

ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Beanland M McDonagh T Campbell G Bhatia B Dickenson (resigned 12 May 2021)
Trustees	P Beanland, Chair of Trustees T Clark, Vice Chair P Miligan, Co Vice Chair (resigned 11 October 2021) R Elms (resigned 30 September 2021) S Jones A Milne R Priestley M Wilson B Dickenson (resigned 12 May 2021) M Jackson (resigned 18 August 2021) D Trotman (term expired 21 March 2021) E Bonar (appointed 30 September 2021) T Craig (appointed 6 October 2021)
Company registered number	07846852
Company name	Academy Transformation Trust
Principal and registered office	Unit 4 Second Floor Emmanuel Court Reddicroft Road Sutton Coldfield B73 6AZ
Company secretary	A Gannon
Accounting Officer	D Clinton (to 20 September 2021) D Trimmer (from 20 September 2021 - 30 September 2021) R Elms (from 1 October 2021)
Senior management team	D Clinton, Chief Executive Officer (to 20 September 2021) R Elms, Interim Chief Executive Officer (appointed 1 October 2021) C Pritchard, Chief Operating Officer (to 31 October 2020) P Wilson, Chief Finance and Operating Officer A Bills, Regional Education Director (to 31 August 2021) S Byles, Regional Education Director (to 30 September 2021) V Green, Regional Education Director (to 31 December 2020) D Trimmer, Regional Education Director (from 1 January 2021), National Education September 2021) S Vincent, Regional Education Director (to 31 December 2021) S Bloomer, Director of Safeguarding A Gannon, Director of Corporate Affairs A Bayford, Director of the ATT Institute

**ACADEMY TRANSFORMATION TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Bankers Lloyds Bank
114-116 Colmore Row
Birmingham
B3 3BD

Barclays Bank PLC
Cambridge Benet Street
Leicestershire
LE87 2BB

Solicitors Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Directory of Academies as at 31 August 2021

Academy	Principal
Beck Row Primary Academy	R King, F Reid (Acting)
Bristnall Hall Academy	K Uppal
Caldmore Primary Academy	H Mitchell
Great Heath Academy	N Brown
Iceni Academy Primary	E Owner
Iceni Academy Secondary	L Hogg
Kingsmoor Academy	A Lymbouris
Jubilee Academy	K Benton
Mildenhall College Academy	N Hood
The Nicholas Hamond Academy	M Woodhouse
North Walsall Primary Academy	N Hawkins
Phoenix Academy	E Phillips
Pool Hayes Academy	T McDowall
Ravens Academy	V Rose
Star Academy Sandyford	K Wildman
Sun Academy Bradwell	L Niemczyk
Sutton Community Academy	P Butterell
The Dukeries Academy	G Rae
The Hathaway Academy	F Rodrigues
The Queen Elizabeth Academy	N Harding
Westbourne Academy	M Bouckley
ATT Further Education College	L Barrett

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

The Trust operates 20 academies (9 primaries, 9 secondaries, 1 all-through and 1 special) in England. Its academies have a combined pupil capacity of 13,018 (2020: 14,068) and had a roll of 11,058 (2020: 12,030) in the school census on 1 October 2020.

Following the publication of the Ofsted inspection report into Mark Hall Academy in June 2020, the Regional Schools Commissioner (RSC) issued the Trust with a 'Termination Warning Notice'. The RSC decided over the summer of 2020, that a transfer should take place and identified BMAT Education (BMAT) as its preferred new trust. Following engagement with the Boards of Trustees of both ATT and BMAT, the RSC's Headteacher Board supported the proposed transfer at its meeting on 22 October 2020. On 1 January 2021 the transfer took place.

The Trust also operates further education provision mostly within Nottinghamshire. In the current reporting period, 1,281 (2020: 1,298) post 16 learners (including 19+ learners and subcontracted provision) benefitted from this provision.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Academy Transformation Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Academy Transformation Trust or ATT.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of its 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense. This covers the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. This is provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the trust. The limit of this indemnity is £2m.

Method of Recruitment, Induction and Training of Trustees

The Trustees are appointed in accordance with the Articles of Association. An annual audit of skills as well as regular self-review using the model advocated by the National Governance Association enables Trustees to identify skill gaps and recruitment to fill those gaps is handled through executive and non-executive networks, partnerships with external agencies and specialist recruiters. During 2020-21, we were able to boost the experience of the Board in educational leadership and business operations through the recruitment of new Trustees.

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

All new Trustees receive a bespoke induction programme appropriate to their needs. This includes meeting with executive team members, visiting academies, understanding trust and academy performance data, safeguarding, HR and finance. In the reporting period, Trustees received training in matters relating to safeguarding, finance, and business support operations. Trustees also received regular legal and financial expert input. Committee Chairs also met with relevant senior executives on a regular basis.

Trustees also undertook regular strategic planning sessions and used these to develop their skills and expertise in matters relating to educational performance, governance and performance management. Trustees have also engaged with external training programmes offered by the Confederation of School Trusts.

The same processes apply to members of Local Academy Committees (LACs) who oversee local governance in academies on behalf of Trustees and report to them on a regular basis. A detailed induction model is in place covering all LACs and all LAC members have completed mandatory training programmes in safeguarding, data protection and HR procedures.

Trustees and LAC members are offered regular opportunities to come together for professional development activities – including through the mechanism of regular briefings and Governance Forums. During this year, topics covered have included financial scrutiny, statutory procedures for managing exclusions and complaints and strategies for ensuring effective non-executive governance has the maximum impact on educational performance. In addition, an extensive range of supporting guidance and developmental material is made available to them via our online portal, and we subscribe to the services of the NGA's Learning Link website and The Key for School Governance, where additional online training may be accessed.

Trustees and Governors are routinely required to undertake the following training:

- Safeguarding and child protection level 1
- PREVENT
- Safer recruitment
- Data protection and GDPR
- Financial probity

Governance Organisational Structure

The structure consists of three levels: Members, Trustees, and Local Academy Committees. The Scheme of Delegation clearly sets out where decision making responsibility lies across each level. Members and Trustees have delegated certain responsibilities to the Executive or to Trustee sub committees. Where this is the case, there are clear terms of reference, delegation of authority documents and financial regulations in place to govern decisions.

During 2020-21, the Trustees established the following committees:

- Audit and Risk
- Finance and Resources
- Pay and People Performance
- Standards and Outcomes
- A Local Academy Committee for each academy.

Trustees also maintained a specific sub-committee to oversee our response to the Covid-19 pandemic.

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

Overview of responsibilities from the Governance Scheme of Delegation

Members' reserved powers during 2020-21 were:

- to ensure the Trust's Board has the capacity and skills necessary to carry out its duties
- to appoint the Trust's external auditors on an annual basis to make any changes which are fundamental to the nature of the Trust (e.g. its name or its overall purpose).

The reserved powers of the Trust's Board were:

- to determine the Trust's strategic direction and educational ethos
- to ensure the Trust is compliant with a range of legal requirements and to ensure appropriate internal audit arrangements are in place
- to review and determine the Trust's governance arrangements
- to approve budgets, sign off the annual accounts and make major financial decisions, including decisions about growth and commercial opportunities
- to ensure the Trust has sufficient executive capacity and skill to deliver its aims and to determine the appropriate levels of remuneration for senior executives (this includes the accountability for appointing and, where necessary, dismissing, both the CEO and the Chief Finance Officer (CFO))
- to approve certain policies required to be approved at Board level by statute.

The Trust's Board fulfils the three functions of governance as described in the DfE's Governance Handbook: ensuring clarity of vision and strategy, holding the executive to account and ensuring financial probity and the best use of public resources.

The Chief Executive Officer is the Accounting Officer and exercises delegated power for all operational aspects of the Trust's activities.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Levels of pay for the Chief Executive Officer and for other senior leadership team members are set by the Trust's Board following extensive review and scrutiny by the Pay and People Performance Committee, advice from independent external advisers and the consideration of contributory factors such as the scope and demands of the role, the expectations within the current Academies Financial Handbook and other guidance and prevailing market factors.

The performance of the Chief Executive Officer is reviewed by the Chair and Vice Chairs of Trustees and informed by an independent Trust Development Partner, who conducts a full and wide-ranging review of performance at key points in the year.

**ACADEMY TRANSFORMATION TRUST
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Trade union facilities time

Relevant union officials

Number of employees who were relevant union officials during the year **21**

Full-time equivalent employee number **19.15**

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	20
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	16
Total pay bill	58,376
Percentage of total pay bill spent on facility time	0.03%

Paid trade union activities

Connected Organisations, including Related Party Relationships

The Trust was established as a company limited by guarantee and does not have any external sponsors. There are no related party relationships.

Engagement with employees (including disabled persons)

The Trust has a central and regionalised HR function which covers all the Trust's employee matters.

The Trust is committed to providing an environment that encourages the involvement and engagement of all employees. Regular internal communications keep employees informed of the activities across the Trust.

The Trust runs an annual people survey with a summary of outcomes being shared with employees. People survey activities for the coming year have been developed and as well as an annual survey, termly pulse surveys focusing on priority areas will also be sent out. Exit surveys and welcome surveys have also been developed to roll out in the coming year.

The Trust's collaborative development groups allow the opportunity for employees to be involved in the direction of the Trust and crucial decisions within those forums.

The Trust gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Trust's policy, wherever practicable, to put in place reasonable adjustments to their work environment and appropriate re-training so that the disabled employee can maximise their potential and continue in their employment gainfully. The Trust ensure that all people development activities and promotion opportunities are accessible to all and that disabled employees are not put to any disadvantage in accessing them.

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

The Trust has a Wellbeing team network group attended by Wellbeing Champions from each academy and directorate within the Trust. The Trust's wellbeing strategy ensures that effective wellbeing initiatives and activities are embedded across the Trust in order to support employees' mental health and wellbeing.

Engaging with suppliers, customers, and others in a business relationship with the Trust

Customers

The Trust defines its customers as pupils, adult learners, parents, and the community. The Trust engages with each of these parties in a number of ways:

Pupils - Through:

- Being ambitious for every pupil fostering interests and passions
- Providing opportunities for pupils to broaden their horizons
- Promoting positive behaviours
- Setting out clearly rules, rewards and sanctions ensuring they are communicated and promoted widely and often
- Planning and running a wide range of events
- Actively listening and providing opportunities for pupils to influence decision making including through annual surveys
- Having top quality learning environments which promote and celebrate learning, culture, and endeavour
- Designing and implementing a diverse, challenging, and relevant curriculum which ensures all pupils have access to a high-quality teaching and a range of broader experiences and opportunities
- Ensuring robust Safeguarding procedures

Parents - Through:

- Publishing relevant information and creating effective channels of communication including through social media
- Promoting, monitoring, and reacting to ParentView and regular Stakeholder surveys
- Planning and running a wide range of events
- Parent forums (steering groups) and PTAs

Community - Through:

- Publishing relevant information and creating effective channels of communication including through social and other media
- Planning and running open events
- Promoting estates resources and their potential community use

Suppliers

The Trust's preferred suppliers provide us with information technology, human resources, facilities management, catering, and professional services. In deciding those preferred suppliers, we ensure that both national and local suppliers have equal opportunity to participate in the procurement process. We also oversee and take reasonable steps to ensure our suppliers comply with our standards, relating to modern slavery, data protection, environmental responsibility, human rights, and ethics.

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

Regulators

The DfE, Ofsted and the ESFA oversee the educational and financial performance of our Trust. The Trust's aim is always to maintain positive and open relationships with the relevant regulators. In order to do so, the Trust works tirelessly, via various communication channels, to ensure that all parties are fully aware of any current and emerging risks within our Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's objects are set out in its Articles and the Trust's purpose, in summary, is to manage and develop each of the academies within ATT, to ensure that they provide the highest quality of education and that they are also integral to the wellbeing of their local community.

Our Purpose, Vision and Values

Our Vision

We have one core purpose:

To have the biggest positive impact in the varied communities we serve through ensuring top drawer education for our learners. #TransformingLives.

How do we ensure this across our trust?

In all we do we are:

- Ethical to the core, ensuring that education is always front and centre
- Futures focused system leaders – never simply followers
- Collaborative in every endeavour
- Resolutely learner centred

What does this look like across our trust?

Education

We are:

- Ruthlessly ambitious for all who learn and work with us
- Unwaveringly inclusive – determined on eradicating barriers to educational success
- Committed to excellent teaching
- Determined upon academic excellence for all in our communities
- Compassionate, ethical, and caring advocates for all in our communities
- Outwardly facing and globally conscious

Operations

We are:

- Committed to the very best people development and empowerment
- Determined to shout loudly and share proudly our successes
- The best professional and technical experts (supporting education) in the sector
- Committed to the very best understanding and management of risk

Financial

We are:

- Providing the best possible public service for the best possible value
- Determined to supplement our public income with shrewd income generation
- Building financially sustainable models of educational improvement in our communities
- Demonstrably efficient in all we do

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

Our values

- We will work inclusively within our communities, embracing the varied localities we serve while sharing our common vision and values.
- We will develop the very best leaders of the future, working to improve education and transform lives.
- We will adhere unwaveringly to the 'Nolan Principles' of Public Service, which is made clear in our commitment to Ethical Leadership.

Public Benefit

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

The Trustees consider that ATT's aims, and objectives are demonstrably to the public benefit.

STRATEGIC REPORT 2020/21

Achievements and Performance

Our strategic aims for 2020-2021 were:

- To plan and deliver a curriculum which incorporates lessons learned from the pandemic and delivers improving learner outcomes.
- To create the conditions in which our people can demonstrate independent, thoughtful, and confident behaviours in pursuit of our vision and aims.
- To continue to improve our financial performance alongside an enhanced reputation in business operations and governance.

Education performance

The impact of the Covid-19 pandemic has been to remove or delay many of the standard performance measures that we might usually use to determine performance. However, Trustees have monitored many aspects of the ongoing management of our pandemic response alongside our educational performance more generally and report:

- Positive Ofsted monitoring visits to those academies currently judged 'inadequate' both during periods of lockdown and afterwards, indicating that good progress is being made
- Student attendance figures which were consistently higher than the national average across both primary and secondary academies outside of lockdown periods
- A decrease in the number of serious behaviour incidents and exclusions during the academic year
- Ever rising levels of engagement with remote learning and the provision of significant additional resource, including the investment in a new Learning Management System which will bring pedagogic benefit in the future
- A focus on ensuring the wellbeing of students, especially the most vulnerable, with effective safeguarding audits in place across all academies and systems designed to prioritise the learning of students with particular needs.

Key Stage 4 outcomes

- GCSE results in 2021 were awarded from the submission of teacher assessed grades due to the national pandemic crisis. There are significantly positive trends for progress and attainment indicators but the outcomes from 2021 cannot accurately be compared with those from previous years or to forthcoming years.

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

- Improvements have been made in all measures from 2019 actual and 2020 assessed results. Attainment 8 has improved from 4.5 in 2020 to 4.6 in 2021, Basics at 5+ from 38% to 39%, (Basics at 4+ from 63% to 65%).
- Currently 45% of our year 10 students are entered for the EBacc, representing a significant increase on previous years 40% EBacc entry was the national average in 2019.
- Whilst progress 8 is not being measured nationally for 2021 our own calculations show improvement from 0.28 in 2020 to 0.43 in 2021.

Key Stage 5 outcomes

- KS5 results in 2021 were also awarded from the submission of teacher assessed grades. There are significantly positive trends for progress and attainment indicators but the outcomes from 2020 cannot accurately be compared with those from previous years or to forthcoming years. The average grade at A-Level has improved from a grade B- in 2020 to a B in 2021. At Applied level, the average grade remained at Distinction – in 2021.

Our improvement strategy is centred around our ethos of Challenge, Support and Intervention (CSI) and ensures that our colleagues benefit from the ability to share best practice across our Trust as well as providing the ability for Trustees to receive quality information to enable them to perform their functions effectively.

Colleagues' feedback demonstrates that strands of the Education CSI, including the programme of Full Academy Reviews (FARs), are seen as hugely developmental and are supportive of school improvement.

Our people

We recognise that our people are the key drivers to improved performance and we invest in their performance development in order to drive this.

ATT Institute: during 2020-2021, our ATT Institute (ATTI) launched officially.

- **National Professional Qualifications (NPQs)**

ATTI has secured a delivery partner contract with the Teacher Development Trust to deliver the full suite of reformed National Professional Qualifications (NPQs). The NPQs provide training and support for teachers and school leaders at all levels, from those who want to develop expertise in high-quality teaching practice, such as behaviour management, to those leading multiple academies across trusts. There are six NPQ qualifications. The NPQs have been written as a continuation of the new Early Career Framework. As such, all teacher development qualifications now create a 'golden-thread' of high-quality evidence underpinning the support, training, and development available through the entirety of a teacher's career.

ATT has exceeded its DfE recruitment target. See table below for number of participants.

National Professional Qualification	Number of participants
NPQ Headship	15
NPQ Senior Leader	19
NPQ Leading Behaviour and Culture	16
NPQ Leading Teaching	36
NPQ Leading Teacher Development	15

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

ATT has also recruited colleagues not in ATT academies for the National Professional Qualifications.

The Director of Institute (DATTI) has been seconded to the Teacher Development Trust for one day each week as an Expert Advisor. In this role they are contributing to the design of the NPQs which provides an opportunity for the Academy Transformation Trust to influence education pedagogy nationally. This has enabled several opportunities for ATT colleagues who have had the opportunity to write case studies for the qualifications to exemplify best practice in ATT.

- **Early Career Teacher Programme**

ATTI has secured a delivery partner contract with Ambition Institute to deliver the Early Career Teacher (ECT) programme. The DfE has extended induction for newly qualified teachers and introduced an Early Career Framework (ECF): a framework of standards to help early career teachers succeed at the start of their careers. Early Career Teachers and their mentors receive a two-year statutory induction programme to support them. Early Career Teachers receive two face-to-face conference events across the programme, along with several online webinars linked to the Early Career Framework, designed by Ambition Institute, and facilitated by our facilitator team. Mentors also receive explicit training on coaching and supporting their Early Career Teachers effectively. ATT has recruited 99 early career teachers.

ATT has also recruited colleagues not in ATT academies for the Early Career Teacher programme:

- **Recently Qualified Teachers**

Recently Qualified Teachers (RQT) who joined the profession before September 2021 are not entitled to the new two-year statutory induction. However, their training experience has been significantly disrupted by the pandemic. To support them, in line with government recommendation, we have planned 44 hours of asynchronous learning through the new Learning Management System. The 44 hours of learning is packaged as a course titled 'DNA: Teaching' and focuses on the core knowledge and research underpinning the Early Career Framework. This is available to colleagues from November 2021.

Human resources

Key metrics related to our people are regularly monitored and during this academic year both staff turnover and staff absence decreased. Both are now favourable in relation to benchmarked figures from similar organisations. At the same time levels of participation in our staff surveys have gone up, with an increasing number of colleagues suggesting they are proud to work for ATT.

The Trust's Wellbeing Team Network Group (TNG) have been effective in deploying actions and initiatives in relation to Employee Wellbeing and in response to our Wellbeing survey. Wellbeing is now a visible priority within all academies and our we are working in partnership with Education Support in order to raise the profile and importance of Wellbeing within our Trust. Wellbeing is a regular feature within our Executive update and we are increasing knowledge and awareness through development activities delivered through our Institute such as webinars on "Building Resilience" and "Mental Health Awareness for line managers". Focus in the future will be on the training and deployment of Mental Health First Aiders and our progress measured against the DfE Wellbeing Charter.

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

The Trust's HR Director, along with the HR portfolio lead for Diversity, Equity and Inclusion (DEI) is working with the rest of the DEI working party to develop our Trust DEI strategies. Significant work has been undertaken in raising the standards of our recruitment activities in relation to DEI which has resulted in the Trust achieving "Disability Confident Employer" status as well as improved advert text, application packs and the development of our Trust DEI vision. Work will continue with the development of a Trust DEI strategy and underpinning policies.

The Trust now has a suite of updated, fit for purpose HR policies and procedures with work continuing on developing a Trust-wide policy in Pay, Reward and Recognition.

The Trust annual Gender Pay Report demonstrated our firm commitment to the equality agenda and has proved to narrow the gap in comparison to the previous year.

Finance and business operations

Estates

The Trust continues to be in receipt of one of the highest school condition allocations of all Trusts due to the inherited poor condition of some of its estate. During the year 2020/2021, the Trust invested £6.5m (to reduce its condition liability by £7.5m (2020: £16.5m)). This investment, in addition to previous years capital works, has continued to reduce the condition liability within our estate from over £42m in 2015 to £9m in 2021 (2020: £16.5m).

Our current estates strategy continues to focus on reducing condition liability within our Trust but also considers educational need, space utilisation, sufficiency, capacity, and links to our individual three-year development plans in place at each site. This approach has enabled us to continue the transformation of learning environments in many academies during 2020/21, focussing on improving facilities and pupil experiences as opposed to purely removing/lessening risk and liability associated with condition.

Some highlights of projects that were completed during 2020/2021 were:

Bristnall Hall Academy - £5m new block to increase pupil numbers by 150 over three years.

Sutton Community Academy - £1m – Refurbishment and remodel of science to increase capacity and provide brand new facilities.

Westbourne Academy – £250,000 Heating refurbishment (Phase 3 of planned works).

Beck Row – £150,000 New Boiler installation.

Dukeries – £400,000 New Heating plant and boiler installation.

The Nicholas Hamond Academy - £300,000 New Heating plant and boiler installation and £400,000 roof replacement work.

PSBP2 Delivery the Nicholas Hammond Academy (Norfolk) - £1.5m Heavy refurbishment of Sports Block to provide Brand new facilities and remove £2m of condition liability.

PSBP2 Mildenhall College Academy (Suffolk) - £15.45m – New Build Academy to bring 11-16 provision and 6th form to single site alongside all public services in Mildenhall.

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

ICT

During the 2020/21 academic year we have invested heavily in the development of ICT within the Trust. This included securing over 1500 pupil devices for remote learning, assisting our most disadvantaged pupils' access with Wi-Fi and data, development and implementation of a new Learning Management System (LMS) for pupils, parents and staff performance development and carried out significant works to improve our infrastructure and network. Investment of £1.1m has allowed us to refurbish and upgrade our data cabling, switching and Wi-Fi points to a higher specification, implementation of VOIP Telephone systems, procured a new ISP, and increased bandwidth at each academy to improve connectivity and replaced/upgraded several servers within our academies to address all critical infrastructure issues prevalent within our Trust. Alongside this we have continued to invest in interactive boards and improved devices to enhance our learning environments and support the continuous improvement of teaching and learning.

Going Concern

At the end of August 2018, the cumulative restricted income reserves of the Trust sat at a significant deficit of £4,075k. Following discussions with the ESFA and a complete revision to our financial strategy the performance of the Trust began to recover, with the Trust recording an in-year surplus in 2019 of £1,918k and reducing the deficit to £2,157k at the end of August 2019.

From the 1 September 2019, the financial strategy was further enhanced via the introduction of GAG pooling throughout the Trust to provide fairer funding to our academies; the separation of education and operational budgets for better accountability; and the pooling of reserves as we are one entity. As a result, the Trust recorded an in-year surplus of £1,393k for the year ended 31 August 2020; and thus reduced the former deficit of £2,156k to £763k.

With the on-going pandemic and the transfer out of Mark Hall Academy providing immediate financial uncertainties at the beginning of the current academic year, as detailed further in the Financial Review, the measured response taken by the Executive to ensure financial security was maintained is demonstrated by the increase in cumulative restricted income reserves by £1,634k, to a surplus position of £867k.

Whilst cumulative restricted income reserves have recovered from a deficit position; the first time since August 2017, both the Executive and Trustees continue to work closely together to ensure that long term financial stability of the Trust is ensured via the future creation of an appropriate level of surplus reserves. Our initial short to medium target is to increase our reserves to between 2 to 5% of total annual income. This will be achieved via the continued development of Integrated Curriculum Financial Planning and ensuring staffing levels are efficient and aligned with the needs of our Trust; centralisation of procurement contracts and the review of potential outsourcing opportunities; and the continued implementation of our income generation policy.

Having considered this alongside the facts that that governance arrangements continue to be strengthened; 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, it continues to adopt the going concern basis in preparing the financial statements.

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

FINANCIAL REVIEW

Financial Review

During the period, the Trust has worked tirelessly to implement the third and final year of the recovery plan agreed with the ESFA in early 2018; following the financial difficulties faced in 2016/17. The agreed recovery plan was for the Trust, to record an in-year deficit on adjusted restricted and unrestricted funds for 2020/21 of £641k. In this instance adjusted restricted and unrestricted funds means the net movement in funds excluding the impact of the LGPS actuarial gain or loss, the current and past service cost, and the net interest cost, but including the employers' pension contributions. Actual achievement was a surplus of £1,634k; this being better than the agreed recovery plan of £641k by £993k. Over the three-year period, the Trust is ahead of the agreed recovery plan by £3,038k.

Whilst the achievement of £1,630k, against a budget of £641k; is a tremendous achievement; it hides the financial difficulties and uncertainties faced throughout the year in relation to the on-going pandemic and the transfer out of Mark Hall Academy part way through the year.

The transfer out of Mark Hall Academy, on the 1 January 2021, led to additional central and operational costs of £688k. The on-going pandemic increased costs, net of additional COVID related support, of £532k. The additional costs were associated with our decision to implement a rigorous cleaning regime and to ensure everyone received the necessary PPE; alongside the loss of sports and lettings income. The higher cleaning and PPE costs are however reflected in our higher than national attendance figures. To offset the impact of the above; strategic decisions were taken to halt recruitment where possible and delay certain operational projects. The impact of this was savings of £1,377k; and would have resulted in a financial outturn in line with the budget.

However, as the year closed out it became apparent, alongside recognising exam fee credits of £282k and calculation of the final delivery (net of income award and associated costs) of ATTFE curriculum £228k surplus, that further savings of £326k (average £15k per academy), mostly related to the reduced ability of the academies to spend on curriculum activities, would be achieved.

On an accounting basis, and thus considering the FRS102 pension valuation figures, the Trust recorded an in-year deficit on restricted and unrestricted revenue funds of £2,218k, a reduction of £4,325k in comparison to 2019/20. The pension valuation saw an actuarial loss of £4,444k (2019: loss of £4,914k), net of a gain of £2,800k on transfer out of Mark Hall Academy pension liability, due to an increase in the inflation rate assumptions and weaker than expected investment performance.

Reserves Policy

The Trust's policy on reserves is to maintain sufficient reserves to enable the Trust to operate effectively in what is becoming a less certain economic and funding environment, to address any current year shortfall in funding, or to use them in the ongoing investment in the Trust's estate, subject to satisfying terms and conditions of the grant funding. The Trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have agreed that the long-term aim of the Trust should be to hold cumulative reserves of between 2 to 5% of total funding. The level of general reserves as at August 2021 (total funds less the amount held in fixed assets or committed funds) is a surplus of £763k (2020: deficit of £764k).

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

Investment Policy

The Trust's investment policy and objectives are:

- to achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- to only invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn.
- to comply with this policy, all investment decisions should be exercised with care and skill and consequently be in the interests of the Trust, commanding broad public support.

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. For selection, assets will only be considered with banking institutions which have credit ratings assessed by an external credit agency to show good credit quality. To manage the risk of default, deposits will be spread by banking institution and be subject to a maximum exposure of £500,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA)). Whilst this exceeds the protection limit of £75,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the Chief Finance & Operating Officer. The cash flow forecasts will take account of the annual budget and spending plans approved by the Governing Body and updated on a monthly basis. A sufficient balance must be held in the current account so that the Trust's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Trust. The Trust has authorised signatories, two of which are required to sign instructions to the deposit taking institution.

The Chief Finance & Operating Officer will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance and Resources Committee at appropriate intervals, depending on the terms of the investments.

Funds held as custodian trustee on behalf of others

ATT does not hold such funds and does not act as the Custodian Trustees of any other charity.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed through its Audit and Risk committee, and these are summarised in our Risk Register. The Trustees have implemented a number of systems to assess the risks that ATT faces, especially in the operational areas (e.g. in relation to teaching, health and safety, educational visits and safeguarding) and in relation to the control of finance. They have introduced mitigating controls, including operational procedures and internal financial controls in order to minimise risk. Where significant risk remains, they have ensured they have adequate insurance cover.

The Audit and Risk committee conducts 'deep dive' reviews into key areas of risk at their regular meetings to scrutinise the operational reality of mitigating risk. In addition, the full Trust Board considers major risks at least termly.

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

During the Covid-19 pandemic, the Covid-19 sub-committee of the Board was established to scrutinise and mitigate the extensive set of risks presented by the pandemic situation – a separate risk register was maintained which enabled Trustees to control our response more effectively.

Plans For Future Periods

Our focus during 2021-22 is on ensuring everything we do delivers maximum impact on learner performance. This includes our work on learning technology and our allocation of all resources. We will ensure there is a strategy for the rapid improvement of all our academies with an aspiration for outstanding provision across our Trust. We will also establish a 3-year financial strategy which will enable us to reinvest for the benefit of our learners.

Policies towards employees and disabled persons

Our Equalities policy and Equal Opportunities policy is clear that we take very seriously our obligations to those with disabilities.

We strive to celebrate Diversity, Equity and Inclusivity across our communities. We believe that all members of the ATT family should feel valued and free to actively promote DEI with our students, staff and stakeholders through open, honest and thought-provoking conversations.

We view DEI as a core value; it is present in our everyday lives and the lives of our students. By embracing our differences, we model the exemplary behaviour we want our students to take into their lives post-education.

ATT has a DEI working group established with representative staff members from KS1 to Further Education. The group collaborates on changes to the Trust's policies and CPD offerings. As a group we are consistently trying to become proactive allies for Diversity, Equity and Inclusivity so that everyone at ATT can continue #TransformingLives. We are a Disability Confident Employer.

Our approach to engaging with employees is detailed earlier in this document.

Fundraising

The Trust does not currently actively participate in fundraising activities; and thus, has nothing to disclose in accordance with the Charities (Protection and Social Investment) Act 2016.

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

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for 1 September 2020 to 31 August 2021	
Energy consumption used to calculate emissions (kWh)	20,409,866
Energy consumption break down	
Gas [kwh]	15,883,847
Electricity [kwh]	4,526,013
Transport Fuel [miles]	166,682
Scope 1 emissions in metric tonnes CO²e	
Gas consumption	2,920.54
Owned transport – mini-buses	3.56
Total scope 1	2924.1
Scope 2 emissions in metric tonnes CO²e	
Purchased electricity	0
Scope 3 emissions in metric tonnes CO²e	
Business travel in employee owned vehicles	46.76
Total gross emissions in metric tonnes CO²e	2970.88
Intensity ratio Tonnes CO²e per pupil	0.25

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

CO²e per pupil based on 11,840 students and Total gross emissions in metric tonnes CO²e of 2970.88 tonnes = 0.25 | Tonnes CO²e per pupil

Measures planned to improve energy efficiency

- We have a five-year plan to upgrade all our boilers saving over 15 % on our gas bill
- We procure all our electricity from EDF on their Blue for Business Tariff
- We plan to continue installing solar thermal panels on the roof of the trust's academies over the next 12 months

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable Trust's auditors are unaware; and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable Trust's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 16 December 2021 and signed on its behalf by:



Pat Beanland
Chair of Trustees



Tom Clark
Vice Chair of Trustees

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Academy Transformation 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 Academy Transformation 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 and in the statement of Trustees' Reports. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
P Beanland, Chair of Trustees	6	6
T Clark	6	6
P Miligan, Co Vice Chair	6	6
R Elms	6	6
S Jones	5	6
A Milne	3	6
R Priestley	5	6
M Wilson	4	6
B Dickenson	4	4
M Jackson	4	6
D Trotman	3	3

GOVERNANCE STATEMENT (CONTINUED)

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 Chief Executive Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Strengthening the financial reporting mechanisms at Trustee and local level to be able to identify opportunities to generate efficiency savings.
- Further development of accounting and budgetary systems; to allow for better reporting, budgeting and forecasting.
- Enhancing the use of Integrated Curriculum and Financial Planning (ICFP), to include all academy staff members, in full in all academies.
- Bulk contract awards for conditions improvements through estates department.
- Further centralisation of procurement contracts in relation to broadband, telephony and cleaning.
- Development of supply chain partners to secure low rate goods and services reducing reactive maintenance costs.
- Implementation of renewable energy initiatives such as Biomass and Solar technology to reduce carbon footprint, utility costs and secure RHI.
- Move towards centralised/regional delivery models for school improvement.

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 Academy Transformation Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

The 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 Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting KPIs to measure financial and other performance;

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

- clearly defined purchasing (asset purchase or capital investment) guidelines within financial regulations;
- identification and management of risks.

The Board of Trustees has decided to employ Crowe U.K. LLP as internal auditor.

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

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The reviewer has delivered their schedule of work as planned, and matters have been identified and have been addressed.

REVIEW OF EFFECTIVENESS

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The Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control.

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee 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:



Pat Beanland
Chair of Trustees
Date: 16 December 2021



Richard Elms
CEO and Accounting Officer

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Richard Elms
CEO and Accounting Officer
Date: 16 December 2021

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

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



Pat Beanland
Chair of Trustees
Date: 16 December 2021

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ACADEMY TRANSFORMATION TRUST**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ACADEMY TRANSFORMATION TRUST (CONTINUED)**

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 trust or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ACADEMY TRANSFORMATION TRUST (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ACADEMY TRANSFORMATION TRUST (CONTINUED)**

statements;

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

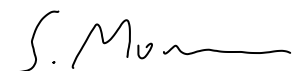
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Morrison FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 17 | 12 | 2021

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 15 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy Transformation Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF ACADEMY TRANSFORMATION TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

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

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

APPROACH

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

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

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

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

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

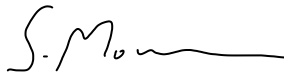
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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



Simon Morrison FCA (Senior statutory auditor)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 17/12/2021

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
INCOME FROM:						
Donations and capital grants	3	70	2,800	5,602	8,472	9,254
Other trading activities	6	194	-	-	194	768
Investments	7	1	-	-	1	13
Charitable activities	4	1,887	75,770	-	77,657	75,786
TOTAL INCOME		2,152	78,570	5,602	86,324	85,821
EXPENDITURE ON:						
Raising funds		1,759	2	-	1,761	2,311
Charitable activities	8	1,291	79,199	12,427	92,917	79,556
TOTAL EXPENDITURE		3,050	79,201	12,427	94,678	81,867
NET (EXPENDITURE)/INCOME		(898)	(631)	(6,825)	(8,354)	3,954
Transfers between funds	21	898	1,208	(2,106)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		-	577	(8,931)	(8,354)	3,954
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	29	-	(7,244)	-	(7,244)	(4,914)
NET MOVEMENT IN FUNDS		-	(6,667)	(8,931)	(15,598)	(960)
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(49,754)	136,044	86,290	87,250
Net movement in funds		-	(6,667)	(8,931)	(15,598)	(960)
TOTAL FUNDS CARRIED FORWARD		-	(56,421)	127,113	70,692	86,290

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07846852**

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
FIXED ASSETS			
Tangible assets	16	122,831	125,429
CURRENT ASSETS			
Debtors	17	3,588	8,182
Cash at bank and in hand		11,363	11,910
		<u>14,951</u>	<u>20,092</u>
Creditors: amounts falling due within one year	18	(9,802)	(10,217)
		<u>5,149</u>	<u>9,875</u>
NET CURRENT ASSETS		5,149	9,875
TOTAL ASSETS LESS CURRENT LIABILITIES		127,980	135,304
Creditors: amounts falling due after more than one year	19	-	(23)
NET ASSETS EXCLUDING PENSION LIABILITY		127,980	135,281
Defined benefit pension scheme liability	29	(57,288)	(48,991)
TOTAL NET ASSETS		70,692	86,290
FUNDS OF THE TRUST			
RESTRICTED FUNDS:			
Fixed asset funds	21	127,113	136,044
Restricted income funds	21	867	(763)
		<u>127,980</u>	<u>135,281</u>
Restricted funds excluding pension liability	21	127,980	135,281
Pension reserve	21	(57,288)	(48,991)
		<u>70,692</u>	<u>86,290</u>
TOTAL RESTRICTED FUNDS	21	70,692	86,290
UNRESTRICTED INCOME FUNDS	21	-	-
		<u>70,692</u>	<u>86,290</u>
TOTAL FUNDS		70,692	86,290

The financial statements on pages 30 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

PM Beanland

Pat Beanland
Chair of Trustees
Date: 16 December 2021

The notes on pages 33 to 63 form part of these financial statements.

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £000	2020 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	23	3,703	6,134
CASH FLOWS FROM INVESTING ACTIVITIES			
	25	(4,227)	(4,386)
CASH FLOWS FROM FINANCING ACTIVITIES			
	24	(23)	(51)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(547)	1,697
Cash and cash equivalents at the beginning of the year		11,910	10,213
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26, 27	11,363	11,910

The notes on pages 33 to 63 form part of these financial statements

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional and presentation currency of the Academy Trust, and are rounded to the nearest £1,000.

The following principal accounting policies have been applied:

1.2 GOING CONCERN

At the end of August 2018, the cumulative restricted income reserves of the Trust sat at a significant deficit of £4,075k. Following discussions with the ESFA and a complete revision to our financial strategy the performance of the Trust began to recover, with the Trust recording an in-year surplus in 2019 of £1,918k and reducing the deficit to £2,157k at the end of August 2019.

From the 1 September 2019, the financial strategy was further enhanced via the introduction of GAG pooling throughout the Trust to provide fairer funding to our academies; the separation of education and operational budgets for better accountability; and the pooling of reserves as we are one entity. As a result, the Trust recorded an in-year surplus of £1,393k for the year ended 31 August 2020; and thus reduced the former deficit of £2,157k to £764k.

With the on-going pandemic and the transfer out of Mark Hall Academy providing immediate financial uncertainties at the beginning of the current academic year, as detailed further in the Financial Review, the measured response taken by the Executive to ensure financial security was maintained is demonstrated by the increase in cumulative restricted income reserves by £1,634k, to a surplus position of £867k.

Whilst cumulative restricted income reserves have recovered from a deficit position; the first time since August 2017, both the Executive and Trustees continue to work closely together to ensure that long term financial stability of the Trust is ensured via the future creation of an appropriate level of surplus reserves. Our initial short to medium target is to increase our reserves to between 2 to 5% of total annual income. This will be achieved via the continued development of Integrated Curriculum Financial Planning and ensuring staffing levels are efficient and aligned with the needs of our Trust; centralisation of procurement contracts and the review of potential outsourcing opportunities; and the continued implementation of our income generation policy.

1. ACCOUNTING POLICIES (continued)

1.2 GOING CONCERN (CONTINUED)

Having considered this alongside the facts that that governance arrangements continue to be strengthened; 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, it continues to adopt the going concern basis in preparing the financial statements.

1.3 INCOME

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

- **Grants**

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

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

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

The Trust is benefiting from the ESFA's Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Trust controls through lease the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

- **Donations**

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

- **Other income**

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

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 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 trust's educational operations, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

The 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 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.

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% (50 years) straight line
Leasehold property	- 2% (50 years) straight line
Fixtures and fittings	- 10% (10 years) straight line
Computer equipment	- 33% (3 years) straight line
Motor vehicles	- 20% (5 years) straight line

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

1.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 LIABILITIES

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the 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 fair value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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 trust's wholly owned subsidiary are held at face value less any impairment.

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.13 PENSIONS

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

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

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

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

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.14 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in note 31.

1.15 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	70	2,800	-	2,870	67
Capital grants	-	-	5,602	5,602	9,188
TOTAL 2021	<u>70</u>	<u>2,800</u>	<u>5,602</u>	<u>8,472</u>	<u>9,255</u>
TOTAL 2020	<u>67</u>	<u>-</u>	<u>9,188</u>	<u>9,255</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Education	1,249	75,770	77,019	75,097
Nursery	638	-	638	688
TOTAL 2021	<u>1,887</u>	<u>75,770</u>	<u>77,657</u>	<u>75,785</u>
TOTAL 2020	<u>2,151</u>	<u>73,634</u>	<u>75,785</u>	

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

5. FUNDING FOR THE TRUST'S EDUCATION

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DFE/ESFA GRANTS				
General Annual Grant (GAG)	-	60,793	60,793	60,984
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	4,173	4,173	4,324
Universal Infant Free School Meals (UIFSM)	-	304	304	480
Teachers Pension Grant	-	2,122	2,122	2,199
Teachers Pay Grant	-	768	768	757
Other DfE/ESFA grants	-	1,200	1,200	1,141
	-	69,360	69,360	69,885
OTHER GOVERNMENT GRANTS				
Other government grants: non capital	-	5,315	5,315	3,749
	-	5,315	5,315	3,749
COVID-19 ADDITIONAL FUNDING				
DfE/ESFA Catch-up Premium	-	786	786	-
Other DfE/ESFA COVID-19 funding	-	309	309	-
Coronavirus Job Retention Scheme Grant	-	-	-	30
Other non-DfE/ESFA COVID-19 funding	-	-	-	475
	-	1,095	1,095	505
OTHER INCOME				
Other income self generated	759	-	759	411
Catering income	490	-	490	547
	1,249	-	1,249	958
TOTAL 2021	1,249	75,770	77,019	75,097
TOTAL 2020	1,463	73,634	75,097	

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

5. FUNDING FOR THE TRUST'S EDUCATION (CONTINUED)

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

The funding received for coronavirus exceptional support covers £Nil (2020: £475k) of costs incurred for additional cleaning, premises and free school meals. These costs are included in note 9 below as appropriate.

The Trust furloughed some of its sports & leisure facilities staff under the government's CJRS. The funding received of £Nil (2020: £30k) relates to staff costs in respect of 12 staff which are included within note 12 below as appropriate.

The Trust received £786k of funding for Catch-up Premium and costs incurred in respect of this funding totalled £623k, £163k are carried forward to 2021/22.

The Trust received a further £309k of other COVID-19 funding and costs incurred in respect of this funding totalled £309k, no funds are carried forward to 2021/22.

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

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Lettings	153	153	249
School trips	25	25	463
Other	16	16	56
TOTAL 2021	<u>194</u>	<u>194</u>	<u>768</u>
TOTAL 2020	<u>768</u>	<u>768</u>	

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

7. INVESTMENT INCOME

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	1	1	13
	<u>1</u>	<u>1</u>	
TOTAL 2020	13	13	
	<u>13</u>	<u>13</u>	

8. EXPENDITURE

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on fundraising trading:					
Direct costs	-	-	1,761	1,761	2,311
Education:					
Direct costs	52,994	-	6,138	59,132	57,671
Support costs	9,716	12,143	11,841	33,700	21,764
Nursery:					
Direct costs	85	-	-	85	121
TOTAL 2021	<u>62,795</u>	<u>12,143</u>	<u>19,740</u>	<u>94,678</u>	<u>81,867</u>
TOTAL 2020	<u>62,459</u>	<u>8,280</u>	<u>11,128</u>	<u>81,867</u>	

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Education	59,132	33,700	92,832	79,435
Nursery	85	-	85	121
TOTAL 2021	<u>59,217</u>	<u>33,700</u>	<u>92,917</u>	<u>79,556</u>
TOTAL 2020	<u>57,792</u>	<u>21,764</u>	<u>79,556</u>	

ANALYSIS OF DIRECT COSTS

	Education 2021 £000	Nursery 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	430	-	430	609
Staff costs	51,873	85	51,958	51,153
Educational supplies	390	-	390	528
Examination fees	605	-	605	895
Staff development	223	-	223	171
Other costs	1,778	-	1,778	1,395
Supply teachers	1,121	-	1,121	1,139
Technology costs	1,365	-	1,365	631
Educational consultancy	1,347	-	1,347	1,271
TOTAL 2021	<u>59,132</u>	<u>85</u>	<u>59,217</u>	<u>57,792</u>
TOTAL 2020	<u>57,671</u>	<u>121</u>	<u>57,792</u>	

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	339	156
Staff costs	9,691	10,127
Depreciation	3,751	2,800
Other costs	493	496
Supply teachers	25	41
Recruitment and support	255	376
Maintenance of premises and equipment	3,734	1,953
Cleaning	2,626	1,452
Rent and rates	386	388
Energy costs	1,190	1,286
Insurance	456	401
Security and transport	205	233
Catering	32	35
Technology costs	830	1,078
Office overheads	933	827
Legal and professional	3	7
Bank interest and charges	5	3
Governance	70	105
Net loss arising from transfer out on academies leaving the Trust	8,676	-
TOTAL 2021	33,700	21,764

10. EXCEPTIONAL EXPENDITURE

Included within the financial year ended 31 August 2021 in staff costs is a charge of £Nil (2020: £1,554,000) to cover the probable impact of historical pay calculation differences.

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11. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2021	2020
	£000	£000
Operating lease rentals	130	168
Depreciation of tangible fixed assets	3,717	2,800
Fees paid to auditors for:		
- audit	48	47
- other services	12	12
	=====	=====

12. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	44,384	45,078
Social security costs	4,501	4,379
Pension costs	12,722	11,703
	=====	=====
	61,607	61,160
Agency staff costs	1,146	1,180
Staff restructuring costs	42	119
	=====	=====
	62,795	62,459
	=====	=====

Staff restructuring costs comprise:

	2021	2020
	£000	£000
Redundancy payments	-	7
Severance payments	42	112
	=====	=====
	42	119
	=====	=====

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £42k (2020: £112k). Individually, the payments were: £1k, £2k, £3k, £7k, £9k, £10k, and £10k. (2020: £2k, £5k, £5k, £6k, £6k, £10k, £10k, £10k, £12k and £46k).

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12. STAFF (CONTINUED)

c. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	742	705
Administration and support	762	1,116
Management	27	91
	<u>1,531</u>	<u>1,912</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	697	635
Administration and support	523	605
Management	25	88
	<u>1,245</u>	<u>1,328</u>

d. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	23	15
In the band £70,001 - £80,000	11	12
In the band £80,001 - £90,000	10	5
In the band £90,001 - £100,000	6	4
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	2	2
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	2
In the band £180,001 - £190,000	-	1
In the band £190,001 - £200,000	1	-
	<u>1</u>	<u>-</u>

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12. STAFF (CONTINUED)

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the 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 trust was £1,332,792 (2020: £1,263,221).

13. CENTRAL SERVICES

From 1 September 2019, the budget model, and in line with the funding agreement, was revised to encapsulate GAG pooling. As a result, central services were no longer charged separately to the local academies. The Trust has provided the following central and operational services to its academies during the year:

- Chief Executives Office
- Business planning and strategy
- Educational improvement
- Governance and legal
- Internal and external communications (including marketing)
- Human Resources
- The ATT institute - delivery CPD and training
- ICT
- Estates
- Procurement
- Finance

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £637 were reimbursed or paid directly to 4 Trustees (2020: £1,179 to 4 Trustees). The nature of these expenses were in relation to travel and subsistence.

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £6,775 (2020: £5,645). The cost of this insurance is included in the total insurance cost.

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16. TANGIBLE FIXED ASSETS

	Freehold property £000	Leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
COST OR VALUATION							
At 1 September 2020	26,405	103,943	8,187	2,082	3,031	15	143,663
Additions	591	8,170	-	197	857	15	9,830
Transfer out of Academy Trust	(9,063)	-	-	(331)	(609)	-	(10,003)
Transfers between classes	-	7,698	(7,698)	-	-	-	-
At 31 August 2021	<u>17,933</u>	<u>119,811</u>	<u>489</u>	<u>1,948</u>	<u>3,279</u>	<u>30</u>	<u>143,490</u>
DEPRECIATION							
At 1 September 2020	2,591	12,383	-	698	2,547	15	18,234
Charge for the year	316	2,232	-	179	1,022	3	3,752
Transfer out of Academy Trust	(798)	-	-	(224)	(305)	-	(1,327)
At 31 August 2021	<u>2,109</u>	<u>14,615</u>	<u>-</u>	<u>653</u>	<u>3,264</u>	<u>18</u>	<u>20,659</u>
NET BOOK VALUE							
At 31 August 2021	<u>15,824</u>	<u>105,196</u>	<u>489</u>	<u>1,295</u>	<u>15</u>	<u>12</u>	<u>122,831</u>
At 31 August 2020	<u>23,814</u>	<u>91,560</u>	<u>8,187</u>	<u>1,384</u>	<u>484</u>	<u>-</u>	<u>125,429</u>

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17. DEBTORS

	2021	2020
	£000	£000
Trade debtors	119	182
Other debtors	9	13
Prepayments and accrued income	2,983	7,096
VAT recoverable	477	891
	<u>3,588</u>	<u>8,182</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£000	£000
ESFA loans	24	24
Trade creditors	1,270	1,821
Other taxation and social security	1,096	1,037
Other creditors	1,257	1,989
Accruals and deferred income	6,155	5,346
	<u>9,802</u>	<u>10,217</u>

ESFA loans of £24k (2020: £24k) from the ESFA are included in creditors due within one year. The loans are repayable in six-monthly installments and mature in March 2022. All loans have a NIL% interest rate.

	2021	2020
	£000	£000
Deferred income at 1 September 2020	1,059	1,091
Resources deferred during the year	1,147	1,059
Amounts released from previous periods	(1,059)	(1,091)
	<u>1,147</u>	<u>1,059</u>

Deferred income at the year end relates to Universal Infant Free School Meals, Rates Relief, SEN funding, PE & Sports Premium and other grants that were funded in advance.

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19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£000	£000
ESFA loans	-	23
	<u> </u>	<u> </u>

ESFA loans of £Nil (2020: £23k) from the ESFA are included in creditors due after more than one year. The loans are repayable in six-monthly installments and mature in March 2022. All loans have a NIL% interest rate.

20. FINANCIAL INSTRUMENTS

	2021	2020
	£000	£000
FINANCIAL ASSETS		
Financial assets measured at amortised cost	13,283	18,370
	<u> </u>	<u> </u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	7,016	7,089
	<u> </u>	<u> </u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, ESFA loans and accruals.

**ACADEMY TRANSFORMATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
UNRESTRICTED FUNDS						
General Funds	-	2,152	(3,050)	898	-	-
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(763)	60,792	(60,833)	1,208	-	404
Pupil Premium	-	4,173	(4,173)	-	-	-
Other DfE/ESFA grants	-	5,490	(5,027)	-	-	463
Other government grants	-	5,315	(5,315)	-	-	-
Pension reserve	(48,991)	2,800	(3,853)	-	(7,244)	(57,288)
	(49,754)	78,570	(79,201)	1,208	(7,244)	(56,421)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	88,043	-	(10,987)	-	-	77,056
Fixed assets purchased from GAG and other restricted funds	890	-	(23)	-	-	867
DfE/ESFA capital grants	46,573	5,602	(1,404)	(2,106)	-	48,665
Private sector capital grant	538	-	(13)	-	-	525
	136,044	5,602	(12,427)	(2,106)	-	127,113
TOTAL RESTRICTED FUNDS	86,290	84,172	(91,628)	(898)	(7,244)	70,692
TOTAL FUNDS	86,290	86,324	(94,678)	-	(7,244)	70,692

21. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS:

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium (PP) - Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the students who need it most.

Other DfE/ESFA grants - Income from the ESFA which has been received for specific purposes.

Other government grants - Income from other government sources which has been received for specific purposes.

Pension reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme (LGPS).

RESTRICTED FIXED ASSET FUNDS:

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - This represents capital assets that have been purchased out of restricted GAG funding.

DfE/ESFA Capital grants - This represents funding from the ESFA to cover maintenance and purchase of the schools assets.

Private sector capital sponsorship - This represents funding from the private sector to cover maintenance and purchase of the schools assets.

Included in DfE/ESFA capital grants is School Condition Allocation (SCA) income. This is initially recognised in the restricted fixed asset fund with a proportion transferred to the restricted fund, representing the amounts on revenue expenditure.

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21. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
UNRESTRICTED FUNDS						
General Funds	-	2,999	(2,908)	(91)	-	-
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(2,157)	57,973	(57,475)	896	-	(763)
Pupil Premium	-	4,324	(4,324)	-	-	-
Other DfE/ESFA grants	-	7,587	(7,587)	-	-	-
Other government grants	-	3,750	(3,750)	-	-	-
Pension reserve	(41,054)	-	(3,023)	-	(4,914)	(48,991)
	<u>(43,211)</u>	<u>73,634</u>	<u>(76,159)</u>	<u>896</u>	<u>(4,914)</u>	<u>(49,754)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	89,844	-	(1,801)	-	-	88,043
Fixed assets purchased from GAG and other restricted funds	908	-	(18)	-	-	890
DfE/ESFA capital grants	39,159	9,188	(969)	(805)	-	46,573
Private sector capital grant	550	-	(12)	-	-	538
	<u>130,461</u>	<u>9,188</u>	<u>(2,800)</u>	<u>(805)</u>	<u>-</u>	<u>136,044</u>

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21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
TOTAL RESTRICTED FUNDS	87,250	82,822	(78,959)	91	(4,914)	86,290
TOTAL FUNDS	87,250	85,821	(81,867)	-	(4,914)	86,290

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Central services	867	(763)
Restricted fixed asset fund	127,113	136,044
Pension reserve	(57,288)	(48,991)
TOTAL	70,692	86,290

From 1 September 2019, the Trust amended its financial operating model such that GAG income and revenue reserves are pooled at the Trust Level. As a result, funds held by individual academies are no longer separately monitored. The ability to GAG pool has allowed the Trust to continue its recovery from a deficit position to a surplus position.

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21. 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 2021 £000	Total 2020 £000
Beck Row	879	321	36	51	1,287	890
Bristnall Hall	4,772	901	296	453	6,422	6,231
Caldmore Village	1,431	450	98	165	2,144	1,937
Great Heath	1,770	322	70	95	2,257	2,150
Iceni	2,547	709	213	355	3,824	3,362
Jubilee	833	294	50	80	1,257	1,165
Kingsmoor	1,264	231	90	54	1,639	1,501
Mark Hall	947	386	101	194	1,628	4,246
Mildenhall	4,525	4,586	187	671	9,969	5,968
North Walsall Primary	984	486	88	88	1,646	1,274
Phoenix	947	238	65	166	1,416	1,375
Pool Hayes	4,745	1,037	295	535	6,612	6,082
Queen Elizabeth	2,584	627	155	453	3,819	3,547
Ravens	1,476	351	83	170	2,080	1,884
Star	773	230	32	75	1,110	1,006
Sun	690	172	40	85	987	972
Sutton	3,217	1,587	242	543	5,589	4,555
The Dukeries	2,981	1,027	264	409	4,681	4,149
The Hathaway	2,771	1,163	153	647	4,734	4,017
The Nicholas Hammond	2,522	2,296	85	325	5,228	3,329
Westbourne	4,174	1,452	117	586	6,329	5,483
ATT FE	305	1,309	118	429	2,161	1,661
Central services	1,339	4,109	853	7,807	14,108	12,283
TRUST	48,476	24,284	3,731	14,436	90,927	79,067

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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	122,831	122,831
Current assets	10,127	4,824	14,951
Creditors due within one year	(9,260)	(542)	(9,802)
Provisions for liabilities and charges	(57,288)	-	(57,288)
TOTAL	<u>(56,421)</u>	<u>127,113</u>	<u>70,692</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	125,429	125,429
Current assets	9,011	11,081	20,092
Creditors due within one year	(9,751)	(466)	(10,217)
Creditors due in more than one year	(23)	-	(23)
Provisions for liabilities and charges	(48,991)	-	(48,991)
TOTAL	<u>(49,754)</u>	<u>136,044</u>	<u>86,290</u>

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

	2021	2020
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(8,354)	3,954
ADJUSTMENTS FOR:		
Depreciation	3,752	2,800
Capital grants from DfE and other capital income	(5,602)	(9,539)
Interest receivable	(1)	(13)
Defined benefit pension scheme cost less contributions payable	3,153	2,258
Defined benefit pension scheme finance cost	769	765
Defined benefit pension scheme settlement costs	(69)	-
Defined benefit pension scheme transfer out	(2,800)	-
Decrease in debtors	4,594	5,125
Increase/(decrease) in creditors	(415)	784
Net loss arising from transfer out on academies leaving the Trust	8,676	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,703	6,134

24. CASH FLOWS FROM FINANCING ACTIVITIES

	2021	2020
	£000	£000
Repayments of borrowing	(23)	(51)
NET CASH USED IN FINANCING ACTIVITIES	(23)	(51)

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
	£000	£000
Interest received	1	13
Purchase of tangible fixed assets	(9,830)	(13,938)
Capital grants from DfE Group	5,602	9,539
NET CASH USED IN INVESTING ACTIVITIES	(4,227)	(4,386)

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26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£000	£000
Cash in hand and at bank	11,363	11,910
TOTAL CASH AND CASH EQUIVALENTS	11,363	11,910

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2021 £000
Cash at bank and in hand	11,910	(547)	-	11,363
Debt due within 1 year	(24)	23	(23)	(24)
Debt due after 1 year	(23)	-	23	-
	11,863	(524)	-	11,339

28. CAPITAL COMMITMENTS

	2021	2020
	£000	£000
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	-	2,309

29. PENSION COMMITMENTS

The 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 Norfolk Pension Fund, West Midlands Pension Fund, Essex Pension Fund, Staffordshire Pension Fund, Suffolk Pension Fund, Nottinghamshire County Council Pension Fund and Warwickshire Pension Fund. 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 £1,034,000 were payable to the schemes at 31 August 2021 (2020 - £1,009,000) and are included within creditors.

29. PENSION COMMITMENTS (CONTINUED)

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 2023.

The employer's pension costs paid to TPS in the year amounted to £6,478,000 (2020 - £6,314,000).

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

(<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**NOTES TO THE FINANCIAL STATEMENTS
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29. 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 2021 was £4,252,000 (2020 - £4,095,000), of which employer's contributions totalled £3,433,000 (2020 - £3,309,000) and employees' contributions totalled £819,000 (2020 - £786,000). The agreed contribution rates for future years are 18.3 - 29.5 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the 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 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.7	2.8
Rate of increase for pensions in payment/inflation	2.9	2.5
Discount rate for scheme liabilities	1.7	1.7

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

	2021	2020
	Years	Years
Retiring today		
Males	21.7	21.8
Females	24.0	24.0
Retiring in 20 years		
Males	23.0	22.9
Females	25.7	25.5

SHARE OF SCHEME ASSETS

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29. PENSION COMMITMENTS (CONTINUED)

The trust's share of the assets in the scheme was:

	2021	2020
	£000	£000
Equities	30,703	23,734
Corporate bonds	8,134	7,400
Property	4,118	3,957
Cash	1,655	1,921
Other	4,688	3,747
Total market value of assets	49,298	40,759

The actual return on scheme assets was £2,340,000 (2020 - £1,832,000).

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

	2021	2020
	£000	£000
Current service cost	(6,586)	(5,465)
Past service cost	-	(102)
Interest income	656	716
Interest cost	(1,425)	(1,481)
Settlements	69	-
Total	(7,286)	(6,332)

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

	2021	2020
	£000	£000
AT 1 SEPTEMBER	89,750	78,017
Current service cost	6,586	5,465
Interest cost	1,425	1,481
Employee contributions	819	786
Actuarial losses/(gains)	13,767	4,635
Benefits paid	(560)	(770)
Past service costs	-	102
Settlements	(118)	-
Other costs	-	34
Business combinations	(5,083)	-
AT 31 AUGUST	106,586	89,750

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

29. PENSION COMMITMENTS (CONTINUED)

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

	2021	2020
	£000	£000
AT 1 SEPTEMBER	40,759	36,963
Interest income	666	761
Actuarial gains	6,523	(279)
Employer contributions	3,433	3,309
Employee contributions	819	786
Benefits paid	(560)	(770)
Settlements	(49)	-
Admin expenses	(10)	(11)
Business combinations	(2,283)	-
AT 31 AUGUST	49,298	40,759

30. OPERATING LEASE COMMITMENTS

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

	2021	2020
	£000	£000
Not later than 1 year	88	130
Later than 1 year and not later than 5 years	150	199
	238	329

31. 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.

32. RELATED PARTY TRANSACTIONS

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

**ACADEMY TRANSFORMATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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33. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Trust received £ (2020: £111,460) and disbursed £ (2020: £75,490) from the fund. An amount of £112,552 (2020: £38,403) is included in other creditors relating to undistributed funds that is repayable to ESFA.

34. GENERAL INFORMATION

Academy Transformation Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Emmanuel Court, Reddicroft, Sutton Coldfield, B73 6AZ.

35. TRANSFER OUT ON ACADEMIES LEAVING THE TRUST

Mark Hall Academy

	Transfer out on academy leaving the trust £000
TANGIBLE FIXED ASSETS	
Freehold property	5,849
Freehold land	2,416
Furniture and equipment	107
Motor vehicles	304
CURRENT ASSETS	
Debtors due within one year	93
LIABILITIES	
Creditors due within one year	(63)
PENSIONS	
Defined benefit pension scheme liability	(2,745)
NET ASSETS	<u>5,961</u>