	898,120
Cash	1,036,000	2,180,280
Other	1,870,000	1,429,000
Total market value of assets	23,801,000	18,673,000

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

	2021 £	2020 £
Current service cost	(4,433,000)	(3,492,000)
Interest income	336,000	325,000
Interest cost	(754,000)	(693,000)
Administrative expenses	(8,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	(4,859,000)	(3,862,000)

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

	2021 £	2020 £
At 1 September	44,018,000	33,602,000
Transfer on conversion	556,000	2,635,000
Current service cost	4,433,000	3,492,000
Interest cost	754,000	693,000
Employee contributions	542,000	475,000
Actuarial losses	7,341,000	3,370,000
Benefits paid	(375,000)	(249,000)
At 31 August	57,269,000	44,018,000

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

26. Pension commitments (continued)

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

	2021	2020
	£	£
At 1 September	18,673,000	15,116,000
Transfer on conversion	314,000	1,266,000
Interest income	336,000	325,000
Actuarial gains	2,402,000	163,000
Employer contributions	1,917,000	1,579,000
Employee contributions	542,000	475,000
Benefits paid	(375,000)	(249,000)
Administrative expenses	(8,000)	(2,000)
At 31 August	<u>23,801,000</u>	<u>18,673,000</u>

27. Operating lease commitments

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

	2021	2020
	£	£
Not later than 1 year	35,790	63,052
Later than 1 year and not later than 5 years	-	35,319
	<u>35,790</u>	<u>98,371</u>

28. Members' liability

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

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

29. 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.

Expenditure Related Party Transactions

TT Support Services Limited ("TTSS")

TTSS is wholly owned by the Trust. It provides membership and staff training and advice to the educational sector. The Trust purchased services costing £58,115 (2020 - £27,865) from TTSS and made recharged costs of £118,628 (2020 - £21,183) from TTSS. The balance owed from TTSS to the Trust at 31 August 2021 was £116,600 (2020 - debtor of £675).

Inspiring Leaders Limited

A member of the senior management team, R Meredith CBE, was a Director in Inspiring Leaders Limited during the year, a company limited by guarantee. During the period, the Trust purchased services from Inspiring Leaders Limited amounting to £14,790 (2020 - £Nil). The balance owed to Inspiring Leaders Limited at 31st August 2021 was £Nil (2020 - £Nil).

Income Related Party Transactions

Inspiring Leaders Limited

A member of the senior management team, R Meredith CBE, was a director in Inspiring Leaders Limited during the year, a company limited by guarantee. During the period, the Trust received income from Inspiring Leaders Limited amounting to £2,500 (2020 - £7,446). The balance owed from Inspiring Leaders Limited at 31st August 2021 was £Nil (2020 - £Nil).

Challenge Partners

A member of the senior management team, R Meredith CBE, is a director in Challenge Partners, a company limited by guarantee. During the period, the Trust received income from Challenge Partners amounting to £Nil (2020 - £12,134). The balance owed by the Trust at 31st August 2021 was £Nil (2020 - £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.

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

30. 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 2021	£202,178
Total liabilities as at 31 August 2021	(£121,573)
Total equity as at 31 August 2021	£80,605
Turnover for the year ended 31 August 2021	£198,103
Expenditure for the year ended 31 August 2021	(£118,218)
Profit for the year ended 31 August 2021	£79,885