

Company Registration No. 08320065 (England and Wales)

**TRANSFORM TRUST (FORMERLY SNEINTON ST.
STEPHEN'S CHURCH OF ENGLAND ACADEMY)**

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

TRANSFORM TRUST

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TRANSFORM TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

V Lloyd (Chair) (#)
R Meredith (#)
D Warwick (Vice Chair) (#) (Resigned 1 January 2015)
V Armitage (#) (Resigned 1 January 2015)
P Bourne (#) (Resigned 1 January 2015)
T Buckmaster (#) (Resigned 1 January 2015)
K Lee (#) (Resigned 1 January 2015)
Cllr T Molife (#) (Resigned 1 January 2015)
Fr C Rushforth (#) (Resigned 1 January 2015)
J Kerwick (#) (Resigned 1 January 2015)
A Munns (#) (Resigned 1 January 2015)
C Nelson (#) (Resigned 1 January 2015)
C Mackrory (#) (Appointed 1 January 2015 and resigned 24 March 2015)
A Day (#) (Appointed 1 January 2015)
P Munro (Appointed 1 January 2015)
R Periam (#) (Appointed 1 January 2015)
Prof T Greany (#) (Appointed 1 January 2015)
Prof Q Gu (#) (Appointed 1 May 2015)
A Rehman (Resigned 1 January 2015)
C Hale (Resigned 1 January 2015)
G Armitage (Resigned 1 January 2015)

Directors of the Academy Trust

Members

V Lloyd
Fr C Rushforth
Southwell and Nottingham Diocese Educational Trust

Executive Team

- Chief Executive Officer	R Meredith
- Teaching School Director	S Heesom
- Chief Finance Officer	S Cox
- Associate Head	R Sneath
- Associate Head	A Storer
- Associate Head	A Lees
- Teaching School Project Lead	K Felstead
- Teaching School Administrator	J Limb
- Governor Services Coordinator	C Smith
- Governor Services Projects	A Nicolls

Company secretary

S Cox

TRANSFORM TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number 08320065 (England and Wales)

Registered office 110b Main Road
Wilford
Nottingham
NG11 7AL

Academies operated	Location	Principal
Sneinton St Stephen's Church of England Academy	Nottingham	K.Lee
Edale Rise Primary and Nursery School	Nottingham	J.Swinger
Highbank Primary and Nursey School	Nottingham	G.Civil
Brocklewood Primary School	Nottingham	H.Tarrant
Rosslyn Park Primary and Nursery School	Nottingham	C.Turner-Rowe
Allenton Community Primary School	Derby	J.Fordham

Independent auditor UHY Hacker Young
22 The Ropewalk
Nottingham
NG1 5DT

Bankers Lloyds Bank
Market Square House
Old Market Square
Nottingham
NG1 6FD

Solicitors Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

TRANSFORM TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The Academy Trust converted to a Multi Academy Trust in December 2014. On 1st January 2015, the Multi Academy Trust took over the operations of Highbank Primary School, Edale Rise Primary School, Allenton Community Primary School, Brocklewood Primary School & Rosslyn Park Primary School. The Multi Academy Trust's principal object and activity has been to manage the schools' provision of education to pupils between the ages of 3 and 11.

Structure, governance and management

Constitution

The Multi 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 multi academy trust.

The trustees of Transform Trust (formerly Sneinton St. Stephen's Church of England Academy) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Transform Trust.

Details of the trustees who served during the year are included in the reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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

Details of the insurance cover are provided in note 10 to the financial statements.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the Academy Trust shall have the following Directors:

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

Terms of office

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

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of trustees

During the year as a Multi Academy Trust, the Trust Board met 2 times. The training and induction provided for new Directors depends on their previous experience. All Directors are provided with previous minutes and face to face inductions with the Chief Finance Officer, plus provided copies of documents that they will need to undertake their role as Directors.

Organisational structure

The organisational structure consists of four levels: the Trust Directors, the Executive Team, the Member School Local Governing Body and the Member School Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at the individual school level.

The Directors are responsible for setting general policy, adopting an annual plan and budget, setting vision, strategy, direction and culture for the Trust, and performance management of the CEO. This is firmly centred on the objective to improve life chances for every child within Transform Trust.

The Executive Team are responsible for implementation of strategy and delivery against the annual plan and budget. To ensure all schools in the Multi Academy Trust are delivering improving school standards at a rate agreed by the Trust Board.

The School Local Governing Body and School Leadership Teams are delegated authority to control each school implementing the policies adopted by Trust and Local Governing Body. As a group the School Leadership Teams are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Governor. Headteacher posts will always include the CEO. Some spending control is devolved to members of the School Leadership Team, with limits above which a member of the Executive Team must countersign.

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

Connected organisations including related party relationships

The Multi Academy Trust works closely with Transform Teaching School Alliance, NCTL, Nottingham Learning Trust as well as Nottingham University and Nottingham City LA in supporting schools. The Chief Executive holds regular sessions with an Operational group consisting of member Trust schools.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

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

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:
 - (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
 - (ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

2014/5 has seen a legal restructure which both better reflects and simplifies the broader Transform organisation. From December 2014, Sneinton St Stephen's C of E Primary School became a Multi Academy Trust, and was renamed Transform Trust. On 1st January 2015, 2 existing Academies (Highbank Primary School & Edale Rise Primary School) transferred from the old Transform Trust (now renamed TT2014) into the new Transform Trust. At the same time, 3 new Academies were formed and transferred into the new Transform Trust: Allenton Community Primary School; Brocklewood Primary School; Rosslyn Park Primary School. With Sneinton St Stephen's C of E Primary School already in the new Transform Trust, this resulted in a new Multi Academy Trust with 6 Schools.

Directors believe the sustainability of Transform Trust has been significantly enhanced in the growth to 6 schools. Further controlled growth will result in further financial resiliency and proportionate reductions in risk. Given the intimacy of the relationship with membership of the Transform Teaching School, we would expect further growth opportunity to manifest with schools already well known to the Trust.

Transform Trust's children remain central to all our endeavours. We will judge everything that takes place in our schools according to its impact on the children.

Decisions will be made in accordance with the prime directive that Transform Trust is a place of learning for the whole school community.

Each School produces a Development Plan on an annual basis where it details how it intends to achieve the aims and objectives for the year.

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Multi Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of Transform Trust is to support recruitment and retention of students and employees with disabilities. Transform Trust does this by adapting the physical environment, by making support resources available.

By involving disabled pupils, employees, parents and carers and the wider community, school will get advice that will be invaluable when producing and implementing this scheme. Disabled children and adults will know and understand the barriers they face and what can be done to promote disability equality. Involvement should not be confused with consultation. Involvement is a more active concept than consultation, and school will engage with disabled children and adults from the beginning and use their views throughout the process of developing the scheme, designing a policy or reorganising a practice.

Whilst the regulations specifically require the involvement of disabled people in the development of the Scheme only, the involvement of disabled people in the implementation of various aspects of the Scheme (such as conducting impact assessments and gathering evidence) is also critical to successful implementation. We will continue to involve disabled people in all our processes of evidence gathering, impact assessment, reviewing and revising the Scheme and priorities.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Public benefit

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

Transform Trust is a Multi Academy Trust catering for children aged 3 to 11 and strives to promote and support the advancement of education within a local context. The schools provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example: Local Residents Group Parents Group to support children.

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

Strategic report

Achievements and performance

Sneinton continues to achieve an outstanding delivery across both KS levels, and external scrutiny by Challenge Partners continues to validate the Outstanding rating given by Ofsted at its last inspection. Highbank has made great strides since the arrival of the new Head, validated by the latest Ofsted in July 2015 granting Good for Leadership & Management but Required Improvement overall. We expect data to improve consistently going forwards. Edale Rise has seen its KS2 data fall back and we have appointed both new Headteacher and Chair of Governors. The 3 new schools all present challenges but have all progressed since joining the Trust: Allenton have a new substantive Head and Chair of Governors; Brocklewood leadership have been retained and are embracing support available from Trust. Recent external scrutiny judged the school to be markedly improved; Rosslyn Park has had Executive Head support and is now in a position to appoint a new substantive Head. Progress is already marked.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2015	SNEINTON	HIGHBANK	EDALE	ALLENTON	BROCKLEWOOD	ROSSLYN PARK
KS2 Combined	96%	67%	43%	58%	67%	68%
Progress Wr	96%	73%	66%	74%	75%	73%
Progress Re	100%	80%	69%	74%	74%	86%
Progress Ma	100%	67%	50%	79%	70%	81%
Attendance	96.5%	93.8%	96.1%	94.5%	93.5%	95.1%
KS1 Wr L2+	96%	74%	82%	63%	69%	69%
KS1 Re L2+	93%	87%	86%	78%	82%	85%
KS1 Ma L2+	96%	82%	89%	85%	77%	92%
KS1 Wr L3						
KS1 Re L3						
KS1 Ma L3						
Yr 1 Phonics	72%	78%	69%	77%	60%	60%
Latest Ofsted	Outstanding	Requires Improvement	Good	Special Measures	Serious Weaknesses	Special Measures

Key Performance indicators

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

- Pupils numbers (leading directly to the Education Funding Agency ("EFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from EFA spent on total staff costs;
- Staff Vacancies
- Introduction of specialist teachers
- Ofsted inspection results;
- Capital expenditure per pupil;
- Foundation pupil intake – admissions procedure followed due to being oversubscribed;
- Active involvement in partnership of schools and Transform Trust

Great progress has been made in Highbank since the appointment of the new Headteacher in September 2014. Ofsted inspected Highbank in July 2015 and commented “The headteacher’s excellent leadership and his unrelenting focus on raising standards have driven improvement rapidly in the past year.”

The Directors however have been disappointed with progress in Edale Rise, and have appointed a new Headteacher from 1st September 2015 and a new Chair of Governors. Progress continues to be monitored very closely by the Trust.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2014	SNEINTON	HIGHBANK	EDALE	ALLENTON	BROCKLEWOOD	ROSSLYN PARK
KS2 Combined	81%	50%	64%	N/A	N/A	N/A
Progress Wr	85%	59%	81%			
Progress Re	93%	70%	85%			
Progress Ma	96%	78%	73%	N/A	N/A	N/A
Attendance	95.9%	92.5%	96.7%	N/A	N/A	N/A
KS1 Wr L2+	89%	69%	83%			
KS1 Re L2+	93%	77%	83%			
KS1 Ma L2+	96%	81%	76%	N/A	N/A	N/A
KS1 Wr L3	11%	0%	3%			
KS1 Re L3	25%	8%	24%			
KS1 Ma L3	21%	4%	17%	N/A	N/A	N/A
Yr 1 Phonics	73%	54%	81%	N/A	N/A	N/A
Latest Ofsted	Outstanding	Satisfactory	Good	N/A	N/A	N/A

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy's total funds at the end of the period is £12,085,979, of which £14,342,310 is restricted fixed asset funds, leaving a total deficit reserve balance of both general restricted and unrestricted funds of £2,256,331; this is due to the LGPS deficit of £3,656,000. However, the LGPS liability will not materialise in the near future and actual reserve funding available to the academy excluding the LGPS liability is £1,399,669, of which £206,036 is restricted funding and £1,193,633 is unrestricted funding.

At 31 August 2015, the net book value of fixed assets was £14,342,310 and movements in tangible fixed assets are shown in note 11 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The Trustees review the reserve levels of the Academy Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. Devolved Capital is reserved for the use of building maintenance where appropriate.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

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

Summary of protocols for proposed major developments

The proposal should be supported by a three-year business plan which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the Trust Board and with the institution's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market place and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues

a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the institution cash flow forecast for the financial years in question.

Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

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

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

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

The current portfolio of schools have the following Ofsted judgements: Sneinton – Outstanding; Edale Rise – Good; Highbank – Required Improvement; Brocklewood – Serious Weaknesses; Allenton – Special Measures; Rosslyn Park – Special Measures.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Risk management

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

Financial and risk management objectives and policies

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

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

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

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

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

Plans for future periods

Transform Trust is currently in consultation with 2 primary schools for joining Transform Trust. A third school is also considering opening consultation too. All 3 are Nottingham City primary schools and long standing members of the Transform Teaching School Alliance.

Funds held as custodian trustee on behalf of others

The Trust holds funds amounting to £116,775 on behalf of the Primary 6 Partnership. These funds were repaid on 24 September 2015.

TRANSFORM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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.

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2015 and signed on its behalf by:

R Meredith
Accounting Officer

V Lloyd
Chair

TRANSFORM TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Transform Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
V Lloyd (Chair) (#)	2	2
R Meredith (#)	2	2
D Warwick (Vice Chair) (#) (Resigned 1 January 2015)	0	0
V Armitage (#) (Resigned 1 January 2015)	0	0
P Bourne (#) (Resigned 1 January 2015)	0	0
T Buckmaster (#) (Resigned 1 January 2015)	0	0
K Lee (#) (Resigned 1 January 2015)	0	0
Cllr T Molife (#) (Resigned 1 January 2015)	0	0
Fr C Rushforth (#) (Resigned 1 January 2015)	0	0
J Kerwick (#) (Resigned 1 January 2015)	0	0
A Munns (#) (Resigned 1 January 2015)	0	0
C Nelson (#) (Resigned 1 January 2015)	0	0
C Mackrory (#) (Appointed 1 January 2015 and resigned 24 March 2015)	0	1
A Day (#) (Appointed 1 January 2015)	1	2
P Munro (Appointed 1 January 2015)	2	2
R Periam (#) (Appointed 1 January 2015)	2	2
Prof T Greany (#) (Appointed 1 January 2015)	2	2
Prof Q Gu (#) (Appointed 1 May 2015)	1	1
A Rehman (Resigned 1 January 2015)	0	0
C Hale (Resigned 1 January 2015)	0	0
G Armitage (Resigned 1 January 2015)	0	0

TRANSFORM TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 multi 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 has been in place in Transform Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the multi academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the multi academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has appointed Schools and Academies Finance Limited ("SAAF") to act as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.

TRANSFORM TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 18 December 2015 and signed on its behalf by:

V Lloyd
Chair

R Meredith
Accounting officer

TRANSFORM TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Transform Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Approved on 18 December 2015 and signed by:

R Meredith
Accounting Officer

TRANSFORM TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Transform Trust and are also the directors of Transform Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 18 December 2015 and signed on its behalf by:

R Meredith
Accounting officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFORM TRUST

We have audited the accounts of Transform Trust for the year ended 31 August 2015 set out on pages 22 to 51. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees, who are also the directors of Transform Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Elizabeth Searby BSc FCA (Senior Statutory Auditor)
UHY Hacker Young

Chartered Accountants
Statutory Auditor
22 The Ropewalk
Nottingham
NG1 5DT

Dated: 18 December 2015

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

In accordance with the terms of our engagement letter dated 14 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Transform Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Transform Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Transform Trust's funding agreement with the Secretary of State for Education dated 29 May 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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 multi academy trust's income and expenditure.

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

The work undertaken to draw to our conclusion includes:

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

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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Elizabeth Searby BSc FCA
Reporting Accountant
UHY Hacker Young

Dated: 18 December 2015

TRANSFORM TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted	Restricted	Fixed	Total	Total
		funds	funds	Asset	2015	2014
		£	£	fund	£	£
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	7,771	-	1,123,725	1,131,496	14,936
- Conversions and donations	24	1,004,293	(3,004,680)	11,643,716	9,643,329	-
- Activities for generating funds	3	301,736	106,212	-	407,948	379,935
- Investment income	4	1,256	-	-	1,256	435
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	8,860,503	168,881	9,029,384	1,265,602
Total incoming resources		1,315,056	5,962,035	12,936,322	20,213,413	1,660,908
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	301,736	8,792,876	276,114	9,370,726	1,632,481
Governance costs	8	-	64,009	-	64,009	63,460
Total resources expended	6	301,736	8,856,885	276,114	9,434,735	1,695,941
Net incoming/(outgoing) resources before transfers		1,013,320	(2,894,850)	12,660,208	10,778,678	(35,033)
Gross transfers between funds		-	(195,019)	195,019	-	-
Net income/(expenditure) for the year		1,013,320	(3,089,869)	12,855,227	10,778,678	(35,033)
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(19,000)	-	(19,000)	(82,000)
Net movement in funds		1,013,320	(3,108,869)	12,855,227	10,759,678	(117,033)
Fund balances at 1 September 2014		180,313	(341,095)	1,487,083	1,326,301	1,443,334
Fund balances at 31 August 2015		1,193,633	(3,449,964)	14,342,310	12,085,979	1,326,301

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

TRANSFORM TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	11		14,342,310		1,487,083
Current assets					
Stocks	12	18,763		1,285	
Debtors	13	983,177		260,359	
Cash at bank and in hand		1,472,051		242,029	
		<u>2,473,991</u>		<u>503,673</u>	
Creditors: amounts falling due within one year	14	(1,074,322)		(165,455)	
Net current assets			<u>1,399,669</u>		<u>338,218</u>
Total assets less current liabilities			<u>15,741,979</u>		<u>1,825,301</u>
Defined benefit pension liability	18	(3,656,000)		(499,000)	
Net assets			<u><u>12,085,979</u></u>		<u><u>1,326,301</u></u>
Funds of the multi academy trust:					
Restricted income funds	16				
- Fixed asset funds			14,342,310		1,487,083
- General funds			206,036		157,905
- Pension reserve			(3,656,000)		(499,000)
Total restricted funds			<u>10,892,346</u>		<u>1,145,988</u>
Unrestricted funds	16		<u>1,193,633</u>		<u>180,313</u>
Total funds			<u><u>12,085,979</u></u>		<u><u>1,326,301</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 18 December 2015.

R Meredith
Principal

V Lloyd
Chair

Company Number 08320065

TRANSFORM TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	775,472	(22,057)
Cash funds transferred on conversion		648,314	-
Returns on investments and servicing of finance			
Investment income	1,256	435	
Net cash inflow/(outflow) from returns on investments and servicing of finance		1,256	435
		1,425,042	(21,622)
Capital expenditure and financial investments			
Capital grants received	168,881	6,491	
Payments to acquire tangible fixed assets	(363,901)	(4,681)	
Net cash flow from capital activities		(195,020)	1,810
Increase/(decrease) in cash	20	1,230,022	(19,812)

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 accounts.

1.3 Incoming resources

All incoming resources are recognised when the multi academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 multi 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 is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the multi academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the multi academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's policies.

Donated assets and liabilities

All of the assets and liabilities from the subsidiary TT2014 (formerly Transform Trust) were donated to the Multi-Academy Trust on 1 January 2015.

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the multi academy trust's educational operations.

Governance costs

These include the costs attributable to the multi academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the multi academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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

Long leasehold buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.8 Taxation

The multi 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 multi 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.

1.9 Pensions benefits

Retirement benefits to employees of the multi academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the multi academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi 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 benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the multi academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

The LGPS is a funded scheme and the assets are held separately from those of the multi 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi 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 Department for Education 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 Funding Agency and Department for Education.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Donated fixed assets	-	1,123,725	1,123,725	-
Other donations	7,771	-	7,771	14,936
	<u>7,771</u>	<u>1,123,725</u>	<u>1,131,496</u>	<u>14,936</u>

In May 2015, Nottingham City Council funded the building works for a classroom and office extension at Rosslyn Primary School, amounting to £1,123,725.

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other activities	75,034	8,438	83,472	38,782
Catering income	-	68,869	68,869	-
Staff recharges	226,702	-	226,702	341,153
Trip income	-	28,905	28,905	-
	<u>301,736</u>	<u>106,212</u>	<u>407,948</u>	<u>379,935</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	1,256	-	1,256	435
	<u>1,256</u>	<u>-</u>	<u>1,256</u>	<u>435</u>

5 Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	6,767,195	6,767,195	1,025,635
Capital grants	-	168,881	168,881	6,491
Other DfE / EFA grants	-	1,466,568	1,466,568	111,106
	<u>-</u>	<u>8,402,644</u>	<u>8,402,644</u>	<u>1,143,232</u>
Other government grants				
Other grants	-	626,740	626,740	122,370
	<u>-</u>	<u>626,740</u>	<u>626,740</u>	<u>122,370</u>
Total funding	<u>-</u>	<u>9,029,384</u>	<u>9,029,384</u>	<u>1,265,602</u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs & £	Premises equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	5,676,895	-	836,081	6,512,976	1,011,747
- Allocated support costs	1,347,740	542,323	967,687	2,857,750	620,734
	<u>7,024,635</u>	<u>542,323</u>	<u>1,803,768</u>	<u>9,370,726</u>	<u>1,632,481</u>
Other expenditure					
Governance costs	-	-	64,009	64,009	63,460
	<u>-</u>	<u>-</u>	<u>64,009</u>	<u>64,009</u>	<u>63,460</u>
Total expenditure	<u>7,024,635</u>	<u>542,323</u>	<u>1,867,777</u>	<u>9,434,735</u>	<u>1,695,941</u>

Net income/(expenditure) for the year includes:	2015 £	2014 £
Operating leases		
- Plant and machinery	10,512	821
Fees payable to auditor		
- Audit	17,500	6,850
- Other services	3,000	1,700
	<u>30,012</u>	<u>9,371</u>

Central services

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

- financial services;
- legal services;
- educational support services;
- HR services

The multi academy trust charges for these services on the following basis:

- flat percentage of income (5%);

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

(Continued)

The amounts charged during the year were as follows:

	Total £
Sneinton St Stephen's Church of England Academy	42,501
Edale Rise Primary and Nursery School	51,826
Highbank Primary and Nursey School	49,143
Brocklewood Primary School	102,152
Rosslyn Park Primary and Nursery School	106,001
Allenton Community Primary School	59,426
	<hr/>
	411,049
	<hr/> <hr/>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	226,702	5,386,068	5,612,770	886,013
Technology costs	-	30,181	30,181	2,507
Educational supplies and services	-	143,929	143,929	60,632
Staff development	-	64,125	64,125	20,750
Other direct costs	-	661,971	661,971	41,845
	<u>226,702</u>	<u>6,286,274</u>	<u>6,512,976</u>	<u>1,011,747</u>
Allocated support costs				
Support staff costs	75,034	1,272,706	1,347,740	366,110
Depreciation	-	276,114	276,114	45,792
Technology costs	-	89,897	89,897	32,264
Maintenance of premises and equipment	-	266,209	266,209	29,763
Energy costs	-	85,090	85,090	16,488
Rent and rates	-	81,164	81,164	3,595
Insurance	-	49,091	49,091	14,314
Security and transport	-	11,316	11,316	2,782
Catering	-	397,860	397,860	47,176
Interest and finance costs	-	60,000	60,000	15,000
Other support costs	-	193,269	193,269	47,450
	<u>75,034</u>	<u>2,782,716</u>	<u>2,857,750</u>	<u>620,734</u>
Total costs	<u>301,736</u>	<u>9,068,990</u>	<u>9,370,726</u>	<u>1,632,481</u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	43,509	43,509	54,910
Auditor's remuneration				
- Audit of financial statements	-	17,500	17,500	7,650
- Other audit costs	-	3,000	3,000	900
	<u>-</u>	<u>64,009</u>	<u>64,009</u>	<u>63,460</u>
	<u>-</u>	<u>64,009</u>	<u>64,009</u>	<u>63,460</u>

9 Staff costs

	2015 £	2014 £
Wages and salaries	5,632,974	997,012
Social security costs	347,919	79,073
Other pension costs	979,617	176,038
	<u>6,960,510</u>	<u>1,252,123</u>
Staff development and other staff costs	64,125	20,750
	<u>7,024,635</u>	<u>1,272,873</u>
Total staff costs	<u>7,024,635</u>	<u>1,272,873</u>

The average number of persons (including senior management team) employed by the multi academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	107	23
Administration and support	188	9
	<u>295</u>	<u>32</u>
	<u>295</u>	<u>32</u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

(Continued)

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,000 - £70,000	5	1
£80,000 - £90,000	1	1
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-
	<u> </u>	<u> </u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	6	2
	£	60,325	22,415
		<u> </u>	<u> </u>
Local Government Pension Scheme	Numbers	1	1
	£	16,044	16,039
		<u> </u>	<u> </u>

The employment cost of several members of staff is recharged to TT2014 and Transform Teaching School Alliance Limited, both of which are subsidiaries of this company, and to other schools. The total salary costs recharged to other entities in the year to 31 August 2015 was £178,170 (2014: £336,211).

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £2,138 (2014: £785) were reimbursed to 4 trustees (2014: 4 trustees).

The value of trustees' remuneration, including pension costs, was as follows:

R Meredith(Principal) £120,000 - £125,000 (2014: £110,000-£115,000)

K Lee (staff) £20,000 - £25,000 (2014: £65,000-£70,000)

J Kerwick (staff) £10,000 - 15,000 (2014: £0,000-£5,000)

V Armitage (staff) £0,000 - £5,000 (2014: £5,000-£10,000)

T Buckmaster (staff) £5,000 - £10,000 (2014: £25,000 - £30,000)

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the multi academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £679 (2014: £679).

11 Tangible fixed assets

	Leasehold land & buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 September 2014	1,507,000	43,849	17,785	1,568,634
Additions	1,416,079	57,478	14,069	1,487,626
Inherited on conversion	9,146,940	19,905	-	9,166,845
Donated	2,398,602	31,533	46,735	2,476,870
At 31 August 2015	14,468,621	152,765	78,589	14,699,975
Depreciation				
At 1 September 2014	40,035	28,284	13,232	81,551
Charge for the year	229,173	36,671	10,270	276,114
At 31 August 2015	269,208	64,955	23,502	357,665
Net book value				
At 31 August 2015	14,199,413	87,810	55,087	14,342,310
At 31 August 2014	1,466,965	15,565	4,553	1,487,083

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

(Continued)

Transactions relating to land and buildings during the year include additions of:

- Classroom and office extension at Rosslyn Primary School was donated to the Academy by Nottingham City Council in May 2015, amounting to £1,123,725
- IT and Artroom extension at Sneinton St Stephen's Church of England Academy amounting to £143,684
- Kitchen extension at Sneinton St Stephen's Church of England Academy amounting to £55,001
- Kitchen extension at Edale Rise Primary School amounting to £89,980

The brought forward property was transferred from Nottingham City Council ("NCC") on 1 January 2013. In March 2013 the land and buildings were valued by a qualified firm of chartered surveyors at the direct request of the Education Funding Agency. The valuation was undertaken using the depreciated replacement cost method and resulted in a valuation at that date of £1,507,000 of which £94,000 was land.

The leasehold properties were inherited on conversion from NCC and Derby City Council ("DCC") to Transform Trust at 1 January 2015 under the terms of 125-year lease agreement. During the year, the properties were subject to a desktop valuation by a professional valuer, recommended by the Education Funding Agency, and valued at the depreciated replacement cost of £9,146,940 at 31 March 2015. More detail is included in note 24.

The donated fixed assets were transferred from the subsidiary Multi Academy Trust, TT2014, on 1 January 2015 and included leasehold land and buildings of £2,398,602 and other fixed assets of £78,268, as detailed in note 24.

Land and buildings includes land valued at £669,000 which is not subject to depreciation.

12 Stocks	2015 £	2014 £
Stock	18,763	1,285
	<u> </u>	<u> </u>
13 Debtors	2015 £	2014 £
Trade debtors	39,365	17,195
Amounts owed by group undertakings	55,016	163,850
VAT recoverable	237,772	28,222
Other debtors	4,245	3,561
Prepayments and accrued income	646,779	47,531
	<u> </u>	<u> </u>
	983,177	260,359
	<u> </u>	<u> </u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	334,626	98,506
Amounts owed to group undertakings	-	34,914
Other creditors	241,595	-
Accruals	220,908	8,371
Deferred income	277,193	23,664
	<u>1,074,322</u>	<u>165,455</u>

15 Deferred income	2015	2014
	£	£
Deferred income is included within:		
Creditors due within one year	<u>277,193</u>	<u>23,664</u>
Total deferred income at 1 September 2014	23,664	115,219
Amounts credited to the statement of financial activities	(23,664)	(115,219)
Amounts deferred in the year	<u>277,193</u>	<u>23,664</u>
Total deferred income at 31 August 2015	<u><u>277,193</u></u>	<u><u>23,664</u></u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	156,507	6,767,195	(6,522,647)	(195,019)	206,036
Donated GAG reserve	-	(64,680)	64,680	-	-
Other DfE / EFA grants	-	1,466,568	(1,466,568)	-	-
Other government grants	-	626,740	(626,740)	-	-
Other restricted funds	1,398	106,212	(107,610)	-	-
	<u>157,905</u>	<u>8,902,035</u>	<u>(8,658,885)</u>	<u>(195,019)</u>	<u>206,036</u>
Funds excluding pensions	(499,000)	(2,940,000)	(198,000)	(19,000)	(3,656,000)
Pension reserve	<u>(341,095)</u>	<u>5,962,035</u>	<u>(8,856,885)</u>	<u>(214,019)</u>	<u>(3,449,964)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	1,487,083	168,881	(63,858)	195,019	1,787,125
Conversions and donations	-	11,643,716	(212,256)	-	11,431,460
Donated fixed assets	-	1,123,725	-	-	1,123,725
	<u>1,487,083</u>	<u>12,936,322</u>	<u>(276,114)</u>	<u>195,019</u>	<u>14,342,310</u>
Total restricted funds	<u>1,145,988</u>	<u>18,898,357</u>	<u>(9,132,999)</u>	<u>(19,000)</u>	<u>10,892,346</u>
Unrestricted funds					
General funds	180,313	959,077	(301,736)	-	837,654
Donated unrestricted reserves	-	355,979	-	-	355,979
	<u>180,313</u>	<u>1,315,056</u>	<u>(301,736)</u>	<u>-</u>	<u>1,193,633</u>
Total funds	<u>1,326,301</u>	<u>20,213,413</u>	<u>(9,434,735)</u>	<u>(19,000)</u>	<u>12,085,979</u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

(Continued)

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

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 applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for specific purpose.

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

Analysis of academies by fund balance

	Total
	£
Fund balances at 31 August 2015 were allocated as follows:	
Sneinton St Stephen's Church of England Academy	220,738
Edale Rise Primary and Nursery School	295,510
Highbank Primary and Nursey School	53,757
Brocklewood Primary School	203,347
Rosslyn Park Primary and Nursery School	373,242
Allenton Community Primary School	200,895
Transform Trust	52,180
	<hr/>
Funds excluding fixed asset fund and pensions reserve	1,399,669
Restricted fixed asset fund	14,342,310
Pension reserve	(3,656,000)
	<hr/>
Total funds	12,085,979
	<hr/> <hr/>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

(Continued)

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Sneinton St Stephen's Church of England Academy	961,070	122,874	144,236	208,967	1,437,147
Edale Rise Primary and Nursery School	657,004	108,535	72,541	164,355	1,002,435
Highbank Primary and Nursey School	548,312	172,653	56,663	181,123	958,751
Brocklewood Primary School	1,256,520	403,145	162,891	233,243	2,055,799
Rosslyn Park Primary and Nursery School	1,339,588	290,244	173,953	256,762	2,060,547
Allenton Community Primary School	772,312	147,563	75,432	111,440	1,106,747
Transform Trust	77,963	102,727	214,488	142,017	537,195
	<u>5,612,769</u>	<u>1,347,741</u>	<u>900,204</u>	<u>1,297,907</u>	<u>9,158,621</u>

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	14,342,310	14,342,310
Current assets	1,193,633	1,280,358	-	2,473,991
Creditors falling due within one year	-	(1,074,322)	-	(1,074,322)
Defined benefit pension liability	-	(3,656,000)	-	(3,656,000)
	<u>1,193,633</u>	<u>(3,449,964)</u>	<u>14,342,310</u>	<u>12,085,979</u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £113,338 (2014: £18,454) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

Not less than every four years 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%

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £368,729 (2014: £54,046).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a 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 contributions are as noted below. The agreed contribution rates for future years are 18.0 per cent for employers and between 5.8 to 11.4 per cent for employees. The estimated value of employer contributions for the forthcoming year is £584,000

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.

Contributions made	2015	2014
	£	£
Employer's contributions	458,000	72,000
Employees' contributions	144,000	27,000
	<hr/>	<hr/>
Total contributions	602,000	99,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2015	2014
	%	%
Rate of increase in salaries	4.5	4.5
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	4.0	4.0
Inflation assumption (CPI)	3.6	2.7
CPI increases (%)	2.7	-
	<hr/> <hr/>	<hr/> <hr/>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

	2015	2014
	Years	Years
Retiring today		
- Males	22.1	22.0
- Females	25.2	25.1
Retiring in 20 years		
- Males	24.2	24.1
- Females	27.6	27.4

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	5.8	2,394,000	6.5	379,000
Bonds	5.8	289,000	3.6	36,000
Gilts	5.8	79,000	3.0	30,000
Cash	5.8	128,000	2.9	22,000
Property	5.8	396,000	5.5	59,000
Other assets	5.8	96,000	-	-
		<u>3,382,000</u>		<u>526,000</u>
Total market value of assets		3,382,000		526,000
Present value of scheme liabilities - funded		(7,038,000)		(1,025,000)
		<u>(3,656,000)</u>		<u>(499,000)</u>
Net pension asset / (liability)		(3,656,000)		(499,000)

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore the Multi Academy Trust is not required to disclose an expected rate of return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected rate of return was 5.8% per annum, which has been used to determine the profit and loss charge.

The deficit balance of £3,656,000 is allocated to each school as follows;

- Sneinton St Stephen's Church of England Academy - £560,000 (2014: £499,000)
- Edale Rise Primary School - £367,000 (on donation £331,000)
- Highbank Primary and Nursery School - £416,000 (on donation £363,000)
- Brocklewood Primary School - £915,000 (on conversion £899,000)
- Rosslyn Park Primary and Nursery School - £859,000 (on conversion £840,000)
- Allenton Community Primary School - £539,000 (on conversion £507,000)

TRANSFORM TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2015**

18 Pensions and similar obligations	(Continued)	
Amounts recognised in the statement of financial activities		
	2015	2014
	£	£
Operating costs/(income)		
Current service cost (net of employee contributions)	596,000	97,000
Past service cost	-	-
	<u>596,000</u>	<u>97,000</u>
Total operating charge	<u>596,000</u>	<u>97,000</u>
Finance costs/(income)		
Expected return on pension scheme assets	(140,000)	(21,000)
Interest on pension liabilities	200,000	36,000
	<u>60,000</u>	<u>15,000</u>
Net finance costs/(income)	<u>60,000</u>	<u>15,000</u>
Total charge/(income)	<u>656,000</u>	<u>112,000</u>
Actuarial gains and losses recognised in the statement of financial activities		
	2015	2014
	£	£
Actuarial (gains)/losses on assets: actual return less expected	91,000	(19,000)
Experience (gains)/losses on liabilities	25,000	50,000
(Gains)/losses arising from changes in assumptions	(97,000)	51,000
	<u>19,000</u>	<u>82,000</u>
Total (gains)/losses	<u>19,000</u>	<u>82,000</u>
Cumulative (gains)/losses to date	<u>179,000</u>	<u>160,000</u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Movements in the present value of defined benefit obligations

	2015	2014
	£	£
Obligations at 1 September 2014	(1,025,000)	(708,000)
Obligations acquired on conversion and donation	(5,145,000)	-
Current service cost	(596,000)	(97,000)
Interest cost	(200,000)	(36,000)
Contributions by employees	(144,000)	(27,000)
Actuarial gains/(losses)	72,000	(157,000)
	<u> </u>	<u> </u>
At 31 August 2015	<u><u>(7,038,000)</u></u>	<u><u>(1,025,000)</u></u>

Movements in the fair value of scheme assets

	2015	2014
	£	£
Assets at 1 September 2014	526,000	331,000
Assets acquired on conversion	2,205,000	-
Expected return on assets	140,000	21,000
Actuarial gains/(losses)	(91,000)	75,000
Contributions by employers	458,000	72,000
Contributions by employees	144,000	27,000
	<u> </u>	<u> </u>
At 31 August 2015	<u><u>3,382,000</u></u>	<u><u>526,000</u></u>

History of experience gains and losses

	2015	2014	2013
	£	£	£
Present value of defined benefit obligations	(7,038,000)	(1,025,000)	(708,000)
Fair value of share of scheme assets	3,382,000	526,000	331,000
	<u> </u>	<u> </u>	<u> </u>
Surplus / (deficit)	<u><u>(3,656,000)</u></u>	<u><u>(499,000)</u></u>	<u><u>(377,000)</u></u>
	<u> </u>	<u> </u>	<u> </u>
Experience adjustment on scheme assets	(91,000)	75,000	18,000
Experience adjustment on scheme liabilities	72,000	(157,000)	(96,000)
	<u> </u>	<u> </u>	<u> </u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015	2014
	£	£
Net income	10,778,678	(35,033)
Capital grants and similar income	(168,881)	(6,491)
Donated fixed assets	(1,123,725)	
Net deficit/(surplus) transferred on conversion	(9,643,329)	-
Net current assets other than cash transferred on conversion	291,300	-
Investment income	(1,256)	(435)
FRS17 pension costs less contributions payable	138,000	25,000
FRS17 pension finance costs	60,000	15,000
Depreciation of tangible fixed assets	276,114	45,792
(Increase)/decrease in stocks	(17,478)	(170)
(Increase)/decrease in debtors	(722,818)	62,042
Increase/(decrease) in creditors	908,867	(127,762)
	<u>775,472</u>	<u>(22,057)</u>
Net cash inflow/(outflow) from operating activities	<u><u>775,472</u></u>	<u><u>(22,057)</u></u>

20 Reconciliation of net cash flow to movement in net funds

	2015	2014
	£	£
Increase/(decrease) in cash	1,230,022	(19,812)
Net funds at 1 September 2014	242,029	261,841
	<u>1,472,051</u>	<u>242,029</u>
Net funds at 31 August 2015	<u><u>1,472,051</u></u>	<u><u>242,029</u></u>

21 Analysis of net funds

	At 1 September 2014	Transferred on conversion	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£	£
Cash at bank and in hand	242,029	648,314	581,708	-	1,472,051
	<u><u>242,029</u></u>	<u><u>648,314</u></u>	<u><u>581,708</u></u>	<u><u>-</u></u>	<u><u>1,472,051</u></u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

22 Commitments under operating leases

At 31 August 2015 the multi academy trust had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiry date:		
- Within one year	867	818
- Between two and five years	27,336	1,755
	<u>28,203</u>	<u>2,573</u>
	<u><u>28,203</u></u>	<u><u>2,573</u></u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 Related parties

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

The following related party transactions took place in the period of account:

TT2014 (formerly Transform Trust)

TT2014 is wholly owned by Transform Trust (formerly Sneinton St Stephen's Church of England Primary School) ("the Academy"). During the year, the Academy recharged staff costs and other expenses totalling £46,981 (2014:£191,850) to TT2014. The Academy purchased services costing £nil (2014:£7,000) from TT2014 and received other income of £nil (2014:£21,000) on behalf of TT2014.

Transform Teaching School Alliance Limited ("TTSA")

TTSA is wholly owned by the Multi Academy Trust. It provides membership and staff training and advice to the Educational Sector. During the year, the Academy recharged staff costs and other expenses totalling £96,118 (2014:£79,916) to TTSA. The Academy purchased services costing £15,099 (2014:£7,596) from TTSA and received a donation of £293 (2014:£10,722) from TTSA. The balance owed to the Academy by TTSA at 31 August 2015 was £55,016 (2014: creditor £34,914)

Bulwell St Mary's School

The Chief Executive Officer of the Academy is Executive Head at Bulwell St Mary's school. The Academy recharged staff costs to Bulwell St Mary's school amounting to £77,952 (2014:£67,924) and procured staff services from Bulwell St Mary's school amounting to £3,869 (2014:£8,840).

South Wilford School

The Chief Executive Officer of the Academy is Executive Head at South Wilford school. The Academy recharged staff costs to South Wilford School, amounting to £35,336 (2014:£28,174) and incurred costs of £6,177 (2014:£70).

Also during the year there were transactions with a trustee's close family member amounting to £8,762.

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

24 Conversion to an academy

On 1 January 2015 the Brocklewood Primary and Nursery School, the Rosslyn Park Primary and Nursery School and the Allenton Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Transform Trust from the Nottinghamshire and Derbyshire County Council Local Authority for £nil consideration. The value of net assets on conversion was £7,569,160.

Also on 1 January 2015 the operations and assets and liabilities of the Multi Academy Trust's subsidiary TT2014 (formerly Transform Trust) were transferred via a donation for £nil consideration. The schools included in the transfer were Edale Rise Primary and Nursery School and Highbank Primary and Nursery School. The value of net assets on transfer was £2,074,169.

The transfers has been accounted for using the acquisition method. 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 net incoming resources in the statement of financial activities as inherited on conversion

The following table sets out the fair values of the identifiable assets and liabilities of all five schools transferred and donated, and an analysis of their recognition in the statement of financial activities.

Funds surplus/(deficit) transferred:	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total 2015 £
Fixed assets funds	-	-	11,643,716	11,643,716
LA budget funds	1,004,293	(64,680)	-	939,613
LGPS pension funds	-	(2,940,000)	-	(2,940,000)
	<u>1,004,293</u>	<u>(3,004,680)</u>	<u>11,643,716</u>	<u>9,643,329</u>

TRANSFORM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

24 Conversion to an academy (Continued)

Net assets transferred:	£
Leasehold land and buildings	9,146,940
Tangible fixed assets apart from land and buildings	19,906
Cash	648,314
Pension surplus/(deficit)	(2,246,000)
Assets and liabilities donated from TT2014 (see below)	2,074,169
	<u>9,643,329</u>

The figure above, of £9,643,329, represents the details of the £7,569,160 transferred on conversion and the donation of £2,074,169.

Assets and liabilities donated from TT2014:	£
Leasehold land and buildings	2,398,602
Tangible fixed assets apart from land and buildings	78,268
Pension surplus/(deficit)	(694,000)
Restricted funds	(64,680)
Unrestricted funds	355,979
	-
	<u>2,074,169</u>

The figure above of £2,074,169, represents the details of the assets and liabilities donated by TT2014 on 1 January 2015.

25 Members' liability

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