

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	P Beanland M McDonagh T Campbell G Bhatia L Jones (appointed 28 March 2022)
<b>Trustees</b>	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 (resigned 12 January 2022) A Milne R Priestley (resigned 3 February 2022) M Wilson (resigned 22 November 2021) E Bonar (appointed 30 September 2021) C Edwards (appointed 29 March 2022) M Gill (appointed 6 January 2022) T Craig (appointed 6 October 2021) D Elleman (appointed 22 November 2021) L Jones (appointed 28 March 2022)
<b>Company registered number</b>	07846852
<b>Company name</b>	Academy Transformation Trust
<b>Principal and registered office</b>	Unit 4 Second Floor Emmanuel Court Reddicroft Road Sutton Coldfield B73 6AZ
<b>Company secretary</b>	A Gannon (to 11 February 2022) K Robson (from 12 February 2022)
<b>Accounting Officer</b>	D Clinton (to 20 September 2021) D Trimmer (from 21 September 2021 to 30 September 2021) R Elms (from 1 October 2021 to 31 October 2022) N Weller (from 1 November 2022)
<b>Senior management team</b>	N Weller, Chief Executive Officer (appointed 1 November 2022) R Elms, Interim Chief Executive Officer (appointed 1 October 2021 to 31 October 2022) A O'Malley, Interim Head of Finance (appointed 12 February 2022) P Wilson, Chief Finance and Operating Officer (to 12 September 2022) C Franklin, Director of Safeguarding (appointed 1 September 2022) S Byles, Regional Education Director (to 30 September 2021) C Rushton, Director of the ATT Institute (appointed 1 September 2022) D Trimmer, National Education Director (appointed 1 September 2021) S Vincent, Regional Education Director (to 31 December 2021) S Bloomer, Director of Safeguarding (to 31 August 2022) A Gannon, Director of Corporate Affairs (to 11 February 2022) A Bayford, Director of the ATT Institute (to 31 August 2022) D Clinton, Chief Executive Officer (to 20 September 2021) G Trott, Director of Secondary Education (appointed 1 September 2021)

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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B Caisley, Director of Primary Education (appointed 1 September 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 2022**

<b>Academy</b>	<b>Principal</b>
Beck Row Primary Academy	S Shayler
Bristnall Hall Academy	L Thompson
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 2022**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2022. 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 (2021: 13,018) and had a roll of 11,338 (2021: 11,058) in the school census on 1 October 2021.

The Trust also operates further education provision mostly within Nottinghamshire. In the current reporting period, 1,508 (2021: 1,281) 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 2021-22, we were able to boost the experience of the Board in educational leadership and business operations through the recruitment of new Trustees.

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.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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The same processes apply to members of Local Governing Bodies (LGBs) 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 LGBs and all LGB members have completed mandatory training programmes in safeguarding, data protection and HR procedures.

Trustees and LGB 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, delegations of authority and financial regulations in place to govern decisions.

The Trustees have established the following committees:

- Audit and Risk
- Finance and Resources
- Remunerations
- Standards and Outcomes
- A Local Governing Board for each Academy.

**Overview of responsibilities from the Governance Scheme of Delegation**

Members' reserved powers during 2021-22 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 that the Trust has sufficient executive capacity and knowledge to deliver its aims
- 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))

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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- 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 Remuneration Committee, advice from independent external advisers where appropriate, 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.

**Trade union facilities time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	<b>5</b>
Full time equivalent employee number	<b>4.5</b>

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	<b>5</b>
1% - 50%	<b>0</b>
51% - 99%	<b>-</b>
100%	<b>-</b>
<b>Percentage of pay bill spent on facility time</b>	<b>£000</b>
Total cost of facility time	<b>16</b>
Total pay bill	<b>58,376</b>
Percentage of total pay bill spent on facility time	<b>0.02%</b>

**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.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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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 been rolled out this 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 an existing employee becomes 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 ensures 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.

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 or students, adult learners, parents and carers, and the community. The Trust engages with each of these parties in a number of ways:

**Pupils / Students**

- 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 / Carers**

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

**Community**

- 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.

## **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 our Trust to ensure that they provide the highest quality of education and that they are also integral to the wellbeing of their local community.

### **Our Vision and Values**

#### **Our Vision**

##### **Transforming Lives of our Learners**

We seek to ensure that all our learners receive a high-quality education from expert staff and aspire to achieve the best they possibly can, no matter their background or ability. Our learners have safe, supportive learning environments in which they develop, grow, and challenge themselves. We are determined that our learners will receive the very best enrichment and opportunities to help them reach their full potential and ensure they are prepared for the future, wherever it might take them.

##### **Transforming Lives of our Colleagues**

Our colleagues are supported with the very best professional development through our innovative ATT Institute, allowing them to stay focused on learning and developing as practitioners whilst they progress in their careers. We share the very best practice across our community of academies to help build systems and processes that really work.

##### **Transforming Lives in the Communities We Serve**

We are committed to actively engaging with and addressing inequality in our local areas. We understand that every one of our academies and their diverse communities are different, so we aim to build a supportive collaborative, and nurturing relationship with each whilst sharing our key values across our Trust.

#### **Our Values**

##### **Commitment to Education**

Our core purpose is to positively impact the lives of all our learners. Education will always be at the heart of everything we do.

##### **Transparency and Integrity**

We are proud of our success whilst being open and honest about our areas for improvement. Our actions are always ethical and in the best interests of all our stakeholders.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Innovation and Improvement**

We are committed to innovative education- always moving forward and never standing still. Our learners are ambitious and prepared for a future that is constantly changing and developing.

**Dedication to Inclusivity**

Our learners are all different and all important to us. We aspire to support, challenge, and help each one of them reach their full potential, regardless of their background or level of ability

**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 our Trust's aims, and objectives are demonstrably to the public benefit.

**STRATEGIC REPORT 2021/22**

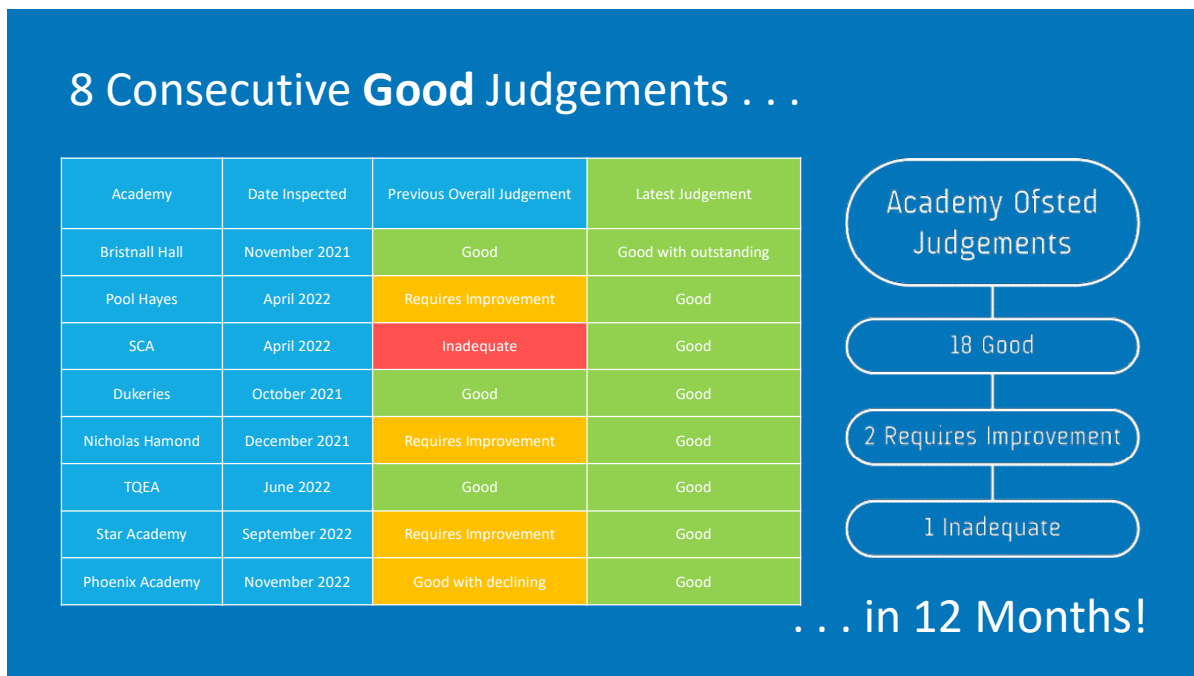
**Achievements and Performance**

Our strategic aims for 2021-2022 were in line with the government's ambitions as stated in the white paper for education as published in 2022:

- Every child will be taught by an excellent teacher trained in the best- evidenced approaches.
- Every child will be taught a broad and ambitious curriculum in a school with high expectations and strong standards of behaviour. Every child who falls behind in English or maths will get the right support to get back on track.
- By 2025 90% of primary school children will achieve the expected standard in reading, writing and maths, and the percentage of children meeting the expected standard in the worst performing areas will have increased by a third.
- All academies inspected to achieve a rating of at least Good.
- To continue to improve our financial performance alongside an enhanced reputation in business operations and governance.

**Educational Performance**

- 9 of our academies have been visited by OFSTED over the last year and we have had a very impressive set of judgements with every academy being judged as good or better.
- Sutton Community Academy came straight out of special measures to 'good' and Pool Hayes Academy received a good judgement for the first time in its 57-year history. The Nicholas Hamond Academy and Star Academy both moved from 'requiring improvement' to 'good', whilst Phoenix Academy moved from 'good with declining features' to secure 'good'.
- Bristnall Hall Academy was judged as 'good with outstanding features' and will therefore be reinspected within the next few months against the outstanding criteria.
- We currently have 18 academies judged 'good' and one in category. We only have two academies left, Icen Academy and Beck Row Academy, that are still judged as 'requiring improvement' and one academy, Ravens that remains in category.



### Early Years Foundation Stage and Key Stage Key 1 Outcomes

- Outcomes were predicted to be low due to Covid impact and the pandemic had a significant impact on performance in our most hard to reach communities.

### Key Stage 2 Outcomes

- Outcomes were predicted to be low due to Covid impact.
- **Reading** - 5/10 academies at or above 2022 national.
- **Writing** - 4/10 academies at or above 2022 national.
- **Maths** – Majority of academies were below 2022 national.

### Key Stage 4 Outcomes

- Outcomes were predicted to be low due to Covid impact.
- “We recognise the **uneven impact on schools and colleges of the pandemic** and will ensure clear messages are placed on performance measures website to advise caution when considering the 2021/22 data. **We will also strongly advise against direct comparisons between the performance data for one school or college and another school or college, without taking this broader context into account.**” DFE 2022.
- Most of our academies are from areas that were disproportionately impacted by covid 19 and the communities that they serve, especially in the Midlands, suffered the greatest in terms of hardship and impact on families. This can be seen in the spread of our results across Key Stage 4.
- That said, our results and our progress 8 measure was broadly in line with or just below national averages.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Key Stage 5 Outcomes**

- There was no progress measure produced for 16-18 this year as the DFE committed not to use KS4 prior attainment from qualifications achieved between January 2020 and August 2021.
- Overall Dukeries, Sutton Community Academy and Pool Hayes Academy performed broadly in line with National averages whereas Mildenhall performed less well.

**Improvement Strategy**

- Our improvement strategy continues to be aligned around our ethos of Challenge, Support and Intervention (CSI). This 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.
- We are a national trust and proud to be so. Our record of school improvement is very strong.

**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.

**National Professional Qualifications (NPQs)**

The ATT Institute (ATTI) continues its delivery partner contract with 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 our academies. 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.

Our Trust has met its recruitment target of 80 participants:

<b>National Professional Qualification</b>	<b>Number of participants</b>
NPQ Headship	9
NPQ Senior Leader	24
NPQ Leading Behaviour and Culture	10
NPQ Leading Teaching	23
NPQ Leading Teacher Development	7
NPQ Leading Literacy	13
<b>Total</b>	<b>86</b>

We have also recruited colleagues beyond our own Trust for these NPQs.

### **Early Career Teacher Programme**

Our Trust will continue with its 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. ECT teachers and their mentors receive a two-year statutory induction programme to support them. They also receive two face-to-face conference events per year, along with several online webinars linked to the Early Career Framework, designed by Ambition Institute, and facilitated by our facilitator team. Mentors also receive training on coaching and supporting their ECT teachers effectively. ATTI has recruited more than 150 early career teachers. ATTI has also recruited colleagues not in our own academies for the ECT programme.

### **Apprenticeships**

Apprenticeships are fully-funded courses available as part of the Apprenticeship Levy which ATT contributes to. The courses available include Level 3, 5 and 7 Apprenticeships, and provide professional development pathways for teaching and non-teaching colleagues. Our Trust has £210,000 annual funding available as part of the apprenticeship levy. Currently we have seven apprentices on the program, utilising a total of £76,000 of levy funding. Recruitment to the apprenticeships will be a priority to ensure that the levy is fully utilised.

### **Human resources**

The Trust is keen to develop its employee value proposition moving forward to increase attraction and retention across the Trust, against what is a difficult national backdrop in terms of recruitment within the education sector. Key metrics related to our people are regularly monitored and we are now exploring both exit and welcome surveys and have a planned schedule of employee engagement for the coming year which will see us increase participation and engage with our employees in more diverse ways.

The Trust's Wellbeing Team Network Group (TNG) has 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 our education support in order to raise the profile and importance of wellbeing within our Trust. Wellbeing is a regular feature within our executive updates and we are increasing knowledge and awareness through development activities delivered through ATTI such as webinars on "Building Resilience", "Mental Health Awareness For Line Managers" and "Menopause". 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 which we intend to mirror in terms of approach. We are also strengthening our offer to our operational colleagues and exploring coaching models that support and empower our leaders.

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 & recognition, and talent.

The Trust Annual Gender Pay Report demonstrated our firm commitment to the equality agenda and we continue to look to improve on the current gap.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Finance and Business Operations**

**Estates**

The Trust continues to be in receipt of one of the highest school condition allocations of all MATs in 2021/22, although an element of this is transitional funding. This precedes a year-on-year 25% reduction in Condition Funding after 2021/22 due to the improvements in our building stock and funding received to date. During the year 2021/2022, the Trust invested £5.2m (to reduce its condition liability by £2m (2021: £7.5m). 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 £7m in 2022 (2021: £9m).

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 2021/22, focussing on improving facilities, use of space and pupil experiences, alongside addressing and mitigating risk and liability associated with condition issues. We have continued to explore expansion and land development projects as well as undertaking key refurbishment projects.

Some highlights of projects that were completed during 2021/2022 were:

- Sutton Community Academy - £500,000 heavy refurbishment and remodelling of the Humanities and Music block to address condition, health and safety and provide brand new facilities.
- Westbourne Academy – £250,000 roof replacement works
- The Dukeries Academy – £200,000 general classroom refurbishment works to improve condition, learning environment and suitability.
- Sun Academy - £447,846 front entrance and external areas improvement works to address condition, health and safety and improve safeguarding.
- Phoenix Academy - £240,000 internal refurbishment of courtyard and canopy to create intervention space and address condition.
- Mildenhall College Academy - £157,000 6th Form Centre fire alarm replacement

**ICT**

During the 2021/22 academic year we have implemented a 3-year ICT strategy alongside individual ICT improvement plans which have underpinned our investment and development throughout the academic year. We have continued to invest heavily in the ICT infrastructure within the Trust laying the foundations for a move to a single network which included migration to a single tenant for Office 365. We completed procurement and began implementation of a new management information system (MIS) to improve reporting, access to data and rationalisation of software to reduce cost whilst enhancing tools for teaching and learning.

Investment of £250k has allowed us to continue to refurbish and upgrade our data cabling, switching and continued implementation of VOIP Telephone systems across our academies. We have replaced or upgraded the final servers within our academies to address all critical infrastructure issues. 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. Cyber security systems have been improved through the investment and implementation of multi-factor authorisation (MFA) and continued investment in this area to mitigate these risks. The measures and systems in place have enabled the Trust to reduce our insurance premium in this area significantly.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Going Concern**

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

In making this assessment the Trustees have considered the current very challenging financial climate facing the education sector including unfunded pay rises for teaching and support staff, high energy prices and general price inflation coupled with uncertainty around absolute increases in future funding. Given the potential risks this poses, the Trust has embarked upon a detailed forecasting process for the next 36 months to assess likely future performance, identify potential cost savings and efficiencies, identify opportunities and ensure the Trust remains financially sound and well prepared for the future.

At 31 August 2022 the Trust had cumulative income reserves of £1,887k following an in year surplus of £1,020k. This represents an improvement in financial position over previous years whereby the Trust had been working through a previously agreed deficit recovery plan that had been in place with the ESFA. Under the requirements of the Academy Trust Handbook the Trust is required to maintain positive free reserves at all times and this is a key balance that is closely monitored and has been assessed in preparing the forecasts. Cash balances at year end were £9,550k.

In preparing the forecasts for the next 36 months, the following have been considered:

- Initial forecasts indicated the Trust may incur a significant deficit for the next financial periods in light of potential unfunded pay increases and energy costs.
- The Autumn Statement on 17 November 2022 and subsequent clarifications from the Department for Education have confirmed that additional funding will be forthcoming to Academy Trusts. Whilst exact details are to be confirmed the Trust has conservatively assumed this would equate to £0.8m of additional funding in 2022-23 (being April to August) with increased amounts from 2023-24 onwards representing a full year.
- The Trust is seeking additional growth funding from the ESFA regarding certain academies and is confident that this will be achieved and is in ongoing dialogue with the ESFA on this matter
- Cost savings are being implemented and Integrated Curriculum Finance and Planning (ICFP) is being closely implemented to help achieve this.
- Close and regular scrutiny of the budgetary position by management and Trustees, including the impact of the current financial challenges will continue.

Based on the above assessment the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**FINANCIAL REVIEW**

**Financial Review**

As at August 2021, ATT had surpassed by £993k the financial surplus targets set in the 3-year recovery plan, agreed with the ESFA. During 2021-22 our Trust reported an underlying surplus of £1,020k, increasing the financial surplus from £867k to £1,887k.

Our Trust received an additional £0.8m income from the School's Supplementary Grant, which was announced and delivered during the 2021/22 financial year. The transfer out of Mark Hall Academy, on 1 January 2021, led to an increase in additional central and operational costs of £688k. The on-going pandemic increased cleaning costs, of £540k over budget as our Trust continued to perform deep cleans across the Academy estate.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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On an accounting basis, and thus considering the FRS102 pension valuation figures, the Trust recorded an in-year surplus on restricted and unrestricted revenue funds of £49,060k, a reduction of £55,727k in comparison to 2020/21. The pension valuation saw an actuarial gain of £52,451k (2021: loss of £7,244k), due to a change in CPI inflation assumptions.

**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, and 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 level of reserves 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 above 4% of total funding. The level of general reserves as at August 2022 (total funds less the amount held in fixed assets or committed funds) is a surplus of £1,887k (2021: surplus of £867k).

**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 invest only those 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 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 is determined by a forecast of future need and is kept under review.

Investments for a fixed term do 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 Officer monitors the cash position and cash flow forecast, and reports on 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**

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



**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**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 our Trust 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 at their regular meetings to scrutinise the operational reality of mitigating risk. In addition, the full Trust Board considers major risks at least termly.

**Plans For Future Periods**

Our focus during 2022-23 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.

Our Trust 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 our Trust can continue "Transforming Lives". 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.

**Streamlined Energy and Carbon Reporting**

UK Greenhouse gas emissions and energy use data for 1 September 2021 to 31 August 2022	
Energy consumption used to calculate emissions (kWh)	21,867,778.37
<b>Energy consumption break down</b>	
Gas [kwh]	15,742,619
Electricity [kwh]	5,680,263
Transport Fuel [miles]	353,722
<b>Scope 1 emissions in metric tonnes CO<sup>2</sup>e</b>	
Gas consumption	2,894.60
Owned transport – mini-buses	8.52
<b>Total scope 1</b>	<b>2,903.11</b>
<b>Scope 2 emissions in metric tonnes CO<sup>2</sup>e</b>	
Purchased electricity	0
<b>Scope 3 emissions in metric tonnes CO<sup>2</sup>e</b>	
Business travel in employee owned vehicles	99.23
<b>Total gross emissions in metric tonnes CO<sup>2</sup>e</b>	<b>3,002.34</b>
<b>Intensity ratio   Tonnes CO<sup>2</sup>e per pupil</b>	<b>0.26</b>

**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 2020 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

CO<sup>2</sup>e per pupil based on 11,530 students and Total gross emissions in metric tonnes CO<sup>2</sup>e of 3,002.3470 tonnes = 0.26 | Tonnes CO<sup>2</sup>e per pupil

**Measures planned to improve energy efficiency**

- We have serviced, reviewed and adjusted all the setting on the ventilation and cooling and expect to reduce energy consumption by 5% in the next year
- We procure all our electricity from EDF on their Blue for Business Tariff
- We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our Carbon Footprint

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**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 20/12/2022 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  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**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 9 times during the year.

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

Trustee	Meetings attended	Out of a possible
P Beanland, Chair of Trustees	8	9
T Clark, Co Vice Chair	9	9
P Miligan	1	1
R Elms	2	2
S Jones	1	4
A Milne	9	9
R Priestley	3	4
M Wilson	2	3
E Bonar	7	9
C Edwards	1	5
M Gill	4	5
L Jones	2	5
T Craig	7	9
D Elleman	5	8

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

**REVIEW OF EFFECTIVENESS**

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

- the reports for any internal scrutiny reports performed;
- 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: 20/12/2022



**Sir Nick Weller**  
CEO and Accounting Officer

Date: 20/12/2022

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.



**Sir Nick Weller**  
CEO and Accounting Officer  
Date: 19 December 2022

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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; and
- 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: 19 December 2022



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

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

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**OPINION**

We have audited the financial statements of Academy Transformation Trust (the 'trust') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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)**

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**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)**

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**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, Academy Trust Handbook, Charity Law, Charity SORP, 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.

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

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

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Our procedures to respond to risks identified included the following:

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

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

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

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

20 December 2022

**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**

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In accordance with the terms of our engagement letter dated 16 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Bishop Fleming LLP*

**Bishop Fleming LLP**

Chartered Accountant

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 20/12/2022

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>INCOME FROM:</b>						
Donations and capital grants	3	78	-	4,076	4,154	8,472
Other trading activities	6	619	-	-	619	194
Investments	7	1	-	-	1	1
Charitable activities	4	1,722	75,971	-	77,693	77,657
<b>TOTAL INCOME</b>		<b>2,420</b>	<b>75,971</b>	<b>4,076</b>	<b>82,467</b>	<b>86,324</b>
<b>EXPENDITURE ON:</b>						
Raising funds	8	1,668	15	-	1,682	1,761
Charitable activities	9	2,272	79,437	2,855	84,565	92,917
<b>TOTAL EXPENDITURE</b>		<b>3,940</b>	<b>79,452</b>	<b>2,855</b>	<b>86,247</b>	<b>94,678</b>
<b>NET (EXPENDITURE)/INCOME</b>		<b>(1,520)</b>	<b>(3,481)</b>	<b>1,221</b>	<b>(3,780)</b>	<b>(8,354)</b>
Transfers between funds	19	1,520	-	(1,520)	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>-</b>	<b>(3,481)</b>	<b>(299)</b>	<b>(3,780)</b>	<b>(8,354)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	52,541	-	52,541	(7,244)
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>49,060</b>	<b>(299)</b>	<b>48,761</b>	<b>(15,598)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		-	(56,421)	127,113	70,692	86,290
Net movement in funds		-	49,060	(299)	48,761	(15,598)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>(7,361)</b>	<b>126,814</b>	<b>119,453</b>	<b>70,692</b>

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

**BALANCE SHEET  
AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>FIXED ASSETS</b>			
Tangible assets	15	126,207	122,831
<b>CURRENT ASSETS</b>			
Debtors	16	2,793	3,588
Cash at bank and in hand		9,550	11,363
		<u>12,343</u>	<u>14,951</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	17	(8,499)	(9,802)
		<u>3,844</u>	<u>5,149</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>130,051</u>	<u>127,980</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>130,051</u>	<u>127,980</u>
Defined benefit pension scheme liability	26	(10,598)	(57,288)
<b>TOTAL NET ASSETS</b>		<u><u>119,453</u></u>	<u><u>70,692</u></u>
<b>FUNDS OF THE TRUST</b>			
<b>RESTRICTED FUNDS:</b>			
Fixed asset funds	19	126,814	127,113
Restricted income funds	19	1,887	867
		<u>128,701</u>	<u>127,980</u>
Restricted funds excluding pension liability	19	128,701	127,980
Pension reserve	19	(9,248)	(57,288)
<b>TOTAL RESTRICTED FUNDS</b>		<u>119,453</u>	<u>70,692</u>
<b>UNRESTRICTED INCOME FUNDS</b>		<u>-</u>	<u>-</u>
<b>TOTAL FUNDS</b>		<u><u>119,453</u></u>	<u><u>70,692</u></u>

The financial statements on pages 29 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

**Pat Beanland**  
Chair of Trustees  
Date: 19 December 2022

The notes on pages 32 to 61 form part of these financial statements.



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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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	<b>Note</b>	<b>2022 £000</b>	2021 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	21	<b>361</b>	3,703
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	23	<b>(2,153)</b>	(4,227)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	22	<b>(21)</b>	(23)
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(1,813)</b>	(547)
Cash and cash equivalents at the beginning of the year		<b>11,363</b>	11,910
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	24, 25	<b>9,550</b>	11,363

The notes on pages 32 to 61 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 2021 to 2022 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**

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

In making this assessment the Trustees have considered the current very challenging financial climate facing the education sector including unfunded pay rises for teaching and support staff, high energy prices and general price inflation coupled with uncertainty around absolute increases in future funding. Given the potential risks this poses, the Trust has embarked upon a detailed forecasting process for the next 36 months to assess likely future performance, identify potential cost savings and efficiencies, identify opportunities and ensure the Trust remains financially sound and well prepared for the future.

At 31 August 2022 the Trust had cumulative income reserves of £1,887k following an in year surplus of £1,020k. This represents an improvement in financial position over previous years whereby the Trust had been working through a previously agreed deficit recovery plan that had been in place with the ESFA. Under the requirements of the Academy Trust Handbook the Trust is required to maintain positive free reserves at all times and this is a key balance that is closely monitored and has been assessed in preparing the forecasts. Cash balances at year end were £9,550k.

In preparing the forecasts for the next 36 months, the following have been considered:

- Initial forecasts indicated the Trust may incur a significant deficit for the next financial periods in light of potential unfunded pay increases and energy costs.
- The Autumn Statement on 17 November 2022 and subsequent clarifications from the Department for Education have confirmed that additional funding will be forthcoming to Academy Trusts. Whilst exact details are to be confirmed the Trust has conservatively assumed this would equate to £0.8m of additional funding in 2022-23 (being April to August) with increased amounts from 2023-24 onwards representing a full year
- The Trust is seeking additional growth funding from the ESFA regarding certain academies and is confident that this will be achieved and is in ongoing dialogue with the ESFA on this matter
- Cost savings are being implemented and ICFP is being closely implemented to help achieve this

**1. ACCOUNTING POLICIES (continued)**

**1.2 GOING CONCERN (CONTINUED)**

- Close and regular scrutiny of the budgetary position by management and Trustees, including the impact of the current financial challenges will continue

Based on the above assessment the Trustees continue to adopt the going concern basis of accounting 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.

- **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% straight line
Leasehold property	- 2% straight line
Fixtures and fittings	- 10% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 20% 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 16. Prepayments are not financial instruments. Amounts due to the trust's wholly owned subsidiary are held at face value less any impairment.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the 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 2022**

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**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 30.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 2022**

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
Donations	78	-	-	<b>78</b>	2,870
Capital grants	-	-	4,076	<b>4,076</b>	5,602
<b>TOTAL 2022</b>	<u>78</u>	<u>-</u>	<u>4,076</u>	<u><b>4,154</b></u>	<u>8,472</u>
TOTAL 2021	<u>70</u>	<u>2,800</u>	<u>5,602</u>	<u>8,472</u>	

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
Education	1,087	75,971	<b>77,058</b>	77,019
Nursery	635	-	<b>635</b>	638
<b>TOTAL 2022</b>	<u>1,722</u>	<u>75,971</u>	<u><b>77,693</b></u>	<u>77,657</u>
TOTAL 2021	<u>1,887</u>	<u>75,770</u>	<u>77,657</u>	



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**5. FUNDING FOR THE TRUST'S CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
<b>DFE/ESFA GRANTS</b>				
General Annual Grant (GAG)	-	63,171	<b>63,171</b>	60,793
<b>OTHER DFE/ESFA GRANTS</b>				
Pupil Premium	-	4,224	<b>4,224</b>	4,173
Universal Infant Free School Meals (UIFSM)	-	286	<b>286</b>	304
Teachers Pension Grant	-	95	<b>95</b>	2,122
Teachers Pay Grant	-	23	<b>23</b>	768
Other DfE/ESFA grants	-	2,914	<b>2,914</b>	1,200
	-	70,713	<b>70,713</b>	69,360
<b>OTHER GOVERNMENT GRANTS</b>				
Other government grants	-	4,566	<b>4,566</b>	5,315
<b>COVID-19 ADDITIONAL FUNDING</b>				
DfE/ESFA Catch-up Premium	-	275	<b>275</b>	786
Other DfE/ESFA COVID-19 funding	-	417	<b>417</b>	309
	-	692	<b>692</b>	1,095
<b>OTHER INCOME</b>				
Other income self generated	1,003	-	<b>1,003</b>	759
Catering income	84	-	<b>84</b>	490
	1,087	-	<b>1,087</b>	1,249
<b>TOTAL 2022</b>	<b>1,087</b>	<b>75,971</b>	<b>77,058</b>	<b>77,019</b>
<b>TOTAL 2021</b>	<b>1,249</b>	<b>75,770</b>	<b>77,019</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**6. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	Total funds 2021 £000
Lettings	255	<b>255</b>	153
School trips	323	<b>323</b>	25
Other	41	<b>41</b>	16
<b>TOTAL 2022</b>	<u>619</u>	<u><b>619</b></u>	<u>194</u>
TOTAL 2021	<u>194</u>	<u>194</u>	

**7. INVESTMENT INCOME**

	<b>Total funds 2022 £000</b>	Total funds 2021 £000
Bank interest	<u>1</u>	<u>1</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**8. EXPENDITURE**

	<b>Staff Costs 2022 £000</b>	<b>Premises 2022 £000</b>	<b>Other 2022 £000</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
<b>Expenditure on fundraising activities:</b>					
Direct costs	-	-	1,683	<b>1,683</b>	1,761
<b>Education:</b>					
Direct costs	54,562	-	5,883	<b>60,445</b>	59,132
Support costs	10,767	9,418	3,461	<b>23,646</b>	33,700
<b>Nursery:</b>					
Direct costs	460	-	14	<b>474</b>	85
<b>TOTAL 2022</b>	<u>65,789</u>	<u>9,418</u>	<u>11,041</u>	<u><b>86,248</b></u>	<u>94,678</u>
TOTAL 2021	<u>62,795</u>	<u>12,143</u>	<u>19,740</u>	<u>94,678</u>	

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2022 £000</b>	<b>Support costs 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
Education	60,445	23,646	<b>84,091</b>	92,832
Nursery	474	-	<b>474</b>	85
<b>TOTAL 2022</b>	<u>60,919</u>	<u>23,646</u>	<u><b>84,565</b></u>	<u>92,917</u>
TOTAL 2021	<u>59,217</u>	<u>33,700</u>	<u>92,917</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF DIRECT COSTS**

	<b>2022</b>	<b>Nursery</b>	<b>Total</b>	<b>Total</b>
	<b>2022</b>	<b>2022</b>	<b>funds</b>	<b>funds</b>
	<b>£000</b>	<b>£000</b>	<b>2022</b>	<b>2021</b>
			<b>£000</b>	<b>£000</b>
Pension finance costs	551	-	<b>551</b>	430
Staff costs	53,068	460	<b>53,528</b>	51,958
Educational supplies	315	14	<b>329</b>	390
Examination fees	878	-	<b>878</b>	605
Staff development	204	-	<b>204</b>	223
Other costs	1,727	-	<b>1,727</b>	1,778
Supply teachers	1,481	-	<b>1,481</b>	1,121
Technology costs	878	-	<b>878</b>	1,365
Educational consultancy	1,343	-	<b>1,343</b>	1,347
<b>TOTAL 2022</b>	<u>60,445</u>	<u>474</u>	<u><b>60,919</b></u>	<u>59,217</u>
<b>TOTAL 2021</b>	<u>59,132</u>	<u>85</u>	<u>59,217</u>	

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**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	<b>Total funds 2022 £000</b>	Total funds 2021 £000
Pension finance costs	421	339
Staff costs	10,684	9,691
Depreciation	2,855	3,751
Other costs	610	493
Supply teachers	83	25
Recruitment and support	240	255
Maintenance of premises and equipment	2,316	3,734
Cleaning	2,095	2,626
Rent and rates	399	386
Energy costs	1,280	1,190
Insurance	425	456
Security and transport	333	205
Catering	57	32
Technology costs	857	830
Office overheads	878	933
Legal and professional	1	3
Bank interest and charges	4	5
PFI charges	48	-
Net loss arising from transfer out on academies leaving the Trust	-	8,676
Governance	60	70
<b>TOTAL 2022</b>	<b>23,646</b>	<b>33,700</b>

**10. NET (EXPENDITURE)/INCOME**

Net (expenditure)/income for the year includes:

	<b>2022 £000</b>	2021 £000
Operating lease rentals	82	130
Depreciation of tangible fixed assets	2,855	3,717
Fees paid to auditors for:		
- audit	52	48
- other services	14	12

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**11. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	<b>2022</b>	2021
	<b>£000</b>	£000
Wages and salaries	<b>44,622</b>	44,384
Social security costs	<b>4,654</b>	4,501
Pension costs	<b>14,735</b>	12,722
	<b>64,011</b>	61,607
Agency staff costs	<b>1,578</b>	1,146
Staff restructuring costs	<b>200</b>	42
	<b>65,789</b>	62,795

Staff restructuring costs comprise:

Severance payments	<b>200</b>	42
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**b. SPECIAL STAFF SEVERANCE PAYMENTS**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £200k (2021: £42k). Individually, the payments were: £1k, £3k, £7k, £11k, £14k, £15k, £38k, £41k and £70k. (2021: £1k, £2k, £3k, £7k, £9k, £10k and £10k).

**c. STAFF NUMBERS**

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

	<b>2022</b>	2021
	<b>No.</b>	No.
Teachers	<b>802</b>	742
Administration and support	<b>920</b>	762
Management	<b>38</b>	27
	<b>1,760</b>	1,531

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**11. STAFF (CONTINUED)**

**c. STAFF NUMBERS (CONTINUED)**

The average headcount expressed as full-time equivalents was:

	<b>2022</b>	2021
	<b>No.</b>	No.
Teachers	<b>691</b>	697
Administration and support	<b>477</b>	523
Management	<b>35</b>	25
	<b>1,203</b>	1,245

**d. HIGHER PAID STAFF**

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

	<b>2022</b>	2021
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>21</b>	23
In the band £70,001 - £80,000	<b>13</b>	11
In the band £80,001 - £90,000	<b>10</b>	10
In the band £90,001 - £100,000	<b>3</b>	6
In the band £100,001 - £110,000	<b>3</b>	2
In the band £110,001 - £120,000	-	2
In the band £120,001 - £130,000	<b>2</b>	-
In the band £130,001 - £140,000	<b>1</b>	1
In the band £150,001 - £160,000	<b>1</b>	-
In the band £190,001 - £200,000	-	1

**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 national insurance contributions and employer pension contributions) received by key management personnel for their services to the trust was £1,692,927 (2021: £1,332,792).

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**12. CENTRAL SERVICES**

From 1 September 2019, the budget model, and in line with the funding agreement, was revised to encapsulate General Annual Grant 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

**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £2,845 were reimbursed or paid directly to 6 Trustees (2021: £637 to 4 Trustees). The nature of these expenses were in relation to travel and subsistence.

**14. 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 2022 was £8,149 (2021: £6,775). The cost of this insurance is included in the total insurance cost.



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**15. 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
<b>COST OR VALUATION</b>							
At 1 September 2021	17,933	119,811	489	1,948	3,279	30	143,490
Additions	366	4,343	1,224	56	242	-	6,231
At 31 August 2022	<u>18,299</u>	<u>124,154</u>	<u>1,713</u>	<u>2,004</u>	<u>3,521</u>	<u>30</u>	<u>149,721</u>
<b>DEPRECIATION</b>							
At 1 September 2021	2,109	14,615	-	653	3,264	18	20,659
Charge for the year	320	2,280	-	195	57	3	2,855
At 31 August 2022	<u>2,429</u>	<u>16,895</u>	<u>-</u>	<u>848</u>	<u>3,321</u>	<u>21</u>	<u>23,514</u>
<b>NET BOOK VALUE</b>							
At 31 August 2022	<u>15,870</u>	<u>107,259</u>	<u>1,713</u>	<u>1,156</u>	<u>200</u>	<u>9</u>	<u>126,207</u>
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>

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**16. DEBTORS**

	<b>2022</b>	2021
	<b>£000</b>	£000
Trade debtors	<b>323</b>	119
Other debtors	<b>37</b>	9
Prepayments and accrued income	<b>1,746</b>	2,983
VAT recoverable	<b>687</b>	477
	<b>2,793</b>	3,588

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	2021
	<b>£000</b>	£000
ESFA loans	<b>3</b>	24
Trade creditors	<b>1,007</b>	1,270
Other taxation and social security	<b>1,066</b>	1,096
Other creditors	<b>1,685</b>	1,257
Accruals and deferred income	<b>4,738</b>	6,155
	<b>8,499</b>	9,802

ESFA loans of £3k (2021: £24k) from the ESFA are included in creditors due within one year. The loans are repayable in six-monthly installments and matured in September 2022. All loans have a NIL% interest rate.

	<b>2022</b>	2021
	<b>£000</b>	£000
Deferred income at 1 September 2021	<b>1,147</b>	1,059
Resources deferred during the year	<b>1,235</b>	1,147
Amounts released from previous periods	<b>(1,147)</b>	(1,059)
	<b>1,235</b>	1,147

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

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**18. FINANCIAL INSTRUMENTS**

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost	<b>10,832</b>	13,283
	<u><u>10,832</u></u>	<u><u>13,283</u></u>
	<b>2022</b>	2021
	<b>£000</b>	£000
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<b>6,208</b>	7,016
	<u><u>6,208</u></u>	<u><u>7,016</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.

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**19. STATEMENT OF FUNDS**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>UNRESTRICTED FUNDS</b>						
General Funds	-	2,421	(3,941)	1,520	-	-
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	404	63,171	(61,688)	-	-	1,887
Pupil Premium	-	4,423	(4,423)	-	-	-
Other DfE/ESFA grants	463	3,811	(4,274)	-	-	-
Other government grants	-	4,566	(4,566)	-	-	-
Pension reserve	(57,288)	-	(4,501)	-	52,541	(9,248)
	<b>(56,421)</b>	<b>75,971</b>	<b>(79,452)</b>	<b>-</b>	<b>52,541</b>	<b>(7,361)</b>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	77,056	-	(1,653)	-	-	75,403
Fixed assets purchased from GAG and other restricted funds	867	-	(19)	-	-	848
DfE/ESFA capital grants	48,665	4,076	(1,172)	(1,520)	-	50,049
Private sector capital grant	525	-	(11)	-	-	514
	<b>127,113</b>	<b>4,076</b>	<b>(2,855)</b>	<b>(1,520)</b>	<b>-</b>	<b>126,814</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>70,692</b>	<b>80,047</b>	<b>(82,307)</b>	<b>(1,520)</b>	<b>52,541</b>	<b>119,453</b>
<b>TOTAL FUNDS</b>	<b>70,692</b>	<b>82,468</b>	<b>(86,248)</b>	<b>-</b>	<b>52,541</b>	<b>119,453</b>

**19. 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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**19. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>UNRESTRICTED FUNDS</b>						
General Funds	-	2,152	(3,050)	898	-	-
<b>RESTRICTED GENERAL FUNDS</b>						
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)
	<u>(49,754)</u>	<u>78,570</u>	<u>(79,201)</u>	<u>1,208</u>	<u>(7,244)</u>	<u>(56,421)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
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
	<u>136,044</u>	<u>5,602</u>	<u>(12,427)</u>	<u>(2,106)</u>	<u>-</u>	<u>127,113</u>

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**19. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>TOTAL RESTRICTED FUNDS</b>	86,290	84,172	(91,628)	(898)	(7,244)	70,692
<b>TOTAL FUNDS</b>	86,290	86,324	(94,678)	-	(7,244)	70,692

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022 £000</b>	2021 £000
Central services	<b>1,887</b>	867
Restricted fixed asset fund	<b>126,814</b>	127,113
Pension reserve	<b>(9,248)</b>	(57,288)
<b>TOTAL</b>	<b>119,453</b>	70,692

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.

**ACADEMY TRANSFORMATION TRUST  
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**19. 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 2022 £000	Total 2021 £000
Beck Row	683	76	5	428	<b>1,192</b>	1,287
Bristnall Hall	5,086	298	107	917	<b>6,408</b>	6,422
Caldmore	1,424	145	6	400	<b>1,975</b>	2,144
Great Heath	1,603	91	5	408	<b>2,107</b>	2,257
Iceni	2,683	199	60	1,099	<b>4,041</b>	3,824
Jubilee	863	52	3	355	<b>1,273</b>	1,257
Kingsmoor	1,331	61	18	361	<b>1,771</b>	1,639
Mark Hall	-	-	-	14	<b>14</b>	1,628
Mildenhall	5,010	436	131	910	<b>6,487</b>	9,969
North Walsall Primary	983	115	3	290	<b>1,391</b>	1,646
Phoenix	995	100	3	226	<b>1,324</b>	1,416
Pool Hayes	4,995	449	142	752	<b>6,338</b>	6,612
Queen Elizabeth	2,795	329	80	802	<b>4,006</b>	3,819
Ravens	1,496	126	12	467	<b>2,101</b>	2,080
Star	733	64	3	258	<b>1,058</b>	1,110
Sun	699	78	13	223	<b>1,013</b>	987
Sutton	3,391	392	83	988	<b>4,854</b>	5,589
The Dukeries	2,983	284	91	1,157	<b>4,515</b>	4,681
The Hathaway	3,007	379	112	756	<b>4,254</b>	4,734
The Nicholas Hammond	2,745	178	64	638	<b>3,625</b>	5,228
Westbourne	4,319	395	103	1,034	<b>5,851</b>	6,329
ATT FE	572	1,834	146	512	<b>3,064</b>	2,161
Central services	1,602	3,253	4	9,871	<b>14,730</b>	14,108
<b>TRUST</b>	<b>49,998</b>	<b>9,334</b>	<b>1,194</b>	<b>22,866</b>	<b>83,392</b>	<b>90,927</b>



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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	<b>Restricted funds 2022 £000</b>	<b>Restricted fixed asset funds 2022 £000</b>	<b>Total funds 2022 £000</b>
Tangible fixed assets	-	126,207	<b>126,207</b>
Current assets	11,081	1,262	<b>12,343</b>
Creditors due within one year	(7,844)	(655)	<b>(8,499)</b>
Provisions for liabilities and charges	(10,598)	-	<b>(10,598)</b>
<b>TOTAL</b>	<u>(7,361)</u>	<u>126,814</u>	<u><b>119,453</b></u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<b>Restricted funds 2021 £000</b>	<b>Restricted fixed asset funds 2021 £000</b>	<b>Total funds 2021 £000</b>
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)
<b>TOTAL</b>	<u>(56,421)</u>	<u>127,113</u>	<u>70,692</u>

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**21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2022</b>	2021
	<b>£000</b>	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(3,780)</b>	(8,354)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>2,855</b>	3,752
Capital grants from DfE and other capital income	<b>(4,076)</b>	(5,602)
Interest receivable	<b>(1)</b>	(1)
Defined benefit pension scheme cost less contributions payable	<b>4,879</b>	3,153
Defined benefit pension scheme finance cost	<b>973</b>	769
Defined benefit pension scheme settlement costs	<b>-</b>	(69)
Defined benefit pension scheme transfer out	<b>-</b>	(2,800)
Decrease in debtors	<b>795</b>	4,594
Increase/(decrease) in creditors	<b>(1,284)</b>	(415)
Net loss arising from transfer out on academies leaving the Trust	<b>-</b>	8,676
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>361</b>	3,703

**22. CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>2022</b>	2021
	<b>£000</b>	£000
Repayments of borrowing	<b>(21)</b>	(23)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(21)</b>	(23)

**23. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2022</b>	2021
	<b>£000</b>	£000
Interest received	<b>1</b>	1
Purchase of tangible fixed assets	<b>(6,230)</b>	(9,830)
Capital grants from DfE Group	<b>4,076</b>	5,602
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,153)</b>	(4,227)

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**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2022</b>	2021
	<b>£000</b>	£000
Cash in hand and at bank	<b>9,550</b>	11,363
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>9,550</b>	11,363

**25. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 September 2021 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2022 £000</b>
Cash at bank and in hand	<b>11,363</b>	<b>(1,813)</b>	<b>9,550</b>
Debt due within 1 year	<b>(24)</b>	<b>21</b>	<b>(3)</b>
	<b>11,339</b>	<b>(1,792)</b>	<b>9,547</b>

**26. 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 £1,067,000 were payable to the schemes at 31 August 2022 (2021 - £1,034,000) and are included within creditors.

**TEACHERS' PENSION SCHEME**

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

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

**26. PENSION COMMITMENTS (CONTINUED)**

**VALUATION OF THE TEACHERS' PENSION SCHEME**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £6,519,000 (2021 - £6,478,000).

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.

**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 2022 was £4,040,000 (2021 - £4,252,000), of which employer's contributions totalled £3,210,000 (2021 - £3,433,000) and employees' contributions totalled £830,000 (2021 - £819,000). 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (CONTINUED)**

**PRINCIPAL ACTUARIAL ASSUMPTIONS**

	<b>2022</b>	2021
	%	%
Rate of increase in salaries	<b>3.9</b>	3.7
Rate of increase for pensions in payment/inflation	<b>3.0</b>	2.9
Discount rate for scheme liabilities	<b>4.3</b>	1.7

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

	<b>2022</b>	2021
	Years	Years
Retiring today		
Males	<b>21.4</b>	21.7
Females	<b>23.9</b>	24.0
Retiring in 20 years		
Males	<b>22.6</b>	23.0
Females	<b>25.5</b>	25.7

**SHARE OF SCHEME ASSETS**

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

	<b>At 31</b>	At 31 August
	<b>August 2022</b>	2021
	£000	£000
Equities	<b>32,045</b>	30,703
Corporate bonds	<b>10,116</b>	8,134
Property	<b>5,188</b>	4,118
Cash	<b>1,845</b>	1,655
Other	<b>2,781</b>	4,688
<b>Total market value of assets</b>	<b>51,975</b>	49,298

The actual return on scheme assets was £(2,498,000) (2021 - £2,340,000).

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**26. PENSION COMMITMENTS (CONTINUED)**

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

	<b>2022</b>	2021
	<b>£000</b>	£000
Current service cost	<b>8,089</b>	(6,586)
Interest income	<b>834</b>	656
Interest cost	<b>(1,806)</b>	(1,425)
Settlements	-	69
<b>Total</b>	<b>7,117</b>	<b>(7,286)</b>

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

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>AT 1 SEPTEMBER</b>	<b>106,586</b>	89,750
Current service cost	<b>8,089</b>	6,586
Interest cost	<b>1,806</b>	1,425
Employee contributions	<b>830</b>	819
Actuarial losses/(gains)	<b>(54,067)</b>	13,767
Benefits paid	<b>(671)</b>	(560)
Settlements	-	(118)
Business combinations	-	(5,083)
<b>AT 31 AUGUST</b>	<b>62,573</b>	106,586

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

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>AT 1 SEPTEMBER</b>	<b>49,298</b>	40,759
Interest income	<b>841</b>	666
Actuarial gains	<b>(1,526)</b>	6,523
Employer contributions	<b>3,210</b>	3,433
Employee contributions	<b>830</b>	819
Benefits paid	<b>(671)</b>	(560)
Settlements	-	(49)
Admin expenses	<b>(7)</b>	(10)
Business combinations	-	(2,283)
<b>AT 31 AUGUST</b>	<b>51,975</b>	49,298

**ACADEMY TRANSFORMATION TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. OPERATING LEASE COMMITMENTS**

At 31 August 2022 the trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	2021
	<b>£000</b>	£000
Not later than 1 year	<b>78</b>	88
Later than 1 year and not later than 5 years	<b>93</b>	150
	<u><b>171</b></u>	<u>238</u>

**28. MEMBERS' LIABILITY**

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

**29. 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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

**30. AGENCY ARRANGEMENTS**

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2022 the Trust received £127,012 and disbursed £92,224 from the fund. An amount of £105,736 is included in other creditors relating to undistributed funds that is repayable to ESFA.

**31. 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.