
TRANSFORM TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

TRANSFORM TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members P Munro
Southwell and Nottingham Diocese Educational Trust
I Griffiths
M Cooper

Trustees P Munro, Chair
R Meredith CBE, Accounting Officer
R Periam
Prof T Greany (resigned 31 December 2022)
Dame S Jowett
D Jones
G Savidge
S Dennis
R Shaffi
M Butler
Dr C Gripton (appointed 16 September 2022)
M Coppel (appointed 9 October 2023)

Company registered number 08320065

Company name Transform Trust

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

Company secretary S Cox

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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**Senior management
team**

R Meredith CBE, Chief Executive Officer
S Cox, Chief Finance Officer
J Wilkinson, Chief Operating Officer
R Hannon, Chief People Officer
M Lawrence, Headteacher
H Tarrant, Headteacher
S Farrington, Headteacher (resigned 31 August 2023)
S O'Connor, Headteacher
K Hambleton, Headteacher
P Hillier, Headteacher
A Sharp, Headteacher
Z Cannon, Headteacher
K Coker, Headteacher
S Mason, Headteacher
K Lee, Partnership Director, Headteacher
L Noble, Headteacher
C Paparozzi, Headteacher
A Storer, Headteacher (resigned 31 August 2023)
N Aldridge, Headteacher (appointed 1 December 2022)
S Griffith, Headteacher (appointed 1 October 2022)
R Grey, Headteacher (appointed 1 May 2023)
D Crosby, Headteacher (appointed 1 September 2022)
B Johnson, Acting Headteacher (resigned 30 April 2023)
L Clarke, Acting Headteacher (appointed 1 May 2023)

Independent auditor

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

Bankers

Lloyds Bank
Old Market Square
Nottingham
NG1 6FD

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

Structure, governance and management

a. Constitution

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

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

b. Members' liability

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

c. Trustees' indemnities

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

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

d. Method of recruitment and appointment or election of Trustees

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 3 October 2022, 16 January 2023 and 15 May 2023 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. 1 new Trustee has been appointed in the year; Dr C. Gripton (16 September 2022). 1 Trustee has left the board in the financial year; T. Greany (31 December 2022). Post year-end, Mark Coppel (9 October 2023) has become a Trustee.

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.

Structure, governance and management (continued)

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

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

i. Trade union facility time

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

j. Related parties and other connected charities and organisations

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

k. Engagement with employees (Section 172 statement)

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

I. Engagement with suppliers, customers and others in a business relationship with the Trust (Section 172 statement)

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

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

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

Objectives and activities

a. Objects and aims

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

b. Objectives, strategies and activities

The principle activity of the charitable company was the operation of 21 primary-age academies in the Nottinghamshire and Derbyshire areas, the schools vary in size from single form to three form entry.

During 2022/23, Brierley Forest and Woodland View Primary Schools joined the Trust taking the number of schools in the Trust to 21. The Trust has academy orders for a further 5 primary school to join Transform and these are expected to be welcomed into the Trust in 2023/24 and will give the Trust further scale to deliver educational opportunities to children in the East Midlands.

Transform's objective continues to focus unwaveringly on improving school standards, and 7 OFSTED inspections of Transform schools during the 2022/23 year evidenced this success with every school maintaining a "Good" rating.

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

Trustees also recognise the success of the Trust lies with staff, and in October 2022 asked all staff how they felt in the annual Staff Survey. Overall Trust staff satisfaction remained steady just below 90%. The Trust has managed to maintain the improvement seen in the last survey. Sustained success appears to be borne out in the very latest survey results (October 2023) which are slightly down at 88%.

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

c. Public benefit

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

There have been 7 OFSED inspections in the year and all 7 have been judged to be “Good”. Of those 7 schools, 6 were previously rated as Good and 1 was Outstanding. Post Year, another Trust school has been assessed as “Good” which had been previously assessed as “Requires Improvement”. In fact it is the first “Good” in the school history.

SATs results

SATs results 2023

- 7 out of 21 schools above national average for KS2 Reading
- 8 out of 21 schools above national average for KS2 Writing
- 11 out of 21 schools above national average for KS2 Maths
- 10 out of 21 schools above national average for KS2 Combined RWM

- 10 out of 21 schools above national average for Yr1 Phonics
- 9 out of 21 schools above national average for KS1 Reading
- 7 out of 21 schools above national average for KS1 Writing
- 11 out of 21 schools above national average for KS1 Maths

a. Key performance indicators

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

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

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Promoting the Success of the Company (Section 172 statement)

Trustees act to promote the success of Transform Trust at all times. Trustees actively consider the long term, but have also recognised the need to support the Senior Management team in the immediate operational challenges they face.

In 2022/23 Trustees have considered their own skills, and recruited a new Trustee with expertise in Governance. 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 7 years. Findings are reviewed by the Board and it was pleasing to see such a strong showing from staff

Children remain at the heart of Transform's focus and the Trust continue to promote a "children come first approach"

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Strategic report (continued)

Financial review

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy's total funds at the end of the period are £91,440k of which £87,330k is in the restricted fixed asset fund, leaving a total reserve balance of both general restricted and unrestricted funds of £6,285k; of which £1,046k is restricted funding and £5,239k is unrestricted funding.

At 31 August 2023, the net book value of fixed assets was £86,540k 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.

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 recurring income with recurring 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. Trustees remain supportive of the current high financial investment levels across systems, digital and estates, and expect this continued focus to see free reserves falling closer to the policy level over the 3 year financial planning period.

As at 31 August 2023 the Trust has 'free' reserves i.e. those reserves that are freely available for general purposes of the Trust total £5,239k. The restricted fixed asset fund totals £87,330k which can only be realised by disposing of tangible fixed assets. Restricted reserves are in deficit by £1,129k of which £2,175k 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 £1,046k, 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 £2,175k at 31 August 2023. 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 £1,046k and the balance on unrestricted funds is £5,239k at 31 August 2023, giving a combined funds figure of £6,285k. This is more than the level determined by Trustees to be appropriate and capital investment is planned over the next 5 years to utilise these reserves.

b. Investment policy

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

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

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

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

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

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

The condition of the school estate is reviewed by Trustees through the Audit & Finance Committee. Vision, Strategy and an Asset Management Plan are formally agreed. This is supplemented by Condition Surveys in every school refreshed every 2 years, and targeted support from SCA to address issues identified. RAAC was a specific request raised by DfE during the year, and specialist advice enabled all Transform schools to be assured RAAC was not present.

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; William Booth – Good; Pear Tree Junior Good; Breadsall Hill Top Good; Whitegate Good; South Wilford Endowed C of E – Good (Oct 22); Parkdale – Good; Zaytouna – Good (Sept 2023), Ravensdale – Good (Oct 2023); Lawn – Outstanding; Ashbrook Junior – Good (June 2023); Brierley Forest – Inadequate (previous school rating); Woodland View – Requires Improvement (previous school rating).

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

- Cyber Attack – Detailed system reviews, engagement of central strategic IT partners, centralisation of MS 365 tenancy, staff training and cyber risk cover (meeting RPA requirements).
- Reduction in Pupil numbers – census data showing consistent reduction of pupils in a small number of schools. This impacts GAG income to the school. Local birth rates and inward migration have been considered, local partners and communities engaged, and where necessary, Published Admission Number (PAN) reduced. Maintaining high school standards and enrichment opportunities for children remain key drivers to attracting parents to the school.
- Breach of information Security/data protection (GDPR) – Transform staff regularly handle sensitive data belonging to children and other Transform employees. Data Protection policies and procedures being followed; staff encrypt confidential child protection, SEND and safeguarding files; confidential emails are encrypted or documents password protected; staff understand and been trained in GDPR. Annual data protection workshop for main data processors in schools. Trust (and all schools) registered with ICO.

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

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d. Risk management

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

e. Financial and risk management objectives and policies

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

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

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

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

Fundraising

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

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

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Streamlined energy and carbon reporting (SECR)

UK energy use and associated greenhouse gas emissions

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

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all twenty-one schools controlled during the reporting period along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). The Trust does not directly own or control any vehicles. This reporting year saw the addition of Brierley Forest Primary and Nursery School in October 2022 and Woodland View Primary School in May 2023.

Reporting period

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

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

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

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

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Streamlined energy and carbon reporting (SECR) (continued)

Breakdown of energy consumption used to calculate emissions (kWh)

| <u>Energy type</u> | <u>2021/22</u> | <u>2022/23</u> |
|---|-------------------------|-------------------------|
| Mandatory requirements: | | |
| <u>Gas</u> | <u>5,742,067</u> | <u>5,448,458</u> |
| <u>Purchased electricity from the grid</u> | <u>1,890,005</u> | <u>2,096,597</u> |
| <u>Transport fuel</u> | <u>17,159</u> | <u>27,179</u> |
| Total energy (mandatory) | <u>7,649,231</u> | <u>7,572,234</u> |
| Voluntary requirements: | | |
| <u>Generated electricity from on-site renewable sources</u> | <u>54,017</u> | <u>52,453</u> |
| Total energy (voluntary) | <u>54,017</u> | <u>52,453</u> |
| Total energy (mandatory & voluntary) | <u>7,703,248</u> | <u>7,624,687</u> |

NOTE: Figures may not sum due to rounding

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Streamlined energy and carbon reporting (SECR) (continued)

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

| <u>Emission source</u> | <u>2021/22</u> | <u>2022/23</u> |
|---|-----------------------|-----------------------|
| <u>Mandatory requirements:</u> | | |
| <u>Scope 1</u> | | |
| <u>Natural gas</u> | <u>1,048.2</u> | <u>996.7</u> |
| <u>Scope 2</u> | | |
| <u>Purchased electricity (location-based)</u> | <u>365.5</u> | <u>434.2</u> |
| <u>Scope 3</u> | | |
| <u>Category 6: Business travel (grey fleet)</u> | <u>4.2</u> | <u>6.6</u> |
| <u>Total gross emissions (mandatory)</u> | <u>1,417.9</u> | <u>1,437.4</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>1,417.9</u> | <u>1,437.4</u> |
| <u>Intensity ratios (mandatory emissions only)</u> | | |
| <u>Tonnes of CO₂e per pupil</u> | <u>0.225</u> | <u>0.217</u> |
| <u>Tonnes of CO₂e per square meter floor area</u> | <u>0.035</u> | <u>0.033</u> |
| <u>Intensity ratios (mandatory & voluntary emissions)</u> | | |
| <u>Tonnes of CO₂e per pupil</u> | <u>0.225</u> | <u>0.217</u> |
| <u>Tonnes of CO₂e per square meter floor area</u> | <u>0.035</u> | <u>0.033</u> |

NOTE: Figures may not sum due to rounding

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 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

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TRUSTEES' REPORT (CONTINUED)
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Streamlined energy and carbon reporting (SECR) (continued)

Energy efficiency action during current reporting year

Total emissions have increased this year by 19.5 tCO₂e (+1.38%). This slight increase is due to the inclusion of the two new sites within the Trust; Brierley Forest Primary and Nursery School and Woodland View Primary School. The increase in carbon emissions this year is minimal, after the addition of two new sites. This therefore suggests that the energy efficiency actions implemented by the Trust are having a significant impact in reducing tCO₂e.

The Trust remains committed to reducing longer term emissions and this year has seen the further implementation of numerous energy efficiency measures.


- LED lighting replacements and upgrades have been installed across numerous sites within the Trust this reporting period.
- There have been new boiler replacements at Bulwell St Mary's Primary, Brierley Forest Primary and Ravensdale Junior School.
- Numerous maintenance efficiencies have been implemented across different sites within the school to improve insulation and mitigate energy loss:
 - o There have been roofing works at Allenton Community Primary, Breadsall Hill Top Primary, Bulwell St Mary's Primary, Ravensdale Junior School and Zaytouna Primary.
 - o Replacement windows with double glazing have also been installed to improve insulation at Breadsall Hill Top Primary, Ravensdale Junior School, and Robert Shaw Primary.
 - o New fire doors have been fitted at Ashbrook Junior, Brocklewood Primary, Bulwell St Mary's Primary, Lawn Primary, Ravensdale Junior School, Rosslyn Park Primary and Zaytouna Primary.
- Further technological investments have been implemented across different sites within the Trust with the installation of electric charging points.

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 15, 2023 and signed on its behalf by:


Peter Munro (Dec 15, 2023 17:34 AST)

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 9 times during the year, with 6 Board meetings and 3 Strategy Days. Attendance during the year at Board meetings of the board of Trustees was as follows:

| | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| P Munro (Chair) | 5 | 6 |
| R Meredith CBE (Accounting Officer) | 6 | 6 |
| R Periam | 6 | 6 |
| Prof T Greany (resigned 31 December 2022) | 2 | 2 |
| Dame S Jowett | 5 | 6 |
| D Jones | 6 | 6 |
| G Savidge | 3 | 6 |
| S Dennis | 4 | 6 |
| R Shaffi | 6 | 6 |
| M Butler MInstLM | 6 | 6 |
| Dr C Gripton (appointed 16 September 2022) | 5 | 5 |

Peter Munro has been elected to continue as Chair of Trust Board with effect from 1 September 2022 (and reappointed 1 September 2023). Dennis Jones was elected to the Board once again by fellow Chairs of Governors. Dr Catherine Gripton has joined the Board on the 16 September 2023. Mark Coppel joined the board on the 9 October 2023. Overall, the number of Trustees on the Board has was 11 (10 at the year- end).

Dr Catherine Gripton was appointed on the 16 September 22 in advance of the departure of Prof Toby Greany. Dr Gripton is an academic focused on education policy and covers the gap in board skills left by the departure of Prof Greany. Mark Coppel joined the Trust on the 9 October 2023 he is an expert in Governance and adds further to the skills of the board.

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, following a resignation a suitably experienced Trustees were sought and appointed.

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

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

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| R Periam | 3 | 3 |
| Prof T Greany (resigned 31 December 2022) | 1 | 1 |
| D Jones | 2 | 3 |
| G Savidge | 2 | 3 |

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

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| P Munro | 2 | 2 |
| R Meredith CBE (Accounting Officer) | 3 | 3 |
| Prof T Greany (resigned 31 December 2022) | 0 | 1 |
| Dame S Jowett (Chair) | 3 | 3 |
| S Dennis | 3 | 3 |
| R Shaffi | 3 | 3 |

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

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| P Munro (Chair) | 2 | 2 |
| R Meredith CBE (Accounting Officer) | 1 | 2 |
| R Periam | 3 | 3 |
| M Butler | 2 | 2 |

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 purpose is to review pay recommendations and meets once a year.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| P Munro (Chair) | 2 | 2 |
| S Jowett | 1 | 2 |
| R Periam | 1 | 1 |
| Prof T Greany (resigned 31 December 2023) | 2 | 2 |

Faith Distinctiveness Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure that the faith distinctiveness is maintained and enhanced. This committee was established during in March 2023 part way through the year 2022/23 and as a result 2 meeting took place in the year.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| R Meredith CBE (Accounting Officer) | 2 | 2 |
| S Dennis | 2 | 2 |
| R Periam | 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Centralise digital support and infrastructure for the substantial digital investment in classrooms – has included training sessions for Trustees, Headteachers and Chairs of Governors.
- Centralised Crisis media training for all Headteachers, Executive and Trustees – arranged to derive maximum value for money.
- Use of strategic partners to maximise scale and minimise costs – includes Supply Staff, IT Support, IT Infrastructure, Estates.
- Use of TCaF grant finance to fund specific capacity challenges at Trust Centre ahead of school growth
- The finance policy enshrines the need for 3 quotes for all capital projects, and larger projects are formally tendered. This helps to ensure value for money is consistently maintained.

GOVERNANCE STATEMENT (CONTINUED)

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

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

The internal auditors are SAAF Ltd. Their scope is set by the Audit & Finance Committee and included financial control testing of income, purchasing, staff expenses, charge card transactions, payroll, bank & cash, balance sheet reconciliations, HR files, governance compliance and specific use of SCA funding to address condition survey issues. The full schedule of internal audit works was completed and no high or moderate issues identified.

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

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

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 trust who have responsibility for the development and maintenance of the internal control framework.

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

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

Peter Munro
Peter Munro (Dec 15, 2023 17:34 AST)

R. Meredith
R. Meredith (Dec 15, 2023 08:58 GMT)

.....
P Munro
Chair

.....
R Meredith CBE
Accounting Officer

Date: Dec 15, 2023

Date: Dec 15, 2023

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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

R. Meredith
R. Meredith (Dec 15, 2023 08:58 GMT)

.....
R Meredith CBE
Accounting Officer

Date: Dec 15, 2023

TRANSFORM TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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:


Peter Munro (Dec 15, 2023 17:34 AST)

.....
P Munro
Chair

Date: Dec 15, 2023

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 2023 which comprise the Statement of Financial Activities (incorporating income and expenditure account), the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023 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 2023 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 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

Responsibilities of Trustees'

As explained more fully in the trustees' responsibilities statement set out on page 23, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Academy Trust and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

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

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

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

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 the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



[David Hoose \(Dec 18, 2023 08:52 GMT\)](#)

David Hoose (Senior Statutory Auditor)

for and on behalf of

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

Date: Dec 18, 2023

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 11 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. 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 2022 to 31 August 2023 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Mazars LLP (Dec 18, 2023 08:53 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 18, 2023

TRANSFORM TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

| | Note | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|--|-----------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 3 | | | | | |
| Transfer on conversion from local authority | | 683 | (639) | 17,504 | 17,548 | - |
| Other donations and capital grants | | 29 | - | 3,237 | 3,266 | 1,815 |
| Other trading activities | 5 | 275 | 5 | - | 280 | 422 |
| Investments | 6 | 59 | - | - | 59 | 1 |
| Charitable activities: | 4 | | | | | |
| Funding for the academy trust's educational operations | | 415 | 44,817 | - | 45,232 | 40,091 |
| Total income | | 1,461 | 44,183 | 20,741 | 66,385 | 42,329 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 361 | - | - | 361 | 322 |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 8 | 556 | 45,116 | 2,768 | 48,440 | 46,925 |
| Total expenditure | | 917 | 45,116 | 2,768 | 48,801 | 47,247 |
| Net income/ (expenditure) | | 544 | (933) | 17,973 | 17,584 | (4,918) |
| Transfers between funds | 18 | - | (195) | 195 | - | - |
| Net movement in funds before other recognised gains carried forward | | 544 | (1,128) | 18,168 | 17,584 | (4,918) |

TRANSFORM TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

| | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|---|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Note | | | | | |
| Net movement in funds before other recognised gains/(losses) brought forward | 544 | (1,128) | 18,168 | 17,584 | (4,918) |
| Other recognised gains: | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | - | 5,818 | - | 5,818 | 30,915 |
| Net movement in funds | <u>544</u> | <u>4,690</u> | <u>18,168</u> | <u>23,402</u> | <u>25,997</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 4,695 | (5,819) | 69,162 | 68,038 | 42,041 |
| Net movement in funds | 544 | 4,690 | 18,168 | 23,402 | 25,997 |
| Total funds carried forward | <u><u>5,239</u></u> | <u><u>(1,129)</u></u> | <u><u>87,330</u></u> | <u><u>91,440</u></u> | <u><u>68,038</u></u> |

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

BALANCE SHEET
AS AT 31 AUGUST 2023

| | Note | 2023 £000 | 2022 £000 |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Tangible assets | 14 | 86,540 | 68,781 |
| | | 86,540 | 68,781 |
| Current assets | | | |
| Stocks | 15 | 71 | 93 |
| Debtors | 16 | 2,115 | 2,049 |
| Cash at bank and in hand | 22 | 8,577 | 6,757 |
| | | 10,763 | 8,899 |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 17 | (3,688) | (3,019) |
| | | 7,075 | 5,880 |
| Net current assets | | 7,075 | 5,880 |
| Net assets excluding pension liability | | 93,615 | 74,661 |
| Defined benefit pension scheme liability | 24 | (2,175) | (6,623) |
| Total net assets | | 91,440 | 68,038 |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 18 | 87,330 | 69,162 |
| Restricted income funds | 18 | 1,046 | 804 |
| | | 88,376 | 69,966 |
| Restricted funds excluding pension liability | 18 | 88,376 | 69,966 |
| Pension reserve | 18 | (2,175) | (6,623) |
| | | 86,201 | 63,343 |
| Total restricted funds | 18 | 86,201 | 63,343 |
| Unrestricted income funds | 18 | 5,239 | 4,695 |
| | | 91,440 | 68,038 |
| Total funds | | 91,440 | 68,038 |

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 30 to 68 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Peter Munro

Peter Munro (Dec 15, 2023 17:34 AST)

.....
P Munro
Chair

Date: Dec 15, 2023

The notes on pages 35 to 68 form part of these financial statements.

TRANSFORM TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | 2023 £000 | 2022 £000 |
|--|---------------|----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 20 | 545 | (824) |
| Cash flows provided by/(used in) investing activities | 21 | 1,275 | (261) |
| Change in cash and cash equivalents in the year | | 1,820 | (1,085) |
| Cash and cash equivalents at the beginning of the year | | 6,757 | 7,842 |
| Cash and cash equivalents at the end of the year | 22, 23 | <u>8,577</u> | <u>6,757</u> |

The notes on pages 35 to 68 form part of these financial statements.

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

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

Land and buildings includes land valued at £12,112k (2022 - £12,112k) which is not subject to depreciation.

1.7 Stocks

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

1.8 Liabilities

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

1.9 Financial instruments

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

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

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

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

1.10 Operating leases

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 24, 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 2023. 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.

The asset on 31 August 2023 £30,522k. For certain schools in the Trust, the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date. Therefore for these schools the plan has a notional surplus. Note 24 includes details of the effects of changes in the key assumptions on this liability. As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date for certain schools, the plan has a notional surplus. As management do not consider that the Trust will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

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 2023

3. Income from donations and capital grants

| | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|--|---|---|---|--|--|
| Transfer on conversion from local authority | 683 | (639) | 17,504 | 17,548 | - |
| Donations | 29 | - | - | 29 | 99 |
| Donated fixed assets | - | - | - | - | 67 |
| Capital grants | - | - | 3,237 | 3,237 | 1,649 |
| Total 2023 | 712 | (639) | 20,741 | 20,814 | 1,815 |
| Total 2022 | 99 | - | 1,716 | 1,815 | |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy Trust's educational operations

| | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|---|---|---|--|--|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 33,023 | 33,023 | 30,514 |
| Other DfE/ESFA grants | | | | |
| Pupil Premium | - | 3,774 | 3,774 | 3,326 |
| UFSM | - | 598 | 598 | 664 |
| Teachers' Pay and Pension Grants | - | 93 | 93 | 86 |
| School supplementary grants | - | 939 | 939 | 373 |
| Others | - | 2,118 | 2,118 | 1,203 |
| | - | 40,545 | 40,545 | 36,166 |
| Other Government grants | | | | |
| Local authority grants | - | 3,609 | 3,609 | 3,085 |
| Other income from the Academy Trust's educational operations | 415 | 663 | 1,078 | 840 |
| Total 2023 | 415 | 44,817 | 45,232 | 40,091 |
| Total 2022 | 629 | 39,462 | 40,091 | |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

| | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|--|---|---|--|--|
| Hire of facilities | 31 | - | 31 | 29 |
| Income from other charitable activities | 131 | 5 | 136 | 184 |
| Income from ancillary trading activities | 113 | - | 113 | 209 |
| Total 2023 | <u>275</u> | <u>5</u> | <u>280</u> | <u>422</u> |
| Total 2022 | <u>415</u> | <u>7</u> | <u>422</u> | |

6. Investment income

| | Unrestricted funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|---------------------|---|--|--|
| Short term deposits | 59 | 59 | 1 |
| Total 2022 | <u>1</u> | <u>1</u> | |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Expenditure

| | Staff Costs | Premises | Other | Total | Total |
|---|--------------------|-----------------|--------------|---------------|---------------|
| | 2023 | 2023 | 2023 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 | £000 |
| Expenditure on raising funds: | | | | | |
| Allocated support costs | 221 | - | 140 | 361 | 322 |
| Academy Trust's educational operations: | | | | | |
| Direct costs | 29,878 | - | 2,978 | 32,856 | 28,915 |
| Allocated support costs | 7,086 | 3,415 | 5,083 | 15,584 | 18,010 |
| Total 2023 | 37,185 | 3,415 | 8,201 | 48,801 | 47,247 |
| Total 2022 | 36,819 | 2,411 | 8,017 | 47,247 | |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Charitable activities

| | 2023 £000 | 2022 £000 |
|--|----------------------------|----------------------------|
| Direct costs - educational operations | 32,856 | 28,915 |
| Support costs - educational operations | 15,584 | 18,010 |
| | <u>48,440</u> | <u>46,925</u> |

| | 2023 £000 | 2022 £000 |
|----------------------------------|----------------------------|----------------------------|
| Analysis of support costs | | |
| Staff costs | 7,086 | 10,296 |
| Depreciation | 2,485 | 2,201 |
| Technology costs | 411 | 121 |
| Premises costs | 3,408 | 2,411 |
| Legal costs - conversion | 17 | - |
| Legal costs - other | 3 | 10 |
| Other support costs | 2,114 | 2,617 |
| Governance costs | 60 | 354 |
| | <u>15,584</u> | <u>18,010</u> |

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2023 £000 | 2022 £000 |
|---------------------------------------|----------------------------|----------------------------|
| Operating lease rentals | 53 | 41 |
| Depreciation of tangible fixed assets | 2,449 | 2,201 |
| Fees paid to auditor for: | | |
| - audit | 30 | 26 |
| - other services | 23 | 18 |
| | <u>2,555</u> | <u>2,526</u> |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2023 £000 | 2022 £000 |
|---|----------------------------|----------------------------|
| Wages and salaries | 26,295 | 23,549 |
| Social security costs | 2,580 | 2,286 |
| Pension costs | 6,439 | 9,109 |
| | <hr/> | <hr/> |
| | 35,314 | 34,944 |
| Agency staff costs | 1,642 | 1,571 |
| Staff restructuring costs | 57 | 125 |
| Staff Development and other staff costs | 172 | 179 |
| | <hr/> | <hr/> |
| | 37,185 | 36,819 |
| | <hr/> <hr/> | <hr/> <hr/> |

Staff restructuring costs comprise:

| | 2023 £000 | 2022 £000 |
|--------------------|----------------------------|----------------------------|
| Severance payments | 57 | 125 |
| | <hr/> | <hr/> |
| | 57 | 125 |
| | <hr/> <hr/> | <hr/> <hr/> |

Included in staff restructuring costs are special severance payments totalling £30k (2022 - £56k). Individually, the payments are £6k, £4k, £11k, £5k and £4k.

b. Severance payments

The Academy Trust paid 5 severance payments in the year (2022 - 6), disclosed in the following bands:

| | 2023 No. | 2022 No. |
|-------------------|---------------------------|---------------------------|
| £0 - £25,000 | 6 | 3 |
| £25,001 - £50,000 | - | 2 |
| | <hr/> <hr/> | <hr/> <hr/> |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff (continued)

c. Staff numbers

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

| | 2023 | 2022 |
|----------------------------|--------------|--------------|
| | No. | No. |
| Teachers | 397 | 328 |
| Administration and support | 706 | 677 |
| Management | 24 | 23 |
| | <u>1,127</u> | <u>1,028</u> |

d. Higher paid staff

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

| | 2023 | 2022 |
|---------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 10 | 4 |
| In the band £70,001 - £80,000 | 5 | 6 |
| In the band £80,001 - £90,000 | 7 | 7 |
| In the band £90,001 - £100,000 | 3 | 1 |
| In the band £110,001 - £120,000 | 1 | 1 |
| In the band £130,001 - £140,000 | - | 1 |
| In the band £140,001 - £150,001 | 1 | - |
| | <u>1</u> | <u>-</u> |

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £2,522k (2022 - £2,310k).

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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:

| | 2023 | 2022 |
|--|--------------|--------------|
| | £000 | £000 |
| Sneinton St Stephen's CoE Primary School | 71 | 67 |
| Edale Rise Primary and Nursery School | 80 | 76 |
| Highbank Primary School | 84 | 80 |
| Brocklewood Primary School | 160 | 162 |
| Rossllyn Park Primary School | 213 | 208 |
| Allenton Community Primary School | 107 | 111 |
| Bulwell St Mary's CoE Primary School | 72 | 73 |
| Burford Primary and Nursery School | 68 | 66 |
| William Booth Primary and Nursery School | 77 | 74 |
| Robert Shaw Primary and Nursery School | 109 | 104 |
| Whitegate Primary and Nursery School | 124 | 114 |
| Pear Tree Community Junior School | 119 | 112 |
| Breadsall Hill Top Primary School | 115 | 106 |
| South Wilford Endowed CoE Primary School | 90 | 86 |
| Parkdale Primary School | 108 | 105 |
| Zaytouna Primary School | 121 | 104 |
| Lawn Primary School | 103 | 101 |
| Ravensdale Primary School | 88 | 86 |
| Ashbrook Junior School | 46 | 41 |
| Brierley Forest Primary Academy | 91 | - |
| Woodland View Primary School | 34 | - |
| Total | 2,080 | 1,876 |

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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:

| | 2023 | 2022 |
|--|-------------|-------------|
| | £000 | £000 |
| R Meredith CBE, CEO and Accounting Officer | | |
| Remuneration | 145 - 150 | 135 - 140 |
| Pension contributions paid | 30 - 35 | 30 - 35 |

During the year ended 31 August 2023, travel and subsistence expenses totalling £Nil were reimbursed or paid directly to no Trustees (2022 - £889 to 1 Trustees).

13. Trustees' and Officers' insurance

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

TRANSFORM TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. Tangible fixed assets

| | Leasehold land and buildings £000 | Furniture, fittings & equipment £000 | Computer equipment £000 | Total £000 |
|-----------------------|--|---|-------------------------------|----------------------|
| Cost | | | | |
| At 1 September 2022 | 72,995 | 2,414 | 2,699 | 78,108 |
| Additions | 720 | 725 | 1,353 | 2,798 |
| Acquisitions | 17,445 | - | - | 17,445 |
| Disposals | - | (11) | (24) | (35) |
| At 31 August 2023 | <u>91,160</u> | <u>3,128</u> | <u>4,028</u> | <u>98,316</u> |
| Depreciation | | | | |
| At 1 September 2022 | 6,031 | 1,437 | 1,859 | 9,327 |
| Charge for the year | 1,425 | 369 | 655 | 2,449 |
| At 31 August 2023 | <u>7,456</u> | <u>1,806</u> | <u>2,514</u> | <u>11,776</u> |
| Net book value | | | | |
| At 31 August 2023 | <u><u>83,704</u></u> | <u><u>1,322</u></u> | <u><u>1,514</u></u> | <u><u>86,540</u></u> |
| At 31 August 2022 | <u><u>66,964</u></u> | <u><u>977</u></u> | <u><u>840</u></u> | <u><u>68,781</u></u> |

15. Stocks

| | 2023 £000 | 2022 £000 |
|-------|----------------------------|----------------------------|
| Stock | <u><u>71</u></u> | <u><u>93</u></u> |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Debtors

| | 2023 | 2022 |
|------------------------------------|--------------|--------------|
| | £000 | £000 |
| Due within one year | | |
| Trade debtors | 5 | 10 |
| Amounts owed by group undertakings | 72 | 160 |
| VAT recoverable | 148 | 554 |
| Other debtors | 347 | 13 |
| Prepayments and accrued income | 1,543 | 1,312 |
| | <u>2,115</u> | <u>2,049</u> |

17. Creditors: Amounts falling due within one year

| | 2023 | 2022 |
|------------------------------|--------------|--------------|
| | £000 | £000 |
| Trade creditors | 316 | 312 |
| Other creditors | 1 | 6 |
| Accruals and deferred income | 3,371 | 2,701 |
| | <u>3,688</u> | <u>3,019</u> |

| | 2023 | 2022 |
|--|--------------|--------------|
| | £000 | £000 |
| Deferred income at 1 September | 1,561 | 1,355 |
| Resources deferred during the year | 1,498 | 1,561 |
| Amounts released from previous periods | (1,561) | (1,355) |
| Deferred income at 31 August | <u>1,498</u> | <u>1,561</u> |

Deferred income includes the following:

£31k (2022 - £28k) Rates Relief
£381k (2022 - £326k) UIFSM
£649k (2022 - £569k) SEN Funding
£Nil (2022 - £Nil) HLN
£413k (2022 - £397k) Early Years
£Nil (2022 - £8k) PE & Sport unused
£18k (2022 - £227k) Other
£7k (2022 - £6k) Trips Income

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds

| | Balance at 1 September 2022 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2023 £000 |
|-------------------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| Unrestricted funds | | | | | | |
| General funds | 4,695 | 1,461 | (917) | - | - | 5,239 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 804 | 33,023 | (32,586) | (195) | - | 1,046 |
| Pupil Premium | - | 3,774 | (3,774) | - | - | - |
| School supplementary grants | - | 939 | (939) | - | - | - |
| Teachers' Pay and Pension Grant | - | 93 | (93) | - | - | - |
| Other Grants | - | 6,993 | (6,993) | - | - | - |
| Pension reserve | (6,623) | (639) | (731) | - | 5,818 | (2,175) |
| | (5,819) | 44,183 | (45,116) | (195) | 5,818 | (1,129) |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 63,813 | 17,445 | (1,664) | - | - | 79,594 |
| DfE/ESFA capital grants | 5,349 | 3,296 | (1,104) | 195 | - | 7,736 |
| | 69,162 | 20,741 | (2,768) | 195 | - | 87,330 |
| Total Restricted funds | 63,343 | 64,924 | (47,884) | - | 5,818 | 86,201 |
| Total funds | 68,038 | 66,385 | (48,801) | - | 5,818 | 91,440 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

| | 2023 | 2022 |
|--|---------------|---------------|
| | £000 | £000 |
| Sneinton St Stephen's CoE Primary School | 177 | 211 |
| Edale Rise Primary and Nursery School | 237 | 220 |
| Highbank Primary School | 195 | 136 |
| Brocklewood Primary School | 221 | 149 |
| Rosslyn Park Primary School | 531 | 400 |
| Allenton Community Primary School | 354 | 546 |
| Bulwell St Mary's CoE Primary School | 325 | 323 |
| Burford Primary and Nursery School | 86 | 107 |
| William Booth Primary and Nursery School | 160 | 126 |
| Robert Shaw Primary and Nursery School | 184 | 133 |
| Whitegate Primary and Nursery School | 646 | 507 |
| Pear Tree Community Junior School | 306 | 210 |
| Breadsall Hill Top Primary School | 162 | 195 |
| South Wilford Endowed CoE Primary School | 370 | 308 |
| Parkdale Primary School | 373 | 361 |
| Zaytouna Primary School | 176 | 191 |
| Lawn Primary School | 67 | 78 |
| Ravensdale Junior School | 134 | 151 |
| Ashbrook Junior School | 168 | 167 |
| Transform Trust | 709 | 980 |
| Brierley Forest Primary School | 410 | - |
| Woodland View Primary School | 294 | - |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 6,285 | 5,499 |
| Restricted fixed asset fund | 87,330 | 69,162 |
| Pension reserve | (2,175) | (6,623) |
| | <hr/> | <hr/> |
| Total | 91,440 | 68,038 |
| | <hr/> <hr/> | <hr/> <hr/> |

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total 2023 £000 | Total 2022 £000 |
|--------------------------|--|---|---------------------------------|--|-----------------------|-----------------------|
| Sneinton St Stephen's | 1,077 | 136 | 96 | 292 | 1,601 | 1,464 |
| Edale Rise | 1,169 | 125 | 94 | 229 | 1,617 | 1,514 |
| Highbank | 1,156 | 234 | 84 | 162 | 1,636 | 1,600 |
| Brocklewood | 2,368 | 461 | 188 | 341 | 3,358 | 3,969 |
| Rossllyn Park | 2,913 | 584 | 269 | 473 | 4,239 | 4,016 |
| Allenton | 1,504 | 237 | 104 | 627 | 2,472 | 2,102 |
| Bulwell St Mary's | 1,008 | 174 | 87 | 233 | 1,502 | 1,516 |
| Burford | 906 | 186 | 89 | 234 | 1,415 | 1,319 |
| William Booth | 1,066 | 161 | 122 | 232 | 1,581 | 1,533 |
| Robert Shaw | 1,541 | 217 | 111 | 351 | 2,220 | 2,118 |
| Whitegate | 1,719 | 292 | 126 | 248 | 2,385 | 2,366 |
| Pear Tree | 1,615 | 191 | 140 | 346 | 2,292 | 2,103 |
| Breadsall Hill Top | 1,560 | 311 | 98 | 318 | 2,287 | 2,004 |
| South Wilford Endowed | 1,307 | 151 | 76 | 306 | 1,840 | 1,840 |
| Parkdale | 1,542 | 167 | 102 | 327 | 2,138 | 2,013 |
| Zaytouna | 1,611 | 312 | 134 | 413 | 2,470 | 2,108 |
| Lawn | 1,521 | 403 | 109 | 313 | 2,346 | 2,129 |
| Ravensdale | 1,266 | 374 | 82 | 211 | 1,933 | 1,772 |
| Ashbrook | 553 | 152 | 78 | 171 | 954 | 898 |
| Brierley Forest | 1,269 | 172 | 47 | 330 | 1,818 | - |
| Woodland View | 528 | 51 | 8 | 76 | 663 | - |
| Transform Trust | 900 | 1,995 | 133 | 521 | 3,549 | 6,662 |
| Academy Trust | 30,099 | 7,086 | 2,377 | 6,754 | 46,316 | 45,046 |

TRANSFORM TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

| | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 |
|-------------------------------|---|---|---|--|
| Tangible fixed assets | - | - | 86,540 | 86,540 |
| Current assets | 5,239 | 4,734 | 790 | 10,763 |
| Creditors due within one year | - | (3,688) | - | (3,688) |
| Pension scheme liability | - | (2,175) | - | (2,175) |
| Total | 5,239 | (1,129) | 87,330 | 91,440 |

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

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

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

| | 2023 | 2022 |
|--|-------------|--------------|
| | £000 | £000 |
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 17,584 | (4,918) |
| Adjustments for: | | |
| Depreciation charges | 2,449 | 2,201 |
| Interest receivable | (59) | (1) |
| Decrease/(increase) in stock | 22 | (65) |
| Increase in debtors | (66) | (614) |
| Increase in creditors | 669 | 219 |
| Capital grants from DfE and other capital income | (3,237) | (1,649) |
| Defined benefit pension scheme cost less contributions payable | 465 | 3,513 |
| Defined benefit pension scheme finance cost | 266 | 557 |
| Donated fixed assets | (17,445) | (67) |
| Defined benefit pension scheme obligation inherited | 639 | - |
| Surplus on conversion of academies | (742) | - |
| Net cash provided by/(used in) operating activities | 545 | (824) |

21. Cash flows from investing activities

| | 2023 | 2022 |
|--|--------------|--------------|
| | £000 | £000 |
| Interest received | 59 | 1 |
| Purchase of tangible assets | (2,798) | (1,911) |
| Proceeds from the sale of tangible fixed assets | 35 | - |
| Capital grants from DfE Group | 3,237 | 1,649 |
| Cash transferred on conversion from local authority | 742 | - |
| Net cash provided by/(used in) investing activities | 1,275 | (261) |

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Analysis of cash and cash equivalents

| | 2023 | 2022 |
|--|--------------|--------------|
| | £000 | £000 |
| Cash in hand and at bank | 2,520 | 6,757 |
| Notice deposits (less than 3 months) | 6,057 | - |
| Total cash and cash equivalents | <u>8,577</u> | <u>6,757</u> |

23. Analysis of changes in net debt

| | At 1 | | Cash on | At 31 |
|--------------------------|------------------|-------------------|-------------------|--------------------|
| | September | Cash flows | conversion | August 2023 |
| | 2022 | £000 | £000 | £000 |
| | £000 | | | |
| Cash at bank and in hand | 6,757 | 1,078 | 742 | 8,577 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. 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 £Nil were payable to the schemes at 31 August 2023 (2022 - £4k) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £3,387k (2022 - £3,010k).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £2,849k (2022 - £2,447k), of which employer's contributions totalled £2,231k (2022 - £1,906k) and employees' contributions totalled £618k (2022 - £541k). The agreed contribution rates for future years are 18% per cent for employers and 5.5% to 12.5% per cent for employees.

As described in note 29 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

| | 2023 | 2022 |
|--|-------------|-------------|
| | % | % |
| Discount rate for scheme liabilities | 5.20 - 5.30 | 4.25 |
| Rate of increase in salaries | 3.85 - 4.00 | 3.75 - 3.90 |
| Rate of increase for pensions in payment / inflation | 2.85 - 3.00 | 2.90 - 3.05 |
| Inflation assumption (CPI) | 2.85 - 3.00 | 2.90 - 3.05 |

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

| | 2023 | 2022 |
|----------------------|-------------|-------------|
| | Years | Years |
| Retiring today | | |
| Males | 20.4 - 20.8 | 21.1 - 21.7 |
| Females | 23.2 - 23.8 | 23.8 - 24.4 |
| Retiring in 20 years | | |
| Males | 21.6 - 21.7 | 22.2 - 23.0 |
| Females | 24.6 - 25.3 | 25.6 - 25.8 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. Pension commitments (continued)

Sensitivity analysis

| | 2023 £000 | 2022 £000 |
|--|----------------------------|----------------------------|
| Discount rate -0.1% | 741 | 858 |
| Salary increase rate +0.1% | 67 | 96 |
| Pension increase rate +0.1% | 690 | 775 |
| Mortality assumption - 1 year increase | 974 | 996 |

Share of scheme assets

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

| | 2023 £000 | 2022 £000 |
|-------------------------------------|----------------------------|----------------------------|
| Equities | 18,634 | 15,748 |
| Gilts | 432 | 427 |
| Other bonds | 3,083 | 2,853 |
| Property | 3,247 | 3,317 |
| Cash | 1,603 | 1,266 |
| Other | 3,523 | 2,164 |
| Total market value of assets | 30,522 | 25,775 |

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

| | 2023 £000 | 2022 £000 |
|---|----------------------------|----------------------------|
| Current service cost | (2,687) | (5,411) |
| Interest income | 1,192 | 416 |
| Interest cost | (1,458) | (973) |
| Administrative expenses | (9) | (8) |
| Total amount recognised in the Statement of Financial Activities | (2,962) | (5,976) |

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. Pension commitments (continued)

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

| | 2023 | 2022 |
|---|---------------|---------------|
| | £000 | £000 |
| At 1 September | 32,398 | 57,269 |
| Current service cost | 2,687 | 5,411 |
| Interest cost | 1,458 | 973 |
| Employee contributions | 618 | 541 |
| Actuarial gains | (6,551) | (31,559) |
| Benefits paid | (355) | (237) |
| Liabilities assumed / (extinguished) on settlements | 2,304 | - |
| At 31 August | <u>32,559</u> | <u>32,398</u> |

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

| | 2023 | 2022 |
|-------------------------------------|---------------|---------------|
| | £000 | £000 |
| At 1 September | 25,775 | 23,801 |
| Interest income | 1,192 | 416 |
| Actuarial losses | (733) | (644) |
| Employer contributions | 2,231 | 1,906 |
| Employee contributions | 618 | 541 |
| Benefits paid | (355) | (237) |
| Administrative expenses | (9) | (8) |
| Settlement prices received / (paid) | 1,665 | - |
| At 31 August | <u>30,384</u> | <u>25,775</u> |

Included in the actuarial gains/(losses) within the scheme assets table above is £138k of notional surplus not recognised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 | 2022 |
|--|-------------|-------------|
| | £000 | £000 |
| Not later than 1 year | 51 | 43 |
| Later than 1 year and not later than 5 years | 164 | 172 |
| Later than 5 years | - | 32 |
| | <hr/> | <hr/> |
| | 215 | 247 |
| | <hr/> <hr/> | <hr/> <hr/> |

26. 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.

27. Related party transactions

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

Expenditure Related Party Transactions

TT Support Services Limited ("TTSS")

TTSS is wholly owned by the Trust. It provides membership and staff training and advice to the educational sector. The Trust purchased services costing £Nil (2022 - £7k) from TTSS and made recharged costs of £51k (2022 - £157k) to TTSS. The balance owed from TTSS to the Trust at 31 August 2023 was £72k (2022 - £160k).

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. 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 2023 | £77k |
| Total liabilities as at 31 August 2023 | (£76k) |
| Total equity as at 31 August 2023 | £1k |
| Turnover for the year ended 31 August 2023 | £51k |
| Expenditure for the year ended 31 August 2023 | (£51k) |
| Profit for the year ended 31 August 2023 | £Nil |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Conversion to an Academy Trust

On 1 October 2022 Brierley Forest Primary & Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Transform Trust from Nottingham County Council 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 in the statement of financial activities as 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 £000 | Restricted funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|--|--|--------------------------------------|--|---------------------------------|
| Tangible fixed assets | | | | |
| Freehold land and buildings | - | - | 9,946 | 9,946 |
| Current assets | | | | |
| Cash - representing budget surplus on LA funds | 372 | - | - | 372 |
| Non-current liabilities | | | | |
| LGPS pension deficit | - | (322) | - | (322) |
| Net assets/(liabilities) | <u>372</u> | <u>(322)</u> | <u>9,946</u> | <u>9,996</u> |

TRANSFORM TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Conversion to an Academy Trust (continued)

On 1 May 2023 Woodland View Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Transform Trust from Nottingham County Council 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 in the statement of financial activities as 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 £000 | Restricted funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|---|--|--------------------------------------|--|---------------------------------|
| Tangible fixed assets | | | | |
| Freehold land and buildings | - | - | 7,499 | 7,499 |
| Current assets | | | | |
| Cash - representing budget surplus on LA funds | 311 | - | 59 | 370 |
| Non-current liabilities | | | | |
| LGPS pension deficit | - | (317) | - | (317) |
| Net assets/(liabilities) | <u>311</u> | <u>(317)</u> | <u>7,558</u> | <u>7,552</u> |