

# **Academy Transformation Trust**

## **Annual Report and Financial Statements**

**Year ended 31 August 2017**

(A Company Limited by Guarantee)

Company Registration Number: 07846852 (England and Wales)

# Academy Transformation Trust

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# Academy Transformation Trust

## Reference and Administrative Details

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Members	I Cleland (resigned 1/3/2017) A Leonard P Beanland B Dickenson N Edwards (appointed 11/7/2017 – resigned 10/11/2017)
Trustees	I Cleland (resigned 28/9/2017) S Tilsley (resigned 15/11/2016) B Dickenson (appointed 14/11/2016 Chairman from 21/11/2016) J Hodgetts (resigned 30/6/2017) P Beanland (appointed 22/11/2016) D Trotman (appointed 20/3/2017) B Cook (appointed 26/7/2017) P Wilson (appointed 29/6/2017) S McShane (resigned 05/12/2017) D Brown (appointed 16/11/2016) G Empson (appointed 16/11/2016) M Green (appointed 17/11/16, resigned 23/6/2017) B Westwood (resigned 20/10/2016) V Howard (resigned 15/11/2016) A Leonard (resigned 24/11/2016)
Company Secretary	K Robson
Senior Management Team	
Chief Executive Officer	I Cleland (31 October 2017) (Accounting officer until 31 October 2017)
Managing Director	J Hodgetts (resigned 30 June 2017)
Consultant Group Finance Director	M Giddings (until 31 August 2017)
Chief Finance Officer	D Mortiboys (appointed 4 September 2017)
Chief Operating Officer	C Pritchard (accounting officer from 1 November 2017)
Chief Education Officer	L Crausby (resigned 14 August 2017) J Bloor (appointed 4 September 2017)
Further Education Director	S Martin (resigned 11 October 2016)
Company Name	Academy Transformation Trust
Principal and Registered Office	Suite 413 Jewellery Business Centre 95 Spencer Street Birmingham B18 6DA
Company Registration Number	07846852
Independent Auditor	Mazars LLP Park View House 58 The Ropewalk Nottingham NG1 5DW
Bankers	Barclays Bank PLC Cambridge Benet Street Leicestershire

LE87 2BB  
Lloyds Bank (from 1 August 2017)  
114-116 Colmore Row  
Birmingham  
B3 3BD

Solicitors

Browne Jacobson  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

Stone King LLP  
16 St John's lane  
London EC1M 4BS

# Academy Transformation Trust

## Reference and Administrative Details

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### Directory of Academies

#### **Academy 1 (until 31 July 2017)**

Admirals Academy

Admirals Way,  
Thetford, IP24 2JT

Senior Leadership Team:

- Executive Principal
- Principal
- Vice Principal

T Rogers (Resigned 31 October 2016)  
S Dunkley (from 17 November 2016)  
S Dunkley (to 16 November 2016)

#### **Academy 2 (from 1 June 2017)**

Beck Row Primary Academy

The Street  
Beck Row, Bury St Edmunds, IP28 8AE

Senior Leadership Team:

- Executive Principal
- Head of School
- Assistant Head

S Vincent  
R King  
L Smith

#### **Academy 3**

Bristnall Hall Academy

Bristnall Hall Lane  
Oldbury, West Midlands, B68 9PA

Senior Leadership Team:

- Principal
- Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal

V Green  
P Harris from Sep 17  
K Uppal  
I Jones  
A Chivers

#### **Academy 4 (from 1 January 2017)**

Caldmore Primary Academy

Carless Street  
Walsall, West Midlands, WS1 3RH

Senior Leadership Team

- Principal
- Vice Principal
- Assistant Principal

A Bills  
H Mitchell  
M McPherson

#### **Academy 5 (until 31 July 2017)**

Diamond Academy

Hillary Road  
Thetford, IP24 3DP

Senior Leadership Team:

- Executive Principal
- Executive Vice Principal
- Vice Principal
- Vice Principal

Karen Hammond  
A Bear  
L La Fond  
C Law

# Academy Transformation Trust

## Reference and Administrative Details (continued)

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### **Academy 6**

Great Heath Academy

Girton Close  
Mildenhall, Suffolk, IP28 7PT

Senior Leadership Team:

- Executive Principal
- Head of School
- Vice Principal
- Assistant Principal
- Assistant Principal

S Vincent  
N Brown  
B Jeffrey (from June 2017)  
E Mitchinson  
A Smith

### **Academy 7**

Iceni Academy

Stoke Road  
Thetford, IP26 4PE

Senior Leadership Team:

- Principal
- Senior Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal

G Cook  
S Plume  
J Winn (resigned 31 July 2017)  
D Carmichael  
R Evans

### **Academy 8**

Jubilee Academy Mossley

Tintern Crescent  
Bloxwich, Walsall, WS3 2SQ

Senior Leadership Team:

- Principal
- Principal
- Vice Principal
- Assistant Principal
- Assistant Principal

J Westley (resigned 23 April 2017)  
D Brownsword (from June 2017)  
K Vaughan (resigned Dec 17)  
J Westwood  
C Goldup

### **Academy 9**

Kingsmoor Academy

Ployters Road  
Harlow, Essex, CM18 7PS

Senior Leadership Team:

- Principal
- Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal

L Brennan  
C Martin (resigned 31 December 2016)  
R Lock (resigned 31 October 2017)  
A Atkins  
A Ozten

### **Academy 10**

Mark Hall Academy

First Avenue  
Harlow, Essex, CM17 9LR

Senior Leadership Team:

- Principal
- First Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

C Franceschi  
M Hazle (from 01 September 2017)  
V Butler  
B Abbott  
P Patel  
L Lee

# Academy Transformation Trust

## Reference and Administrative Details (continued)

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### **Academy 11**

Mildenhall College Academy

Bury Road  
Suffolk, IP28 7HT

Senior Leadership Team:

- Principal S Byles
- Vice Principal K Ward
- Vice Principal N Hood
- Assistant Principal D Barrett
- Assistant Principal M Blenkin
- Assistant Principal R Goodenough
- Assistant Principal C Kerr

### **Academy 12**

The Nicholas Hamond Academy

Brandon Road  
Swaffham, Norfolk, PE37 7DZ

Senior Leadership Team:

- Principal C Hill (resigned 05 October 2016)
- Acting Principal M Booth (from 01 November 2016)
- Vice Principal S Franklin
- Vice Principal T Welham (resigned 31 August 2016)
- Vice Principal E Thomason
- Assistant Principal K Ogden

### **Academy 13**

North Walsall Primary Academy

Derby Street  
Walsall, West Midlands, WS2 7BH

Senior Leadership Team:

- Principal L Chambers
- Vice Principal N Hawkins (from September 17)
- Vice Principal D Brownsword (resigned May 2017)

### **Academy 14 (until 31 July 2017)**

Norwich Road Academy

Norwich Road  
Thetford, Norfolk, IP24 2HT

Senior Leadership Team:

- Executive Principal T Rogers (resigned 31 October 2016)
- Principal T Thurlby (from 17 November 2016)
- Vice Principal T Thurlby (to 16 November 2016)

### **Academy 15 (from 1 December 2016)**

Phoenix Academy

Odell Road  
Leamore, Walsall, West Midlands, WS3 2ED

Senior Leadership Team:

- Principal J Ashwin
- Associate Principal J Thompson
- Assistant Principal N Cunliffe

# Academy Transformation Trust

## Reference and Administrative Details (continued)

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### **Academy 16**

Pool Hayes Academy

Castle Drive  
Willenhall, West Midlands, WV12 4QZ

Senior Leadership Team:

- Principal
- Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

L Baker  
A Lawrence  
D Mason  
N Dale  
L Evans  
L Macey  
A Williams

### **Academy 17**

Ravens Academy

Nayland Drive  
Clacton on Sea, Essex, CO16 8TZ

Senior Leadership Team:

- Principal
- Vice Principal

K Hammond  
A Bear

### **Academy 18**

Star Academy Sandyford

Burnaby Road  
Sandyford, Stoke on Trent, ST6 5PT

Senior Leadership Team:

- Principal
- Vice Principal

N Broomhall  
L Broadhurst

### **Academy 19**

Sun Academy Bradwell

Cauldon Avenue  
Newcastle under Lyme, Staffs, ST5 8JN

Senior Leadership Team:

- Principal
- Vice Principal
- Vice Principal
- Assistant Principal

B Caisley  
G Fallows (to April 17)  
Laura Niemczyk (from July 17)  
I MacDonald (from September 2017)

### **Academy 20**

Sutton Community Academy

High Pavement, Sutton in Ashfield, Notts,  
NG17 1EE

Senior Leadership Team:

- Principal
- Senior Vice Principal
- Vice Principal
- Senior Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

T Croft  
J Campbell  
D Jenkins  
D Mackey  
N Elvidge  
V Tansley  
D Jenkins  
P Briscle



# Academy Transformation Trust

## Reference and Administrative Details (continued)

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### **Academy 21**

The Dukeries Academy

Whinney Lane, New Ollerton, Newark, Notts  
NG22 9TD

Senior Leadership Team:

- Principal C Leitheiser (from 1 September 2017)
- Principal I Barton (resigned 31 August 2017)
- Vice Principal L Francis (resigned 19 February 2017)
- Assistant Principal J Ferris
- Assistant Principal E Rosaman
- Assistant Principal R Gill
- Assistant Principal L Glasby
- Assistant Principal R Roe (resigned 31 December 2017)

### **Academy 22**

The Hathaway Academy

Hathaway Road  
Grays, Essex, RM17 5LL

Senior Leadership Team:

- Principal F Rodrigues (from 28 November 2017)
- Principal J Howarth (resigned 31 August 2017)
- Vice Principal V Walker (from 01 September 2017)
- Assistant Principal J Convoy
- Assistant Principal J Rose

### **Academy 23**

The Queen Elizabeth Academy

Witherley Road  
Atherstone, Warwickshire, CV9 1LZ

Senior leadership Team:

- Principal D Watts
- Vice Principal P Ward
- Assistant Principal R Clare
- Assistant Principal R Grainger
- Assistant Principal S Ressel

### **Academy 24**

Westbourne Academy

Marlow Road  
Ipswich, IP1 5JN

Senior Leadership Team:

- Principal G Trott
- Vice Principal M Bouckley
- Vice Principal M Woodhouse
- Assistant Principal C Cooke
- Assistant Principal K Roche
- Assistant Principal R Hawkes

*\*The senior leadership teams listed above includes those with the titles of Executive Principals, Principals, Vice Principals and Assistant Principals and excludes members of other titles such as Safeguarding Leaders or Directors of Services.*

# Academy Transformation Trust

## Trustees' Report

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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 period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 10 primary academies, 10 secondary academies and 1 all through academy for pupils across England. It has a combined pupil capacity of 14,068 and had a roll of 11,524 in the school census on October 2017. ATT also operates a further education provision mostly within Nottinghamshire but extending across other ATT academies. In the current reporting period 2426 post-16 learners benefitted from this provision.

### Structure, Governance and Management

#### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of 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 ("ATT").

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

#### Members' Liability

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

#### Trustees' Indemnities

There are no qualifying third-party indemnity provisions in respect of Trustees, other than trustees' insurance, which is in place.

#### Method of Recruitment and Appointment or Election of Trustees

The Trustees are appointed in accordance with the Articles of Association. These were amended on 11 July 2017 to recognise the most recent model Articles issued by the DfE to provide a clear framework for the academy trust to act within company and charity law.

ATT Trustees complete a skills analysis which allows the Board to identify any skills gaps. Members work with the Academy Ambassadors to match skilled and experienced business leaders to academy trusts to strengthen their Board.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees receive a bespoke induction programme appropriate to their needs. This includes meeting with executive team members, understanding academy data, safeguarding, HR and finance. In the reporting period, Trustees received training on duties under Equalities legislation from an external provider and also training from the senior Trust Lead for Safeguarding. The induction plan was reviewed in correlation with the NGA Governance review, the Academies Financial Handbook and relevant DfE and NGA publications.

The revised induction plan will be reviewed for effectiveness in the new year and adjusted as required. Trustees are requested to advise of any training requirements/wishes. Trustees received training specifically around their financial responsibilities in September 2017 and attended a facilitated visioning and strategic planning day in November 2017 to review and reset the strategic priorities for the next 3-5 years. Training around estates management and SEN is scheduled for December 2017 with an FE training session planned for February 2018.

Role descriptors for Trustees and the Chair as well as terms of reference for sub committees were agreed along with a revised scheme of delegation. These have been shared with academy committee governors at local conference sessions.

# Academy Transformation Trust

## Trustees' Report

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A skills audit is required to be completed on becoming an ATT Trustee or Governor at academy level. From this information and following consultation with the Chair or Principal a bespoke training package is drawn up by the ATT Governance Department.

A range of training opportunities, as well as access to information documents, are available to all levels of governance through the ATT Governor portal. All new Academy Committee Governors are offered the opportunity to take part in an induction session to provide them information regarding:

- What it means to be an ATT Governor
- The features of an effective Academy Committee
- Their roles and responsibilities, included within this are the strategic direction and improvement of the academy; and
- How they can successfully support, monitor and evaluate the effectiveness of the academy.

Governors are required to undertake the following training:

- Child Protection level 1 training,
- Radicalisation and Extremism online course
- The Chair plus one other Governor undertakes Safer Recruitment Training

Each governor is provided with the Governor handbook which clearly sets out roles and responsibilities.

### **Organisational Structure**

The academy trust reviewed its governance structure during the year following recommendations that resulted from the ESFA and NGA reviews and now has a clear structure in place to control the way in which it is run. The structure consists of four levels: Members, Trustees, Executive and Academies.

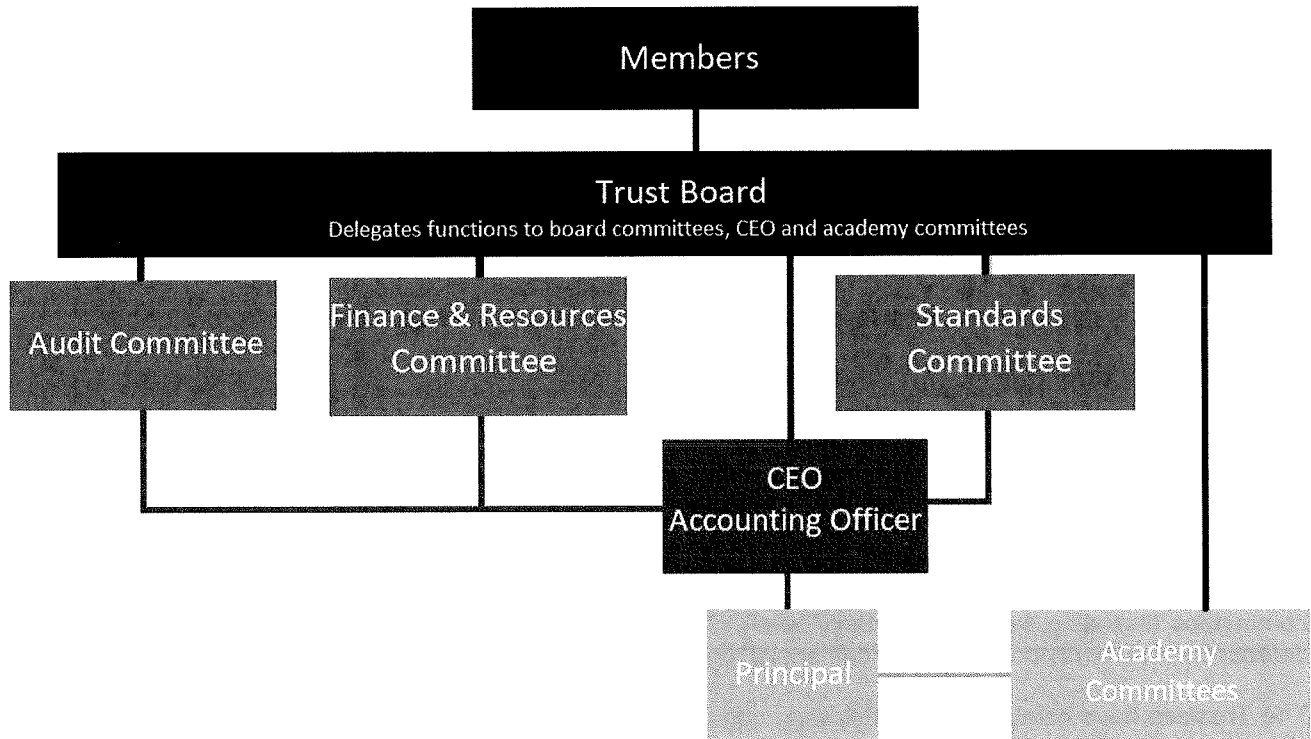
Trustees have agreed a revised scheme of delegation which clearly sets out where decision-making responsibility lies across each level. Members and Trustees have delegated certain responsibilities to the Executive or committees (including those at academy level). Where this is the case, there are clear terms of reference, delegation of authority documents and financial regulations in place to govern decisions.

The Trustees have established the following committees in response to the governance review carried out in 2016: audit, finance & resources, standards and an academy committee in each academy:

# Academy Transformation Trust Trustees' Report

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## Corporate Structure



# Academy Transformation Trust

## Trustees' Report

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### Overview of responsibilities from Scheme of Delegation

The academy committee focuses on school improvement and outcomes for pupils. ATT academies were structured on a regional basis particularly for the delivery of finance, estates and HR functions during the current reporting period. All regional employees report directly to the ATT central team improving the consistency and visibility of information received by Trustees.

#### **Members**

- Appoint trustees to ensure ATT's charitable object is carried
- Approve any amendments made to the articles of association

#### **CEO**

- Performance of the trust's academies
- Manage the academy principals
- Overall responsibility for the operation of the academy trust's financial responsibilities
- Leads the executive management team of the trust

#### **Board**

- General control and management of the administration of the trust
- Legally responsible and accountable for all statutory functions
- Responsible overall for performance of all schools within the trust
- Approve the scheme of delegation of financial powers
- Employer of every member of ATT staff
- Review and adapt ATTs governance structure

#### **Audit Committee**

- Promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
- Advising the Board on appointment and remuneration of external auditors and internal audit arrangements
- Reviewing the external financial statements including the external auditor's opinion, advising the Board on audit aspects and monitoring
- Management action in response to issues raised by external audit;
- Promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement;
- Review the report and recommendations made through the internal audit programme
- Overseeing the Trust policies on fraud, data protection, health and safety, freedom of information and whistleblowing;
- Receive reports on the outcome of investigations of suspected or alleged impropriety
- Review and authorise due diligence reports regarding proposed new academies
- Promote development of review the effectiveness of internal controls, governance and risk management systems

### Overview of responsibilities from Scheme of Delegation continued...

#### **Finance and Resources**

- Assess implications of the indicative funding from DfE for each academy in advance of the financial year, drawing any matters of significance/concern to the Trust Board
- Ensure budgets are consistent with each academy Development Plan and the Trust strategic plan priorities
- Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year
- Liaise with and receive reports from appropriate committees and make recommendations to those committees about the financial aspects of matters being considered by them
- Consider requests for supplementary expenditure and make appropriate recommendations to the Trust Board
- Review financial policy including consideration of long term planning and resourcing in accordance with each of the academies' development plans.
- Monitor and review expenditure on a regular basis and ensure compliance with the overall financial plans, financial regulations of the DfE and draw matters of concern to the attention of the Trust Board.
- Monitor and review procedures for ensuring effective implementation and operation of financial procedures
- Receive the financial statement to form part of the annual report of the Trust Board to stakeholders and for filing as per the Companies Act, Charity Commission and Funding Agreement (including the Academies Financial Handbook)

#### **Standards Committee**

- Benchmark the performance of the academies against national expectations and targets
- Setting the framework for target setting at school level
- Approve the Annual Assessment Cycle
- Approve Recovery Plans and deployment of support for Coasting or not yet good schools
- Approve the Trust Achievement Strategy
- Validate where there are gaps and ensuring appropriate strategies/ support are in place to close them rapidly
- Ensure there is appropriate monitoring in place to assess the impact of academy/school improvement actions
- Judge the capacity to secure strong improvements by the end of the year
- Recommend, monitor and evaluate assigned statutory policies and documents,

#### **Principals**

- Responsible for the day to day management of the academy
- Reports to the academy committee on matters which have been delegated to it

# Academy Transformation Trust

## Trustees' Report

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### **Arrangements for setting pay and remuneration of key management personnel**

Pay of the Chief Executive Officer is set and reviewed by a panel of Trustees, advised by an independent external adviser taking into account contributory factors such as scope of the role, market factors and results of the performance review process. Senior management personnel pay is determined by the Chief Executive Officer in consultation with Trustees, who have reviewed and approved the performance management process. Staff pay in academies is overseen by the Principal who makes recommendations to the Academy Committee for approval. Teacher pay progression is determined by the Principal within the scope of the Pay Policy and is based on the achievement of objectives that are set and reviewed annually. Trustees moderate pay progression across ATT following Academy Committee recommendations.

### **Related Parties and other Connected Charities and Organisations**

The academy trust was established as a standalone company and does not have any external sponsors.

# Academy Transformation Trust

## Trustees' Report

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### Objectives and Activities

#### Objects and Aims

ATT's objects are set out in its Articles and in summary ATT's purpose is to manage and develop academies within ATT, providing a good education and a hub for the community which each academy serves.

#### Objectives, Strategies and Activities

ATT's mission is:

To provide the very best education for all pupils and the highest level of support for our staff to ensure every child leaves our academies with everything they need to reach their full potential.

We promise to do everything we can to give children the very best education that gives them the best opportunity to succeed in life. All of our academies have it in them to be outstanding and achieving this comes down to our commitment to our pupils, staff and academies.

This is underpinned by the following values:

- **Transparency** - As a charity founded on strong ethical practices, Academy Transformation Trust takes pride in being open, honest and crystal clear in everything we do.
- **Innovation** - We are constantly striving to do all we can to make education the best it possibly can be. We are brave in our actions and do everything we can to have a positive impact on whole child development.
- **Collaboration** - We believe the future of education relies upon effective collaboration between academies, and better collaboration between academies and their local communities.
- **Ambition** - We are determined to improve education nationwide by encouraging collaboration and giving academies everything they need to realise their full potential.

#### Public Benefit

ATT governors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard in public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the governors consider how planned activities will contribute to the aims and objectives they have set. ATT has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

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



# Academy Transformation Trust

## Trustees' Report

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### Strategic Report

#### Achievements and performance

This report highlights ATT's activities and achievements during 2016-17, as ATT continue to strive towards its mission of providing the very best education for all pupils and the highest level of support for staff to ensure every pupil leaves their academies with everything they need to reach their full potential.

#### Key Performance Indicators

##### Academy Improvement

- 100% primary academies inspected now Ofsted Good\*
- 91% secondary academies inspected now Ofsted Good
- 0 academies below floor standard
- 55% reading, writing and Maths - SATs results\*
- 55% 4-9 English and Maths combined GCSE results
- Average grade: C minus A Level result

ATT's improvements outstripped those made nationally by 4%\*

##### Key Achievements

By the key academy improvement measures of pupil outcomes and Ofsted inspections, this year has been ATT's most successful yet.

- With regards to primary pupil outcomes, ATT's combined average in Key Stage Two SATs improved by 12% overall on 2016 with some academies improving by as much as 25%. Progress across reading, writing and maths is broadly in line with National Average. In EYFS, 67% pupils are meeting expected levels of development, a 5% point overall increase on 2016.\*
- At Key Stage Four, Progress 8 scores are broadly in line with national average.
- Six secondary academies within ATT offer Post-16 studies. The average A-Level grade was a C (2016: D) whilst the average general applied studies grade was a Distinction+, compared to a Distinction in 2016.
- Since September 2016 ATT have deployed Lead Practitioners in English, mathematics and science to provide more focused support on the core subjects. Forming Academy Progress Boards has enabled focus on the progress towards termly milestones against the academy's 'Key Lines of Enquiry', which are determined annually during the categorisation process.
- The many successes in Academy Improvement are set against a turbulent education context with changes to examinations and assessment, in all stages. The presence and expertise of Lead Practitioners has been instrumental in supporting middle leaders to understand the impact and prepare for these changes.
- Excluding the three schools that are no longer part of ATT

##### What Ofsted say

In the 2016-17 academic year, five secondary academies plus ATT FE received their Ofsted inspections:

The Dukeries Academy, Good, October 2016:

The sponsor has been instrumental in the rate of improvement the school has made to date by providing effective support and challenge to leaders and managers. Through monthly 'Progress Board' meetings, they receive regular updates on how well the school is doing and hold the leadership and management of the school to account. The sponsor provides very effective support for the school, for example through the academy improvement director. It has brokered support to different subject areas to make sure that the school's information is accurate.

Bristnall Hall Academy, Good, November 2016:

Achievement across the school has improved considerably since the last inspection. This is a result of leaders' relentless focus upon improving teaching. The life chances of young people are enhanced as a result of pupils developing better skills and gaining recognised qualifications.

# Academy Transformation Trust

## Trustees' Report

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Sutton Community Academy, Good with Outstanding features, November 2016:

Staff are able to access wide-ranging opportunities to develop their classroom skills, particularly through sharing best practice and receiving training through the local teaching schools. The use of lead practitioners from the ATT central team and also within the school to support improvements in teaching has been particularly effective, especially in mathematics.

The Queen Elizabeth Academy, Good with Outstanding features, May 2017:

Academy Transformation Trust is fully aware of the school's strengths and areas for development and has worked well with senior leaders to improve the school since it joined their multi-academy trust.

### **Celebrating Success**

Recognising and celebrating the continual success of pupils who strive to be the best they can be, staff who make a difference and academies that give every child the best chance in life is imperative. It gives us great pride to share these successes through internal and external awards. Over the course of the year, ATT rewarded the achievements of its pupils and staff, alongside recognition for academies and individuals for everything from world-class curriculums to exceptional educational outcomes.

Pupil Awards 2016:

The second annual Pupil Awards rewarded over 60 pupils for a range of academic, social and creative achievements. The awards recognise pupils who have been courageous in transforming their lives, ambitious in achieving their goals and relentless in demonstrating exceptional personal qualities.

Teaching Awards 2017:

To celebrate excellence in teaching, 22 teachers received recognition for their outstanding achievements at the ATT Teaching Awards. Winners were chosen across the phases from early years to further education; from academic and vocational subjects to PSHE and welfare. A further 23 teachers were highly commended for their achievements. The awards honour the talents and impact of some of ATT's hundreds of teachers and support staff who give every pupil the very best opportunity to reach their full potential by transforming achievements, aspirations and opportunities.

Pearson Teaching Awards; Head Teacher of the Year in a Primary School:

Selected from thousands of nominations, Karen Hammond from Ravens Academy is one of 56 outstanding educators who received a prestigious Silver Pearson Teaching Award, which recognises the life-changing impact of inspirational teachers on young people. ATT nominated Karen in recognition of her rapid and transformational impact on Ravens Academy and the local community since she joined in September 2013. The award category celebrates head teachers who provide outstanding leadership with a clear vision for success.

SSAT Educational Outcomes Award:

Academic performance and progress at Ravens Academy and Sutton Community Academy during 2016 placed their results in the top 20% of schools nationally, for which the two academies won the SSAT Educational Outcomes Award. They collected their awards at regional celebratory events, which showcased the work of high-achieving, improving and innovating schools and teachers. Both academies will share their experience in achieving exceptional results with other schools through the network to improve education for all children.

Education Business Awards:

Three ATT academies reached the finals of the 2017 Education Business Awards, which recognise excellence in education. Mildenhall College Academy (Educational Visits Award), Ravens Academy (Outstanding Progress – Primary School), and The Nicholas Hamond Academy (Sport Award) were all nominated for their achievements and reached their shortlist in their respective categories.

# Academy Transformation Trust

## Trustees' Report

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### Academy accreditations:

Throughout the year, many ATT academies receive recognition for their wide-ranging initiatives and work which improve the learning, wellbeing and opportunities of pupils. Here are some of the highlights:

- Boosting engagement secured the Leading Parent Partnership Award for Bristnall Hall Academy, recognising the quality of its partnership with parents and carers to improve pupils learning and achievement.
- To secure the Foundation International School Award, pupils were instrumental in introducing internationalism in to Kingsmoor Academy life, preparing pupils for life as global citizens.
- Recognising its young carer-friendly ethos and high standard of provision in identifying, supporting and guiding young carers, Westbourne Academy received the Suffolk Young Carers Bronze Award.
- In commendation of its strong Modern Foreign Languages curriculum, Great Heath Academy achieved the Bronze Lingua marque accreditation for embedding continuous opportunities to learn languages in to the curriculum.
- Applauding its 'truly rounded education', Mildenhall College Academy received World Class Curriculum status for its strong performance against the ten principles and placing pupils at the heart of learning.
- For the opportunities and initiatives, it provides for pupils to participate, engage and compete in sport, Sun Academy Bradwell received the Gold Schools Games mark.

### Other key Trust activities that supported the continued success of ATT academies in 2016-17:

- Robust support and guidance on all aspects of safeguarding has led to Ofsted recognising this as 'Good' in all inspections carried out.
- A trust-wide focus on absence management through the regional HR team has resulted in a reduction in staff absence
- The estates strategy continues to be a strength of ATT and has delivered £11.5million of condition improvements using £9million of school condition allocation capital funding
- Priority school building projects are now likely to all be delivered by 2020, reducing the timeline for two projects by 18 months
- A two-year project to bring all public services in Mildenhall to one site is in its final stages of planning with ATT successfully working with the ESFA and other stakeholders to realise funding to relocate Mildenhall College Academy to its second site.
- A regional delivery model for finance, estates and HR, saving over £1/2million and improving the consistency and visibility of information at Board level.
- Energy contracts aligned trust-wide to enable greater purchasing power and economies of scale. This is estimated to save £81k annually
- ATT FE became a main provider for apprenticeships allowing ATT to deliver apprenticeships to levy-paying employers

### Going Concern

In December 2016 ATT (while the previous accounting officer was in post) was subject to an EFA financial management and governance review after concerns were raised regarding financial mismanagement and breaches of the Academies Financial Handbook (AFH).

Whilst the review did not highlight any financial irregularities, it identified a number of significant weaknesses in governance arrangements which were:

- the trust was not following AFH guidance regarding adequacy of oversight and challenge at the trust. This was due to the lack of separation between members and trustees, insufficient financial expertise on the board and the Accounting Officer (AO) being a director as well as a founding member
- inadequate financial management had allowed trust reserves and certain individual academy financial positions to deteriorate significantly over three years, with further deterioration forecast for 2017/18 at the time of the review. This represented a failure of the personal responsibility on the AO for the financial resources under the trust's control
- the founding member / AO failed to manage the inherent conflict of interest when removing the trust chair as a director. This breached the AFH and Managing Public Money

# Academy Transformation Trust

## Trustees' Report

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- the founding member / AO did not act within the spirit of the AFH, nor in a manner that would command broad public support, when he removed the trust chair as a director

As a result of this review an action plan was drawn up and agreed with the ESFA. All actions are now complete.

As the report highlighted, the financial reserves across ATT had significantly depleted over a number of years. The continually increasing deficit position has culminated in a cumulative negative financial position reported in the current period. Trustees notified the ESFA, as per the Academies Financial Handbook, as soon as they were aware of this.

The Executive have been working closely with Trustees and the ESFA to provide a recovery plan and short term financial support and have begun to implement financial and staffing restructures to provide cost savings to assist ATT to return to a surplus financial position.

The Trustees will continue to ensure there is appropriate control and oversight to ensure plans are implemented to return ATT to a positive general fund reserves position and have gained assurance of future plans following a full review, and re-submission of multi-year budget plans with the ESFA.

The ESFA have agreed to provide financial assistance to ATT. Trustees have considered this alongside the facts that a largely new Executive are in place at ATT and governance arrangements have been strengthened and are now confident that ATT have adequate resource to continue its activities for the foreseeable future. For this reason it continues to adopt the going concern basis in the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting policies.

# Academy Transformation Trust

## Trustees' Report

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### Financial Review

The financial environment under which academies and trusts operate continues to be challenging with real terms cuts very much apparent.

Increases in National Insurance, Teacher Pension Contributions and unfunded salary increases continued to impact the finances this year and are also recognised as significant long term financial pressures to be mitigated. Even though ATT have worked hard to reduce the percentage staff costs (from £54,054k 2015/16), with staff costs accounting for 73% of total income, these costs place considerable pressure on tight budgets. In the current reporting period, one revised LGPS contribution rate alone had an impact of £250k (an increase of 8%).

Excluding donations and the transfer of assets relating to new schools joining ATT, total income was £72,748k compared to £64,749k 2015/16.

Income in the year amounted to £86.3m, of which £8m represented the assets and liabilities of the 3 schools that joined ATT in the year. Total expenditure was £90.5m, and the gain on the defined pension scheme £5.2m, resulting in an increase of total reserves of £1.031m.

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted. The grants received from the ESFA during the year ended 31st August 2017 of £69.2m and the associated expenditure of £76.2m are shown as restricted funds in the Statement of Financial Activities.

As detailed in note 29 to the Financial Statements, three of ATT's academies were re-brokered during the reporting period, contributing £6.983m to the above figure for total resources expended.

### Reserves Policy

ATT's policy on reserves is to maintain sufficient reserves to enable the trust to operate effectively in what is becoming a less certain economic and funding environment, to address any current year shortfall in funding, or to use them in the on-going investment in the academy trust estate, subject to satisfying terms and conditions of the grant funding.

The Trustees review the reserve levels of ATT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The outcomes of these factors will inform ATT's long-term reserves policy. However, as an interim measure, the Trustees have agreed that the minimum level of reserves held for revenue purposes should fall no lower than the equivalent of £100,000 reserve per secondary academy and £50,000 per primary academy.

The level of general reserves as at August 2017 (total funds less the amount held in fixed assets or committed funds) is (£2.513million). The Trust has faced significant challenges in 2016/17.

### Investment Policy

ATT does not currently have an investment policy as there are no investments. Should a decision be taken to consider a strategy requiring investment, this would be enshrined in a policy.

### Principal Risks and Uncertainties

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

The key risks identified in ATT's Risk Register and mitigating controls are as follows:

## Academy Transformation Trust Trustees' Report

Risk	Mitigating controls
Regulatory procedures, including GDPR, safeguarding, HR, equality and H&S are not effective enough	<p>Policies and procedures in place and under constant review in conjunction with JNC where appropriate</p> <p>New (GDPR) legislation considered and action plan drawn up</p> <p>Training programme for all staff in GDPR and continuous CPD</p> <p>Suitable qualified staff or external support engaged</p> <p>Safeguarding and H&amp;S reviews and audits carried out</p> <p>Access to legal advice</p> <p>Live oversight of H&amp;S information by central team</p> <p>ATT conferences for safeguarding</p>
That one or more academies fail to make suitable progress over an acceptable period of time	<p>Appointment of Independent Executive Officer to add capacity to Executive team and ensure suitable focus remains on educational outcomes</p> <p>ATT categorisation and key lines of enquiry for each academy</p> <p>Progress boards in operation</p> <p>Support and monitoring process proportionate to need</p> <p>PPM targets drive up standards</p> <p>Developing school to school support</p> <p>Lead Practitioners deployed to secure improvement in core subjects</p> <p>Revised school improvement model/plan</p> <p>Improved data collection/consolidation by central team</p>
Finance is not managed to ensure stability and reserves are not being managed adequately	<p>Group wide budget setting</p> <p>Integrated Curriculum and Financial Planning (IFCP) for September 2018</p> <p>Consistent approach to managing finance with regional teams</p> <p>Financial regulations in place</p> <p>Update Principals regarding future funding changes</p> <p>Clear, timely communication regarding scheme of delegation</p>
That the Members and Trustees are not sufficient in number, do not have a diverse skill set and fail to hold the trust to account	<p>Recruitment of additional trustees through Academy Ambassadors</p> <p>Improve induction and training programme</p> <p>Skills audit to be completed</p> <p>Develop relationship between Trustees and stakeholders</p>

	Develop accountability measures
That succession planning in senior management does not ensure consistency of operation within ATT	Review central staffing structure Further develop CPD strategy Identify future leaders

### Disabled Employees and Employee Involvement

ATT's policy in respect of disabled persons is that their applications for employment are always fully and fairly considered bearing in mind the aptitudes and abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that employment with ATT continues and where necessary, appropriate training is arranged. It is ATT's policy that training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees in a similar position.

During the financial year the trustees have been proactive to maintain and develop arrangements aimed at:

1. Providing employees systematically with information on matters of concern to them as employees
2. Consulting employees on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests.

### Plans for Future Periods

The current reporting period has been a turbulent time for ATT with changes in key personnel at both Trustee and Executive level and fundamental changes in governance structure, all of which have served to strengthen ATT.

The Trustees are currently reviewing the strategic direction of ATT and aim to embed a new plan during 2017/18 which refreshes the corporate vision and creates a foundation for strong collaboration within ATT and wider in the education sector and local communities. There will be clear goals in the new plan with school improvement being at the heart of all activity. It is the intention of the Trustees that the organisational purpose of ATT is shared by all stakeholders and the vision underpins the unique values and development plans of each academy.

ATT continue to embed these changes whilst ensuring that there is a fit for purpose strategic plan to move ATT towards the future. Its key priorities throughout 2017/18 will be to improve the financial position of ATT (at least in line with recovery plans) and continue to accelerate school improvement.

### Funds Held as Custodian Trustee on Behalf of Others

The academy does not hold such funds and does not act as the custodian trustees of any other charity.

### Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report incorporating a strategic report was approved by order of the board of trustees on 24<sup>th</sup> January 2018 and signed on their behalf by:



**Bernard Dickenson**  
Chair of Board of Trustees  
24 January 2018

# Academy Transformation Trust

## Governance Statement

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### Governance Statement

#### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 and material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 9 times during the 16-17 academic year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Number of meetings attended	Number of meetings eligible to attend
Bernard Dickenson	7	7
Patricia Beanland	6	7
Gill Empson	6	7
Don Brown	6	7
Sandra McShane	2	5
Dave Trotman	2	3
Peter Wilson	1	1
Bernard Cook	0	0
Ian Cleland	8	8
Joyce Hodgetts	1	7
Stephen Tilsley	1	1
Brett Westwood	0	1
Vanessa Howard	1	1
Michal Green	0	5
Amy Leonard	0	2

There was a substantial turnover of Trustees at the beginning of the current reporting period including the removal of the Chair by the Founding Member/CEO/AO in November 2016.

Since this time a new Board of Trustees, with complementary skill sets has formed and made rapid change and improvement to the strategic direction and operation of ATT.

Robust challenge and suitable experience in their respective fields have served to corroborate the views contained within both the EFA and governance reviews regarding financial management and a lack of separation between functions of different levels of leadership and address these issues appropriately. Trustees are confident they have taken swift action to address these issues.

#### Governance reviews

In April 2017 ATT commissioned the National Governance Association (NGA) to undertake a review of governance which was completed in June 2017. It highlighted strengths and weaknesses in existing governance arrangements and resulted in an action plan being agreed by the Trustees to address areas for development. This was shared with the ESFA and is kept under review by both parties. Further external reviews by the NGA will be commissioned six and twelve months on to assure Trustees that their actions have generated the desired positive impact.



# Academy Transformation Trust

## Governance Statement

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The Board of Trustees recognised the need to be responsive to the context and circumstances of ATT. In order to best meet the three core functions of effective governance, it carried out the following actions:

- Adopted the current Articles of Association
- As part of the structural changes within governance, ensured separation of functions between different levels of leadership, allowing the Board to hold the executive to account for the performance of ATT
- Implemented a model of governance that is fit for purpose and effective for a multi academy trust of ATT's size and creates strong links between Trust and academy governance
- Defined clearly the roles of Members, Directors and committee representatives in a new Scheme of Delegation
- Ensured that Members and Trustees have a wide range of relevant skills, experience and expertise to support effective governance
- Established effective channels for recruiting and appointing new Trustees to cover any skills gaps, particularly through Academy Ambassadors
- Revised induction procedures for new Trustees to ensure they have clarity about their accountability, role and purpose within ATT
- Revised Financial Regulations to ensure tighter control of budgets and cash flow during a period of financial recovery.
- Revised Terms of Reference for all levels of governance

The Board of Trustees, and all its committees plan to perform a self-review exercise annually.

The Audit Committee is a sub-committee of the main board of Trustees. The purpose of the Committee is to provide assurance over the suitability of, and compliance with its financial and other internal systems and controls. The Audit Committee is responsible for monitoring the key risks of the organisation.

Attendance during the year at meetings of the Audit Committee was as follows:

Trustee	Number of meetings attended	Number of meetings eligible to attend
Bernard Dickenson	3	3
Patricia Beanland	3	4
Don Brown	2	3
Stephen Tilsley	1	1

From September 2017, two new committees have been formed, Finance & Resources (FRC) and Standards. These will allow Trustees to assess and validate financial and school improvement data respectively in greater depth, reporting committee challenge to the Executive and risks posed onwards to the Board of Trustees. The FRC are responsible for budget-setting across the Trust and ensuring Principals and finance staff are held to account for performance against this. The Standards committee will benchmark ATT data against national standards and approve proportionate school improvement support for academies. Both committees will utilise their expertise to set strategic and policy direction for their respective focus areas.

### Review of Value for Money

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

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

- Energy procurement for the entire Trust (£81k saving and cost avoidance)
- TES subscription for recruitment activity trust-wide
- Beginning to consolidate ICT licenses across all academies (£20k and increasing)
- Undertaking a tender process for payroll services
- Piloting schemes to tender catering and cleaning contracts before rolling out trust-wide
- Centralising purchase ledger and banking arrangements to provide greater financial visibility and control; and to aid benchmarking exercises for future procurement activity
- The deployment of Lead Practitioners across ATT to focus school improvement in core subjects and demonstrate best practice. In academies that received support from this team, there was a visible

## Academy Transformation Trust

### Governance Statement

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#### **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 academy 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 is based on an on-going process designed to identify and prioritise the risks to the achievement of ATT 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 ATT for the period 1 September 2016 to 31 August 2017 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 ATT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

ATT'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
- setting KPIs to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines within financial regulations
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Mazars LLP to provide internal control assurance services.

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

- "Responsible Officer" checks in all academies
- A review of the central office control framework
- A review of a major change programme that had taken place in the year
- A review of the capital funding and allocation of spend by the estates team.

On a quarterly basis, the internal auditor reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

#### **Review of Effectiveness**

The accounting officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of internal auditor/reviewer
- work of external auditors
- the financial management and governance reviews
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

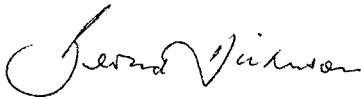
# Academy Transformation Trust

## Governance Statement


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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 plan to address weaknesses and ensure continuous improvement of the systems is being put in place.

Approved by order of the members of the Board of Trustees 24<sup>th</sup> January 2018 and signed on its behalf by:



Bernard Dickenson  
**Chair of Board of Trustees**



Claire Pritchard  
**Accounting Officer**

# Academy Transformation Trust

## Statement on Regularity, Propriety and Compliance

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### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Academy Transformation Trust, I have considered my responsibility to notify the board of trustees of ATT and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the ATT Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.

A cumulative deficit of £2.513m is reported as the closing position in the accounts for the current reporting period.

It has been identified that the Board of Trustees did not receive adequate information regarding the financial position of The Trust within the regularity statement from external audit. The Trust is developing a more comprehensive reporting approach to ensure Trustees receive more regular information.



**Claire Pritchard**  
**Accounting Officer**  
**24<sup>th</sup> January 2018**

# Academy Transformation Trust

## Statement of Trustees' Responsibilities

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### Statement of Trustee's Responsibilities

The Trustees (who act as governors of Academy Transformation Trust and 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 Annual Accounts Direction issued 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 Academy trust 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:

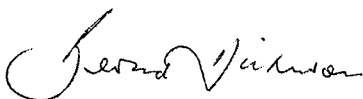
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust 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 academy trust 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 academy trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 academy trust'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 on 24<sup>th</sup> January 2018 and signed on its behalf by:



**Bernard Dickenson**  
Chair of Board of Trustees

# Academy Transformation Trust

## Independent Auditor's Report to the Trustees of Academy Transformation Trust

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We have audited the financial statements of Academy Transformation Trust ("the 'trust'") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and Charities SORP 2015.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

### Basis for opinion

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

### Conclusions relating to going concern

We draw attention to the Going Concern Accounting Policy in note 1 in the financial statements, which indicates that the Trust had a deficit on income funds (restricted and unrestricted) of £2,513,000 (excluding pension reserve) at 31 August 2017. This condition, along with the other matters as explained in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

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

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

We have nothing to report in this regard.

# Academy Transformation Trust

## Independent Auditor's Report to the Trustees of Academy Transformation Trust

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

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



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

Chartered Accountants and Statutory Auditor

58 The Ropewalk  
Park View House  
Nottingham  
NG1 5DW  
Date

Date 24 JANUARY 2018

# **Academy Transformation Trust**

## **Independent Auditor's Report to the Trustees of Academy Transformation Trust**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specific 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 set out on page [X], the Trustees 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 company'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 company or to cease operations, or have no realistic alternative but to do so.



# Academy Transformation Trust

## Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Academy Transformation Trust and the Education Funding Agency (continued)

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### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter identified:

Due to failings in the Trust's financial reporting and forecasting procedures, the Board were not sufficiently aware of the Trust's worsening financial position throughout the year. As a result, the Board have therefore been unable to consider any corrective actions that could have been taken to address this position.

Paragraph 2.2.4 of the Academies Financial Handbook states the following:

The board of trustees, and any separate committee responsible for finance, **must**:

- ensure good financial management and effective internal controls
- ensure sufficient rigour and scrutiny in the budget management process to understand and address variances between the budget that has been set and actual income and expenditure
- receive and consider information on financial performance at least three times a year, and take appropriate action to ensure ongoing viability

Based on the above information, we have modified our regularity assurance opinion.

*Mazars LLP*

Reporting Accountant

Mazars LLP

Date 24/11/18

# **Academy Transformation Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to the Trustee Body of Academy Transformation Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 1 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy Transformation Trust during the period 1 September 2016 to 31 August 2017 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 the 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 the ESFA those matters we are required to state to it 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 the 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 5 September 2012 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

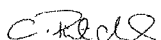
**Academy Transformation Trust**  
**Statement of Financial Activities for the Year Ended 31 August 2017**  
**(including Income and Expenditure Account)**

	Note	Un- restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2017 £000</b>	Total 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	5,513	<b>5,513</b>	5,416
Transfer from Local Authority on conversion and Academy Transfer	2	261	(1,236)	9,013	<b>8,038</b>	8,259
<i>Charitable Activities:</i>						
• Funding for the Academy's educational operations	3	1,319	69,232	-	<b>70,551</b>	63,072
Other trading activity	4	1,286	894	-	<b>2,180</b>	1,626
Investment income	5	17	-	-	<b>17</b>	51
<b>Total incoming resources</b>		<b>2,883</b>	<b>68,890</b>	<b>14,526</b>	<b>86,298</b>	<b>78,424</b>
<b>Expenditure on:</b>						
Raising Funds	6	1,148	887	-	<b>2,035</b>	650
<i>Charitable activities:</i>						
• Academy's educational operations	6,7	2,419	76,187	2,881	<b>81,487</b>	71,300
Transfer Out Academies Leaving the Trust	29		(838)	7,821	<b>6,983</b>	0
<b>Total resources expended</b>		<b>3,567</b>	<b>76,236</b>	<b>10,702</b>	<b>90,505</b>	<b>71,950</b>
<b>Net incoming/ (expenditure) before transfers</b>		<b>(684)</b>	<b>(7,346)</b>	<b>3,824</b>	<b>(4,207)</b>	<b>6,474</b>
Gross transfers between funds	17	0	0	(0)	-	-
<b>Net income/ (expenditure) for the year</b>		<b>(684)</b>	<b>(7,346)</b>	<b>3,824</b>	<b>(4,207)</b>	<b>6,474</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	17,26	-	5,237	-	<b>5,237</b>	(13,790)
<b>Net movement in funds</b>		<b>(684)</b>	<b>(2,109)</b>	<b>3,824</b>	<b>1,030</b>	<b>(7,316)</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 September 2016		2,433	(36,787)	109,588	<b>75,234</b>	82,549
<b>Funds carried forward at 31 August 2017</b>		<b>1,749</b>	<b>(38,896)</b>	<b>113,411</b>	<b>76,264</b>	<b>75,233</b>

**Academy Transformation Trust**  
**Consolidated Balance Sheet as at 31 August 2017**  
 Company Number 07846852

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	12	109,267	105,555
<b>Current assets</b>			
Stock	13	0	47
Debtors	14	4,523	6,434
Cash at bank and in hand		3,023	5,557
		<u>7,546</u>	<u>12,038</u>
<b>Liabilities</b>			
<b>Creditors:</b> Amounts falling due within one year	15	(5,596)	(5,227)
<b>Net current assets</b>		<u>1,950</u>	<u>6,811</u>
<b>Total assets less current liabilities</b>		<u>111,218</u>	<u>112,366</u>
<b>Creditors:</b> Amounts falling due after more than one year	16	(320)	(346)
<b>Net assets excluding pension liability</b>		<u>110,898</u>	<u>112,020</u>
Defined benefit pension scheme liability	26	(34,634)	(36,787)
<b>Total net assets including pension liability</b>		<u>76,264</u>	<u>75,233</u>
<b>Funds of the Academy:</b>			
<b>Restricted income funds</b>			
• Fixed asset fund	17	113,411	109,587
• Restricted Income fund	17	(4,262)	0
• Pension reserve	17	(34,634)	(36,787)
<b>Total restricted funds</b>		<u>74,515</u>	<u>72,800</u>
<b>Unrestricted income funds</b>	17	1,749	2,433
<b>Total funds</b>		<u>76,264</u>	<u>75,233</u>

The financial statements on pages 33 to 61 were approved by the trustees, and authorised for issue on 24<sup>th</sup> January 2018 and are signed on their behalf by:




**Claire Pritchard**  
**Accounting Officer**

**Academy Transformation Trust**  
**Company Balance Sheet as at 31 August 2017**  
 Company Number 07846852

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	12	109,251	105,533
<b>Current assets</b>			
Stock	13	0	47
Debtors	14	4,480	6,360
Cash at bank and in hand		2,993	5,544
		<u>7,472</u>	<u>11,951</u>
<b>Liabilities</b>			
<b>Creditors:</b> Amounts falling due within one year	15	(5,487)	(5,207)
<b>Net current assets</b>		<u>1,985</u>	<u>6,744</u>
<b>Total assets less current liabilities</b>		<u>111,236</u>	<u>112,277</u>
<b>Creditors:</b> Amounts falling due after more than one year	16	(320)	(346)
<b>Net assets excluding pension liability</b>		<u>111,916</u>	<u>111,931</u>
Defined benefit pension scheme liability	26	(34,634)	(36,787)
<b>Total net assets including pension liability</b>		<u>76,282</u>	<u>75,144</u>
<b>Funds of the Academy:</b>			
<b>Restricted income funds</b>			
• Fixed asset fund	17	113,394	109,566
• Restricted Income fund	17	(4,262)	0
• Pension reserve	17	(34,634)	(36,787)
<b>Total restricted funds</b>		<u>74,498</u>	<u>72,779</u>
<b>Unrestricted income funds</b>	17	1,784	2,365
<b>Total funds</b>		<u>76,282</u>	<u>75,144</u>

The financial statements on pages 33 to 61 were approved by the trustees, and authorised for issue on and are signed on their behalf by:



**Claire Pritchard**  
**Accounting Officer**

## Academy Transformation Trust

### Statement of Cash Flows for the Year Ended 31 August 2017

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	Notes	2017 £000	2016 £000
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	21	(2,695)	(3,057)
<b>Cash flows from investing activities</b>	23	186	350
<b>Cash flows from financing activities</b>	22	(26)	(281)
<b>Change in cash and cash equivalents in the reporting period</b>		(2,534)	(2,988)
Cash and cash equivalents 1 September 2016		5,557	8,545
<b>Cash and cash equivalents 31 August 2017</b>	24	3,023	5,557

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

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### 1. Statement of 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.

#### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 FRS 102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency, the Charities Act 2011 and the Companies Act 2006.

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

#### **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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. While the Trust's balance sheet remains solvent, the net position of income funds shows The Trust to have a deficit of £2.513m. The Trust is also forecasting a further reduction in funds in 2017/18. The Trust has been taking action to address this position and is in advanced discussion with the Education Skills Funding Agency (ESFA) to provide an advance to ensure appropriate cashflow during 2017/18 and beyond. A recovery plan has been developed which shows The Trust returning to in year surplus in 2018/19 and overall surplus no later than 2021. The statement of accounts shows The Trust to have over £3 million cash in the bank at 31 August 2017. The trustees conclude that the academy trust has adequate resources to continue in operational existence for the foreseeable future and whilst there are material uncertainties about the academy trust's ability to continue as a going concern, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Income**

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

- **Grants**

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

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

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

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **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.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

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- **Other Income**  
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**  
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- **Transfer on conversion**  
Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.
- **Transfer of existing academies into the trust**  
Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

#### **Expenditure**

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

- **Expenditure on Raising Funds**  
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**  
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

#### **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 such 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.



# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

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Depreciation is provided on all tangible fixed assets other than freehold and leasehold land, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful lives, as follows:

Freehold buildings	2% (50 years)
Long Leasehold buildings	2% (50 years)
Vehicles	20% (5 years)
Fixture and fittings	10% (10 years)
Computer equipment	33% (3 years)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

#### **Liabilities**

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

#### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased Assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### **Investments**

The academy's shareholding in the wholly owned subsidiary, Mark Hall Sports Services Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

#### **Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

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Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 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 charity's wholly owned subsidiary are held at face value less any impairment.

#### **Stock**

Stationery and book stocks are valued at the lower of cost or net realisable value.

#### **Taxation**

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 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.

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

#### **Fund Accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Skills Funding Agency/Department for Education.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

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#### **Critical accounting estimates and areas of judgement**

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

#### *Critical accounting estimates and assumptions*

The academy trust 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 (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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

### 2. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Capital Grants	-	5,513	5,513	5,416
Donated Fixed Assets		9,013	9,013	11,779
Other donations	261	(1,236)	(975)	(3,520)
	<u>261</u>	<u>13,290</u>	<u>13,551</u>	<u>13,675</u>
Total 2016	<u>1,275</u>	<u>12,400</u>	<u>13,675</u>	

### 3. Funding for the academy trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
<b>DfE/EFA revenue grant</b>				
• General Annual Grant (GAG)	-	59,150	59,150	51,270
• Start-up grants	-	228	228	306
• Other DfE/EFA grants	-	7,220	7,220	7,192
	<u>-</u>	<u>66,598</u>	<u>58,768</u>	<u>58,768</u>
<b>Other Government grants</b>				
• Local Authority grants	-	2,392	2,392	2,876
• Special Educational Projects	-	44	44	0
	<u>-</u>	<u>2,436</u>	<u>2,436</u>	<u>2,876</u>
Other Income from the academy trust's educational operations	1,319	198	1,517	1,428
	<u>1,319</u>	<u>69,232</u>	<u>70,551</u>	<u>63,072</u>
Total 2016	<u>1,170</u>	<u>61,902</u>	<u>63,072</u>	

**Academy Transformation Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

**4. Other Trading Activities**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
School trips	-	794	794	374
Hire of facilities	850	-	850	796
Other Income	436	100	536	456
	<u>1,286</u>	<u>894</u>	<u>2,180</u>	<u>1,626</u>
Total 2016	<u>1,626</u>	<u>-</u>	<u>1,626</u>	

**5. Investment Income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	17	-	17	51
	<u>17</u>	<u>-</u>	<u>17</u>	<u>51</u>
Total 2016	<u>51</u>	<u>-</u>	<u>51</u>	

**6. Expenditure**

	Staff Costs £000	Non-Pay Expenditure		Total 2017 £000	Total 2016 £000
		Premises £000	Other Costs £000		
Expenditure on raising funds	375	646	1,015	2,035	650
Academy's educational operations					
• Direct costs	48,194	-	5,970	54,164	46,707
• Allocated support costs	14,520	3,703	9,100	27,323	24,593
	<u>63,089</u>	<u>4,348</u>	<u>16,085</u>	<u>83,522</u>	<u>71,950</u>
Total 2016	<u>54,054</u>	<u>4,114</u>	<u>13,782</u>	<u>71,950</u>	

**Net income/(expenditure) for the period include:**

	2017 £000	2016 £000
Operating lease rentals	380	377
Depreciation	2,524	2,505
Fees payable to the auditor for		
• Audit	65	75
• Other services	25	23

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 7. Charitable Activities - Academy's educational operations

	Total 2017 £000	Total 2016 £000
Direct costs – educational operations	54,164	46,707
Support costs – educational operations	27,323	24,593
Transfer Out on Academies leaving the Trust	6,983	0
<b>Total direct and support costs</b>	<b>88,470</b>	<b>71,300</b>
	<b>Total 2017</b>	<b>Total 2016</b>
<b>Analysis of support costs</b>		
Support staff costs	14,520	12,857
Depreciation	2,524	2,504
Technology costs	1,612	1,193
Premises costs	3,703	4,114
Other support costs	3,727	3,741
Governance costs	1,237	184
<b>Total Support Costs</b>	<b>27,323</b>	<b>24,593</b>

### 8. Staff

#### a. Staff costs

	2017 £000	2016 £000
Wages and salaries	46,143	41,119
Social security costs	4,262	3,346
Operating costs of defined benefit pension schemes	10,285	7,612
Apprenticeship Levy	93	0
	<b>60,783</b>	<b>52,077</b>
Supply staff costs	1,638	1,421
Staff restructuring costs	667	556
	<b>63,089</b>	<b>54,054</b>

Staff restructuring costs comprise:

	2017	2016
Redundancy payments	667	476
Severance payments	0	80
	<b>667</b>	<b>556</b>

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

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £293,388 (2016 £74,106). Individually the payments were: £20,096, £1, £1, £11,439, £20,000, £9,563, £7,651, £21,000, £4,130, £10,750, £6,376, £4,734, £12,361, £39,360, £47,838, £7,000, £1, £4,130, £10,750, £10,000, £14,208, £2,000 and £30,000.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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### c. Staff numbers

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

	<b>2017</b>	2016
	<b>Number</b>	Number
Teachers	<b>801</b>	783
Administration and support	<b>1,188</b>	1,184
Management	<b>112</b>	91
	<b><u>2,101</u></b>	<u>2,058</u>

### d. Higher paid staff

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

	<b>2017</b>	2016
	<b>Number</b>	Number
£60,001-£70,000	<b>20</b>	19
£70,001-£80,000	<b>10</b>	9
£80,001-£90,000	<b>3</b>	4
£90,001-£100,000	<b>5</b>	4
£100,001-£110,000	<b>5</b>	6
£110,001-£120,000	<b>2</b>	-
£160,001-£170,000	<b>1</b>	1
£180,001-£190,000	<b>-</b>	1
£210,001-£220,000	<b>1</b>	-

### e. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £671,873 (2016: £749,161).

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

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### 9. Central Services

The academy trust has provided the following central services to its academies during the year:

- Asset management
- Financial services
- HR services
- Payroll Services
- Procurement
- Risk management
- School improvement

The trust charges for these services on the following basis:

- Secondary fee £81,000 - £170,000 per annum
- Primary fee £41,200 - £56,500 per annum
- All through £178,000 per annum

The actual amounts charged during the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Admirals Academy	51	51
Beck Row	13	
Bristnall Hall	170	170
Caldmore Village	57	
Diamond	41	41
Great Heath	56	56
Iceni – all through academy	178	178
Jubilee	41	41
Kingsmoor	41	41
Mark Hall	165	165
Mildenhall	170	170
North Walsall Primary	41	17
Norwich Road	56	56
Phoenix	42	
Pool Hayes	170	99
Queen Elizabeth	81	27
Ravens	45	46
Star	41	41
Sun	41	41
Sutton (including ATT FE £65k)	225	225
The Dukeries	170	170
The Hathaway	165	165
The Nicholas Hamond	165	165
Westbourne	170	170
	<b>2,395</b>	<b>2,135</b>



## **Academy Transformation Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2017**

#### **(continued)**

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#### **10. Related Party Transactions - Trustees' Remuneration & Expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff under their contracts of employment, and not in respect of their role as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy trust in respect of their role as Trustees. The value of the trustees' remuneration was as follows:

Ian Cleland (Chief Executive and trustee)

Remuneration £215,001 - £220,000 (2016 £185,001 - £190,000)

Employer's pension contributions £0 (2016 £10,001 - £15,000)

Joyce Hodgetts (Managing Director and trustee) (Resigned as Trustee on 30 June 2017)

Remuneration £125,001 - £130,000 (2016 £165,001 - £170,000)

Employer's pension contributions £10,001 - £15,000 (2016 £10,001 - £15,000)

During the period ended 31 August 2017, travel and subsistence expenses totalling £668 (2016 £6,393) were reimbursed or paid directly to 3 trustees (7 trustees).

Other related party transactions involving the trustees are set out in note 27.

#### **11. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000, (2016 £5,000,000) on any one claim and the cost for the period ended 31 August 2017 was £6,185. (2016 £6,185). The cost of this insurance is included in the total insurance cost.

**Academy Transformation Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

**12. Tangible Fixed Assets**

<b>Consolidated</b>	Freehold Land & buildings £000	Leasehold Land & buildings £000	Fixtures and fittings £000	Computer Equipment £000	Motor Vehicles £000	<b>Total £000</b>
<b>Cost</b>						
At 1 September	16,823	92,933	1,030	1,517	15	<b>112,318</b>
Additions	1,521	3,414	76	35	-	<b>5,045</b>
Inherited assets	-	9,013	-	-	-	<b>9,013</b>
Transfers to another Trust		(8,078)	(170)	(133)	-	<b>(8,381)</b>
<b>At 31 August</b>	<b>18,344</b>	<b>97,281</b>	<b>936</b>	<b>1,419</b>	<b>15</b>	<b>117,995</b>
<b>Depreciation</b>						
At 1 September	(988)	(4,710)	(224)	(831)	(11)	<b>(6,764)</b>
Charged in period	(367)	(1,625)	(84)	(445)	(3)	<b>(2,524)</b>
Transfers to another trust		434	38	88		<b>560</b>
<b>At 31 August</b>	<b>(1,355)</b>	<b>(5,900)</b>	<b>(270)</b>	<b>(1,188)</b>	<b>(14)</b>	<b>(8,728)</b>
<b>Net book values</b>						
At 31 August 2017	<b>16,989</b>	<b>91,381</b>	<b>666</b>	<b>231</b>	<b>1</b>	<b>109,267</b>
At 31 August 2016	15,835	88,223	806	686	4	105,555
<b>Company</b>	Freehold Land & buildings £000	Leasehold Land & buildings £000	Fixtures and fittings £000	Computer Equipment £000	Motor Vehicles £000	<b>Total £000</b>
<b>Cost</b>						
At 1 September	16,823	92,929	998	1,510	15	<b>112,273</b>
Additions	1,521	3,414	76	35	-	<b>5,045</b>
Inherited assets	-	9,013	-	-	-	<b>9,013</b>
Transfers to another trust		(8,078)	(170)	(133)		<b>(8,381)</b>
<b>At 31 August</b>	<b>18,344</b>	<b>97,276</b>	<b>904</b>	<b>1,411</b>	<b>15</b>	<b>117,950</b>
<b>Depreciation</b>						
At 1 September	(988)	(4,706)	(211)	(825)	(11)	<b>(6,741)</b>
Charged in period	(367)	(1,625)	(81)	(443)	(3)	<b>(2,519)</b>
Transfers to another Trust		434	38	88		<b>560</b>
<b>At 31 August</b>	<b>(1,355)</b>	<b>(5,896)</b>	<b>(255)</b>	<b>(1,180)</b>	<b>(14)</b>	<b>(8,700)</b>
<b>Net book values</b>						
At 31 August 2017	<b>16,989</b>	<b>91,379</b>	<b>649</b>	<b>232</b>	<b>1</b>	<b>109,251</b>
At 31 August 2016	15,835	88,223	787	684	4	105,533

**Academy Transformation Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

**13. Stock**

	Company and consolidated 2017 £000	Company and consolidated 2016 £000
Clothing	0	47
	<b>0</b>	<b>47</b>

**14. Debtors**

	Company 2017 £000	Consolidated 2017 £000	Company 2016 £000	Consolidated 2016 £000
Trade debtors	318	361	352	426
VAT Recoverable	524	524	707	707
Other debtors	73	73	145	145
Prepayments and accrued income	3,564	3,564	5,156	5,156
	<b>4,480</b>	<b>4,523</b>	<b>6,360</b>	<b>6,434</b>

**15. Creditors: Amounts Falling Due within one Year**

	Company 2017 £000	Consolidated 2017 £000	Company 2016 £000	Consolidated 2016 £000
Trade Creditors	1,895	2,004	2,056	2,056
Other taxation and social security	1,156	1,156	1,058	1,062
Other creditors	905	905	1,186	1,186
Accruals and deferred income	1,530	1,530	907	923
	<b>5,487</b>	<b>5,596</b>	<b>5,207</b>	<b>5,227</b>
<b>Deferred income</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 September 2016	526	526	996	1,002
Released from previous years	(526)	(526)	(996)	(1,002)
Income deferred in the year	860	860	526	526
Deferred income at 31 August 2017	<b>860</b>	<b>860</b>	<b>526</b>	<b>526</b>

Deferred income at the year end is in relation to Universal Infant Free School Meals (£168k), Rates relief (£135k), SEN Funding (£241k), Trips (£25k), PE and Sport (£26k) and other grants (£264k) which were funded in advance.

**16. Creditors: Amounts Falling Due after one Year**

	Company and consolidated 2017 £000	Company and consolidated 2016 £000
Other creditors	320	346
	<b>320</b>	<b>346</b>

Other creditors relates to Salix loans and other loans which are interest free and repayable to Government agencies.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

### 17. Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	59,150	(63,413)	-	(4,262)
Start Up Grant	-	-	-	-	-
Pupil Premium	-	4,386	(4,386)	-	-
Other Grants	-	6,590	(6,590)	-	-
Pension Reserve	(36,787)	(1,236)	(1,848)	5,237	(34,634)
	<b>(36,787)</b>	<b>68,890</b>	<b>(76,236)</b>	<b>5,237</b>	<b>(38,896)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	94,529	9,013	(9,231)	-	94,311
DfE/EFA capital grants	13,188	5,513	(1,288)	-	17,413
Capital expenditure from GAG	1,165	-	(114)	-	1,051
Private sector capital sponsorship	705	-	(69)	-	636
	<b>109,587</b>	<b>14,526</b>	<b>(10,701)</b>	<b>-</b>	<b>113,411</b>
<b>Total restricted funds</b>	<b>72,800</b>	<b>83,416</b>	<b>(86,938)</b>	<b>5,237</b>	<b>74,515</b>
<b>Total unrestricted funds</b>	<b>2,433</b>	<b>2,883</b>	<b>(3,567)</b>	<b>-</b>	<b>1,749</b>
<b>Total funds</b>	<b>75,233</b>	<b>86,298</b>	<b>(90,505)</b>	<b>5,237</b>	<b>76,264</b>

Under the master funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

The balance of (£4,262k) on the restricted general funds has been used for educational purposes and plans are being developed to generate in year surpluses to replenish the reserves. in accordance with the restrictions attached to the funding. As the Trust is in deficit, recovery plans are being developed in conjunction with the Education Skills Funding Agency (ESFA) on how to return The Trust to surplus.

The balance of £1,749k on the unrestricted funds represents the funds raised from non-restricted grant income.

Pupil Premium income is included within restricted funds and relates to the funding provided by the Education Funding Agency for the relevant Schools to provide additional support to pupils from low income families.

The Trust is undertaking a number of initiatives to reduce the deficit. These are ongoing throughout 2017/18. Work includes working other multi academy trusts on integrated curriculum financial planning, using the benefits of scale in procurement to lower the cost of goods and services, internal projects to reduce centralised costs and working with schools in deficit budgets to reduce those. Where appropriate interim boards are being established to work with financially challenged schools. The Trust is seeing a number of schools increase in pupil numbers rapidly due to improved performance and a number of schools be above average beneficiary from the proposed national funding formula.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

### (continued)

#### 17. Funds (continued)

##### Analysis of Academies by Fund balance

Funds at 31 August 2017 were allocated as follows:

	Balance at 31 August 2017 £'000	Balance at 31 August 2016 £'000
Admirals Academy	0	1,035
Beck Row	105	0
Bristnall Hall	659	676
Caldmore Village	175	
Diamond	0	262
Great Heath	524	359
Iceni	(1,327)	(602)
Jubilee	589	525
Kingsmoor	57	159
Mark Hall	(802)	211
Mildenhall	454	458
North Walsall Primary	158	116
Norwich Road	0	545
Phoenix	399	
Pool Hayes	916	754
Queen Elizabeth	464	418
Ravens	50	(177)
Star	(39)	(67)
Sun	181	244
Sutton	(85)	267
The Dukeries	(1,769)	(1,370)
The Hathaway	143	41
The Nicholas Hamond	(1,264)	(1,135)
Westbourne	43	282
ATT FE	(961)	(352)
Mark Hall Sports Services	(35)	68
Central Services	(1,149)	(284)
<b>Total before fixed assets and pension reserve</b>	<b>(2,513)</b>	<b>2,433</b>
Restricted fixed asset fund	113,411	109,587
Pension reserve	(34,634)	(36,787)
<b>Total</b>	<b>76,264</b>	<b>75,233</b>

The Trust has adopted a policy of fairly funding each academy within the group. Although the position for each academy above shows a wide range of reserves, the Trust board ensures that each academy has sufficient resources to meet their agreed targets. The figures stated above do not therefore represent the bank reserves for each academy. The Trust is working with all schools to return them to an in-year surplus as soon as possible. Work is taking place with another multi academy trust to implement integrated curriculum financial planning, key overspends are being targeted by procurement and where appropriate interim boards are replacing academy committees to work on improving the financial position of challenged schools.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 17. Funds (continued)

#### Total cost analysis by academy

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

	Teaching and Educational support staff costs	Other Support staff costs	Educational supplies	Other costs (exc. Dep)	2017 Total	2016 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Admirals	817	57	79	300	1,254	1,352
Beck Row	143	16	2	28	189	-
Bristnall Hall	4,493	480	493	870	6,337	6,808
Caldmore Village	744	51	64	236	1,095	-
Diamond	669	36	34	224	962	1,107
Great Heath	1,436	77	120	287	1,920	1,822
Iceni	2,720	357	733	499	4,308	4,375
Jubilee	820	76	94	215	1,205	1,097
Kingsmoor	925	48	63	194	1,231	1,171
Mark Hall	2,581	457	250	738	4,026	4,262
Mildenhall	4,131	353	301	938	5,723	5,877
North Walsall Primary	873	92	65	278	1,308	508
Norwich Road	1,145	70	59	412	1,686	1,909
Phoenix	531	77	29	122	759	-
Pool Hayes	4,448	458	395	690	5,990	3,640
Queen Elizabeth	2,218	473	185	615	3,491	471
Ravens	1,094	189	130	268	1,681	1,842
Star	754	102	62	170	1,088	1,125
Sun	527	306	70	199	1,102	1,145
Sutton	3,083	515	254	646	4,498	4,627
The Dukeries	3,550	375	243	1,007	5,175	6,190
The Hathaway	2,910	500	141	478	4,028	4,445
The Nicholas Hamond	2,485	356	260	426	3,527	3,707
Westbourne	4,023	511	225	945	5,704	5,856
ATT FE	742	666	294	438	2,140	2,496
Mark Hall Sports Services	49	138	-	219	406	296
Central Services	285	8,058	482	1,341	10,165	3,316
<b>Academy trust</b>	<b>48,193</b>	<b>14,895</b>	<b>5,128</b>	<b>12,782</b>	<b>80,998</b>	<b>69,444</b>

The Trust has included the relevant LGPS charge for support staff of £3,245,000 under Central Services. A number of the 7 LGPS pension funds The Trust deal with do not provide the data at school level, only at county level.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

### 18. Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2017 Total Funds £000	2016 Total Funds £000
Tangible fixed assets	-	-	109,267	<b>109,267</b>	105,555
Current assets	1,749	1,653	4,144	<b>7,546</b>	12,038
Current liabilities	-	(5,596)	-	<b>(5,596)</b>	(5,227)
Non-current liabilities	-	(320)	-	<b>(320)</b>	(346)
Pension scheme liability	-	(34,634)	-	<b>(34,634)</b>	(36,787)
<b>Total net assets</b>	<b>1,749</b>	<b>(38,896)</b>	<b>113,411</b>	<b>76,264</b>	<b>75,233</b>

### 19. Capital Commitments

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	575	210

### 20. Commitments under operating leases

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts due within one year	204	244
Amounts due between one and five years	299	105
Amounts due after five years	-	-
	<b>503</b>	<b>349</b>

**Academy Transformation Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

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**21. Reconciliation of Net Income to Net Cash Inflow from Operating Activities**

	<b>2017</b>	2016
	<b>£000</b>	£000
Net income/(expenditure) for year (as per SoFA)	<b>(4,207)</b>	6,474
Adjusted for:		
Transfer In from Local Authority	<b>(8,038)</b>	(6,984)
Depreciation charges (note 12)	<b>2,524</b>	2,505
Capital grants from DfE and other capital income	<b>(5,513)</b>	(5,416)
Interest receivable (note 4)	<b>(17)</b>	(51)
Defined benefit pension scheme	<b>3,245</b>	1,425
decrease/(increase) in stocks	<b>47</b>	(5)
decrease/(increase) in debtors	<b>1,911</b>	(1,324)
Increase in creditors	<b>369</b>	318
Balance in relation to schools transferred out	<b>6,983</b>	-
<b>Net cash provided by/(used in) operating activities</b>	<b><u>(2,695)</u></b>	<b><u>(3,057)</u></b>



# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

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### 22. Cash flows from financing activities

	2017 £000	2016 £000
Repayments of borrowing	(26)	(281)
<b>Net cash provided by/(used in) financing activities</b>	<b>(26)</b>	<b>(281)</b>

### 23. Cash flows from investing activities

	2017 £000	2016 £000
Investment income	17	51
Purchase of tangible fixed assets	(5,045)	(5,117)
Capital grants from DfE/EFA	5,513	5,416
Transfer in of Reserves from Local Authority	261	-
Transfer out of reserves to another Academy Trust	(559)	-
<b>Net cash provided by/(used in) investing activities</b>	<b>186</b>	<b>350</b>

### 24. Analysis of cash and cash equivalents

	At 1 September 2016 £000	Cash flows £000	At 31 August 2017 £000
<b>Total cash and cash equivalents</b>	<b>5,557</b>	<b>(2,534)</b>	<b>3,023</b>

### 25. Members' Liability

Each member of the Academy trust 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.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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### 26. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by, 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 was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £846,091 (2016 £817,554) were payable to the schemes at 31 August 2017 and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007 automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 26. Pension and Similar Obligations (continued)

The pension costs paid to TPS in the period amounted to £4,442,087 (2016; £3,913,973).

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

Under the definitions set out in FRS 102, the TPS is 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 scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2017 was £3,343,000 (2016: £2,870,000), of which employer's contributions totalled £2,566,000 (2016: £2,234,000) and employees' contributions totalled £777,000 (2016: £636,000). The agreed contribution rates for future years vary by school between 13.2% and 30.5% for employers and 5.5% to 12.5% for employees.

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

#### Principal actuarial assumptions – 2017 (2016)

	Norfolk	West Midlands	Essex	Stafford	Suffolk	Notts	Warwicks
Scheme	%	%	%	%	%	%	%
Rate of increase for pensions in payment / inflation	2.4(2.1)	2.7(2.0)	2.7(2.3)	2.4 (2.1)	2.4(2.1)	2.7(2.3)	2.4 (2.1)
Rate of increase in salaries	2.7(3.1)	4.2(3.7)	4.2(4.1)	2.8 (2.5)	2.7(4.1)	4.2(4.1)	3.0 (4.1)
Discount rate for scheme liabilities	2.5(2.1)	2.6(2.2)	2.6(2.2)	2.5 (2.1)	2.5(2.1)	2.6(2.2)	2.5(2.1)

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
+Males	21.8 - 22.6	22.1 - 23.1
Females	24.3 - 25.5	24.3 - 25.8
<i>Retiring in 20 years</i>		
Males	23.9 - 24.8	24.3 - 25.3
Females	26.4 - 27.9	26.6 - 27.7

**Academy Transformation Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2017**  
**(continued)**

	At 31 August 2017 £000
Decrease in Discount rate 0.1%	1,569
Salary Increase of 0.1%	281
Pension Increase of 0.1%	1,277

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	19,125	15,186
Bonds	3,739	3,774
Property	2,033	2,507
Cash	1,379	741
Other	1,634	856
<b>Total market value of assets</b>	<b>27,910</b>	<b>23,064</b>

**Amounts recognised in the statement of financial activities**

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(4,901)	(2,915)
Net interest cost	(1,333)	(659)
Expected Return on Employer Assets	526	693
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
<b>Total operating charge</b>	<b>(5,708)</b>	<b>(3,574)</b>

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

	2017 £000	2016 £000
As at 1 September	59,851	32,886
Transfers In on Academies Joining The Trust	1,383	6,333
Transfers Out on Academies Leaving The Trust	(2,908)	0
Current service cost	4,901	2,915
Curtailment	-	-
Past service cost	99	83
Interest cost	1,333	1,352
Employee contributions	777	636
Benefits paid	(367)	(320)
Changes in financial assumptions	(2,525)	15,966
<b>At 31 August</b>	<b>62,544</b>	<b>59,851</b>

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

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### Changes in the fair value of academy's share of scheme assets:

	2017	2016
	£000	£000
As at 1 September	23,064	16,109
Transfers Out on Academies Leaving The Trust	(1,511)	
Transfers In on Academies Joining The Trust	147	1,538
Interest income	526	693
Return on plan assets (excluding net interest on the net defined pension liability)	2,283	2,174
Actuarial Gain	425	
Employee contributions	777	636
Employer contributions	2,566	2,234
Benefits paid	(367)	(320)
<b>At 31 August</b>	<b>27,910</b>	<b>23,064</b>

### 27. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

There were no related party transactions

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017

(continued)

### 28. Conversion to an academy trust and Academy Transfer

On 1 January 2017 the Caldmore Village Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Academy Transformation Trust from the Walsall Local Authority for £nil consideration.

On 1 December 2016 the Phoenix Primary EBD School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Academy Transformation Trust from the Walsall Local Authority for £nil consideration.

On 1 June 2017 the Beck Row Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Academy Transformation Trust from the Suffolk County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/loss in the Statement of Financial Activities as Donations – transfer from local authority and academy trust on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
<b>Tangible fixed assets</b>				
Provisional Leasehold land and buildings				
• Phoenix			2,734	<b>2,734</b>
• Caldmore Village			4,029	<b>4,029</b>
• Beck Row			2,250	<b>2,250</b>
Other tangible fixed assets				
• Phoenix			-	-
• Caldmore Village			-	-
• Beck Row			-	-
Budget surplus on LA / academy funds				
• Phoenix	210			<b>210</b>
• Caldmore Village	-			-
• Beck Row	68			<b>68</b>
LGPS pension surplus / (deficit)				
• Phoenix		(393)		<b>(393)</b>
• Caldmore Village		(738)		<b>(738)</b>
• Beck Row		(106)		<b>(106)</b>
<b>Net assets</b>	<b>278</b>	<b>(1,237)</b>	<b>9,013</b>	<b>8,054</b>

# Academy Transformation Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

### (continued)

#### 29. Transfer of Academy to Another Trust

On 1 August 2017 Admirals, Diamond and Norwich Road academies were transferred to Eastern MAT under the Academies Act 2010. All the operations and assets and liabilities were transferred to Eastern Multi Academy Trust from the Academy Transformation Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/loss in the Statement of Financial Activities as Donations – transfer to another academy trust. The Budget surplus on academy funds was transferred out a commercially agreed value of £559k. The actual budget surpluses at time of transfer were Diamond £294k, Admirals £1,193 and Norwich Road £633.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
<b>Tangible fixed assets</b>				
Leasehold land and buildings				
• Diamond			(2,188)	<b>(2,188)</b>
• Admirals			(2,972)	<b>(2,972)</b>
• Norwich Road			(2,485)	<b>(2,485)</b>
Other tangible fixed assets				
• Diamond			(29)	<b>(29)</b>
• Admirals			(27)	<b>(27)</b>
• Norwich Road			(120)	<b>(120)</b>
Budget surplus on academy funds				
• Diamond	-			-
• Admirals	(280)			<b>(280)</b>
• Norwich Road	(280)			<b>(280)</b>
LGPS pension surplus / (deficit)				
Diamond		1,397		<b>1397</b>
<b>Net assets</b>	<b>(560)</b>	<b>1,397</b>	<b>(7,821)</b>	<b>(6,983)</b>

#### 30. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent of the EFA. In the accounting period ending 31 August 2017 the trust received £118,199 and disbursed £91,487 from the fund. There was £26,712 undistributed funds left at 31 August 2017.

#### 31. Investments / Principal Subsidiaries

Company Name	Country	Percentage Shareholding
<b>Mark Hall Sports Services Limited</b>	<b>England</b>	<b>100% Academy Transformation Trust only member</b>

