

Company Registration Number: 10038640 (England and Wales)

**TRANSFORMING FUTURES MULTI ACADEMY TRUST LIMITED
(FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**



**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3
Governance statement	14 - 18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26 - 27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 57

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Annette Benny (appointed 14 March 2020, resigned 15 July 2020) Mrs Joan Watkins Ms Judith Goodchild (appointed 18 December 2019) Mr Adrian Kemp (resigned 18 December 2019) Mr Paul Winterton (appointed 18 December 2019)
Trustees	Mrs Annette Benny, Chair (from 18 December 2019 to 15 July 2020) (resigned 15 July 2020) ^{1,2} Mr Andrew Dunkley (resigned 12 March 2020) ¹ Mr Gavin Gracie, Interim CEO & Accounting Officer (resigned 25 March 2020) Mr Peter McDonnell, Vice Chair ^{1,2} Mr Denis Parsons, Vice Chair (Acting Chair from 15 July 2020) ^{1,2} Dr Tim Searle, Chair (Chair until 18 December 2019) ^{1,2} Mr Timothy Thexton (appointed 11 June 2020) ¹ Mr Peter Cubbon (appointed 22 January 2020) ^{1,2} Ms Carole Burgoyne (appointed 13 November 2020) Ms Geraldine Herage (appointed 13 November 2020) Mr Graham Oliver (appointed 13 November 2020) Dr Karen Deeny (appointed 28 July 2020) Dr Clive Grace, Chair (appointed 13 November 2020) ¹ Finance & Audit Committee ² Education & Safeguarding Committee
Company registered number	10038640
Company name	Transforming Futures Multi Academy Trust Limited (formerly ACE Schools Multi Academy Trust)
Principal and registered office	Unit 3 Ensign House, Parkway Court, Longbridge Road Plymouth Devon PL6 8LR
Chief executive officer	Mr Gavin Gracie
Senior management team	Chris Humphries (left 31/12/2019), Director of Performance Paul Winterton (left 31/12/2019), Director of School Improvement Paul Turner (left 31/12/2019), Director of Finance
Bankers	Lloyds Bank PLC 37 Ridgeway Plympton Plymouth PL7 2AP

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Solicitors	PHP Law 6 Atlantic Building Queen Ann's Battery Plymouth PL4 0LP
-------------------	--

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates one primary SEMH, Courtlands; one special SEMH, ACE Special School Tiverton; and an alternative provision academy, Ace Schools. The academies have a combined pupil capacity of 427 and had a roll of 316 in the school census for Spring 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Transforming Futures Multi Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Transforming Futures Multi Academy Trust. The Trust changed its name from ACE Schools Multi Academy Trust, to Transforming Futures Multi Academy Trust on 8 September 2020.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 3.

Members 2019-20

Mrs Joan Watkins

Mr Paul Winterton

Mrs Judith Goodchild (appointed 18 December 2019)

Mr Adrian Kemp (resigned 18 December 2019)

Mrs Michelle Thomas (resigned 18 July 2020)

Trustees 2019-20

Mr Gavin Gracie Chief Executive Officer & Accounting Officer

Dr Tim Searle Chair of Board (resigned 18 December 2019)

Mrs Annette Benny Chair of Board (appointed 18 December 2019, resigned 15 July 2020)

Mr Dennis Parsons Vice Chair of Board

Mr Peter McDonnell

Mr Andy Dunkley (resigned 11 March 2020)

Mr Peter Cubbon (appointed 22 January 2020)

Mr Tim Thexton (appointed 11 June 2020)

Dr Karen Deeny (co-opted 28 July 2020; appointed 13 November 2020)

Trustees Appointed Post Year End

Mr Graham Oliver (appointed 13 November 2020)

Dr Clive Lester Grace (appointed 13 November 2020)

Mrs Carole Burgoyne (appointed 13 November 2020)

Mrs Geraldine Herage (appointed 13 November 2020)

Members' Liability

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

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Trustees' Indemnities

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

Method of recruitment and appointment or election of Trustees

The Board considers the skills, experience and different perspectives of potential new Trustees. The Board also undertakes an annual assessment to identify whether further Trustees with specific skills, or further individual training are required. Potential Trustees are recommended to Members for appointment. Trustees are appointed for a four-year term. Trustees may be re-appointed subject to remaining eligible by criteria.

During the year, The Trust ran various campaigns to recruit Trustees using Academy Ambassadors and a Search and Selection company. Training is undertaken through the NGA e-learning platform and other national or regional modules delivered externally. The Trust is also a member of the NGA and Trustees are routinely informed of national governance debates.

During the year, Dr Tim Searle stood down as Chair on 31 December 2019. The Board appointing Annette Benny in his place. Andy Dunkley resigned as a Trustee on 12 March 2020 and Gavin Gracie resigned as a Trustee on 28 February 2020, to become CEO of the Trust.

Annette Benny, Dr Tim Searle and Peter MacDonald's four-year term of office ended in February 2020. Members re-appointed these Trustees for a further year, directing the board to undertake further succession planning. Peter Cubbon was appointed as a Trustee on 22 January 2020. Tim Thexton and Dr Karen Deeny were co-opted to the Board on 11 June 2020. Members ratified their appointment on 23 October 2020. Annette Benny resigned from the Board on 27 July 2020.

The Board undertook a Selection process through Gatenby Sanderson to fill specific skill sets. This enabled the appointments of Dr Clive Grace OBE, Carol Burgoyne MBE, Geraldine Herage and Graham Oliver FCA, as Trustees by members on 23 October 2020. Dr Clive Grace was formally appointed as Chair on 29 October 2020.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but always includes a tour of the Academies and a chance to meet staff and pupils. This has been done virtually in the current year due to Covid restrictions. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

ORGANISATIONAL STRUCTURE

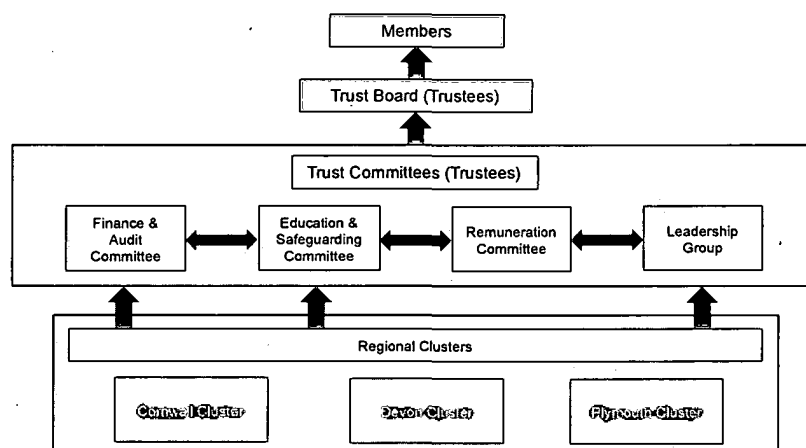
During the year the Trust operated through the following structure comprising four levels:

- Members
- Board of Trustees
- MAT Officers
- Regional Cluster Committees

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

ORGANISATION



The organisational structure is based on a delegated authority framework which clearly defines the roles and responsibilities and encourages distributed leadership and involvement in decision making at all levels.

Members have overall responsibility for the appointment and removal of Trustees and are signatories of the Articles of Association.

The trustees are responsible and accountable for the Trust's performance. Its secure and sound financial management. Trustees work within the agreed ethos and values framework and are ultimately responsible for the financial performance of each academy. They also have responsibility for facilities, staffing and curriculum. The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are three committees as follows;

- Finance and Audit Committee - this meets each half term and is responsible for monitoring, evaluating and reviewing policy and performance of financial management, compliance with reporting and regulatory requirements and reporting. The committee receives reports from the Responsible Officer/internal audit and agrees the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Education and Safeguarding Committee - this meets each half term to monitor, evaluate and review Academy policy, practice and performance of safeguarding, curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Remuneration – this meets at least annually to set and approve employee benefits and salaries.

The following decisions are reserved to the Board:

- To consider any proposals for changes to the status or constitution of the Trust and its committee structure.
- To appoint or remove the Chair and/or Vice Chair.
- To appoint the CEO and Headteachers and Clerk to the Trustees.
- To approve the Annual Development Plan and budget.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Board recommend the Annual Report for approval by members.

The Board devolve responsibility for day-to-day management of the Trust to the Chief Executive Officer and Executive Committee. The Executive Committee comprises the Chief Executive Officer, Head Teachers, Chief Operating Officer and Chief Financial Officer. This Committee implements the policies laid down by the Trustees, reporting back to them on performance.

Trustees rely at a local level, on Regional Cluster Representatives to account and drive forward performance improvements, attainment and progress in each operating site. Representatives are responsible for recommending an annual School Improvement Plan and monitoring policy implementation set by the Board.

The CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees and the Executive Committee comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with national agreements.

The Trustees benchmark against pay levels in other Trusts of a similar size and against national agreements with unions. The benchmark is the mid-point of the range paid for similar roles adjusting for a weighting for any additional responsibilities.

TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,536
Provide the total pay bill	£9,677,599
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.016%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	100%
--	------

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	
--	--

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of Transforming Futures Multi Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials.
- Regular updates to all staff members, via termly updates and newsletters, including covering both financial and non-financial performance.
- Termly meetings with recognised Trade Union representatives.
- Regular meetings with their line management.

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

The Companies (Miscellaneous Reporting) Regulations 2018 introduce a requirement for large companies to include a statement in their directors' (trustees') report summarising how they have had regard to the need to foster the company's business relationship with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing academies, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Transforming Futures Multi Academy Trust to provide free education and care for pupils of different abilities. The Academy's specialism is the provision of primary SEMH; secondary SEMH with particular emphasis on autism, and operating a pupil referral unit together with teaching provision for s19 pupils, hospital pupils and others requiring specialist intensive teaching.

The aims of the Academy during the year ended 31 August 2020 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils through trauma-informed practice.
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Trust sites and infrastructure to enable students to achieve their full potential.
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Trust's capacity to manage change, and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trust aims to enable each individual to realise their full potential within a caring environment, celebrating success and achievement, while learning from mistakes and errors. We intend to enable each student to realise his or her full academic, creative and physical potential and to develop positive social and moral values. The Trust is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

The objectives of the MAT are summarised as:

- to improve the educational provision.
- to strengthen the governance and internal controls of the Trust and academies.
- to engage positively with staff and commissioners, and
- to consolidate the educational provision in all existing academies.

Key activities and targets were identified in the Trust Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- review of numeracy, literacy and ICT capability.
- review of staffing levels in the light of budgetary pressure.
- further development of the intranet to support administration and communication.
- development and embedding of key financial and administrative procedures.
- continued development of systems for tracking and monitoring pupil attainment.
- range of activities to promote community adhesion and support of other charities activities.

Public Benefit

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

The Trust aims 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, managing and developing academies, offering a broad curriculum with a strong emphasis on SEN, but in no way limited to the specialism of autism.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust opened ACE Special School Tiverton in September 2019 with 35 pupils. The buildings were provided by Devon County Council's refurbishment of a former care home site. The academy takes pupils with SEMH and has had a successful first year.

The primary event of the year was inevitably the impact of Covid on day-to-day teaching. Through lockdown, staff undertook daily contact with pupils who were in lockdown at home, providing meals where needed and making valued contact with parents and carers. The Trust was also able to start implementing remote learning packages through a variety of media keeping pupils engaged through the disruptions.

During the year, the Trust undertook a major shift in its IT platforms to a cloud-based solution. This project involved input from a variety of staff and was fully implemented through the summer break in a focussed time sensitive project, completed on-time and within budget. The platform is fully operational providing teaching staff with capacity and capability previously unattainable. This project has enhanced the pupil experience and further enhances the remote teaching facility.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trust focused on strengthening its governance, recruiting new Trustees and establishing a Cluster to oversee its Cornwall sites.

Key Performance Indicators

Courtlands

Courtlands was inspected by Ofsted at the end of December 2019 achieving a Good rating. The report referred to the "good quality education" and "healthy mind and body, creativity, exploration, play and an understanding of the wider world". This report was a strong endorsement of the trauma-informed approach adopted and the real and tangible benefits for pupils. It also highlighted the strong and effective leadership team ensuring that all of the pupils' needs are met.

The new classrooms at Courtlands enabled the school to grow during the year in line with the Local Authority Five Year SEND Plan. These provided much needed space but emphasised the poor state of the main buildings which continue to incur significant repair costs through the year and into future years.

Pupil attendance (up to the point at which Covid forced partial closure) remained well above national average for like schools, at 95.2%, and internal data showed that between 79-88% of pupils were on track to make as much or more progress than their mainstream peers in English and Maths. Fixed term Exclusion also remained very low, in line with our Trauma Sensitive Practices.

The Plymouth Schools' Forum High Needs Block agreed a 10% increase in top-up amounts for all Plymouth pupils with an EHCP in all settings. This has had a positive impact, but still does not accurately reflect the actual costs to educate these pupils nor addresses the inflationary cost rise over the last five years with no increase in top-up or base funding.

Following schools closure by the Secretary of State on the 23rd March, Courtlands remained open to its most vulnerable pupils and children of key workers, with just over 15% of pupils on-site in the first week rising rapidly to over 40%. Courtlands also remained open to these pupils during the Easter and Summer half term breaks, with holiday provision continuing during August. Courtlands provided meals to all eligible pupils and online learning well before it became an expectation in the new academic year.

ACE Schools

Operating across its 11 sites, ACE Schools started the year with significant staff uncertainty. The senior leadership team established clear objectives and communications and have continuously delivered against these throughout the year, resulting in a sound endorsement by staff at year end.

Through the year ACE Schools has continued to work closely and collaboratively with Plymouth City Council helping design systems for alternative provision for pupils not in school and other systems. The Academy has fully engaged with the various groups enabling the Plymouth Secondary Strategy, despite this ultimately leading to a loss of pupils as the outcomes will be better for them.

The academy formed and inducted a Cluster to oversee the Cornish sites. This has now started to work closely with the three sites. The Cluster and the focus on educational standards resulted in a sound endorsement by CCC early in the new academic year. The Exeter base had a successful HMI/local authority visit at the start of 2020.

The school have invested a significant amount of time in establishing professional networks working with the AP and PRU association Chair as their school improvement advisor and developing their school development plan with the Centre for Social justice.

Significant work was undertaken to build an appropriate staffing structure with increased provision for administrative for teachers and each locality having a dedicated SENCO supporting pupils at their provisions.

Job descriptions for teaching and non-teaching staff were reviewed and aligned with pay being harmonised to ensure consistency and equity correcting the disparity from previous pay structures. The school structure was

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

also streamlined to ensure that there were clear lines of accountability by establishing and defining Heads of Provision roles for the key areas of operation in the academy.

The Deputy Headteacher worked with the finance department to ensure that budget books that were being launched gave middle leaders greater financial control and oversight.

A new system of staff professional development was co-collaborated with middle leaders, with an increased focus on personalised training for members of staff at all levels and an increased focus on teaching and learning. These professional development objectives around teaching and learning align with the newly designed teacher coaching system to develop classroom practice moving from three formal observation to regular drops ins focused on specific aspects of practice.

The school also redesigned their behaviour policy with a renewed focus on trauma informed approaches supporting pupil behaviour and interactions between staff and pupils.

ACE Special School Tiverton

This was Ace Tiverton's first year, and after some building delays we duly opened to the incoming cohort of pupils a week late in September 2020. With an entirely new staff some of whom transferred into area for the opportunity, this has been a year of development.

Pupil attendance has been extraordinary with rates running at 95%plus for most of the first two terms. This was for a cohort who on average had not been in any form of education for the fourteen months prior to joining Ace Tiverton.

The building provision is the envy of many, despite some inevitable small snagging. Unfortunately, the Covid lockdown was keenly felt by pupils. Staff undertook some exemplary work over the period visiting pupils and delivering food boxes, keeping contact and delivering work packs. This has proved key to pupils returning to school.

The school has grown again from September 2020 with a further 30 pupils on roll.

All Year 11 went onto their chosen path at year end.

Going Concern

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

FINANCIAL REVIEW

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2020, the Academy received total income of £15,792,362 and incurred total expenditure of £12,300,003. The excess of income over expenditure for the year was £3,492,359.

At 31 August 2020 the net book value of fixed assets was £10,980,576 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The land, buildings and other assets were transferred to the Academy upon conversion. New land and buildings were professionally valued on 06 September 2019 at £4,540,606 when donated to the Trust. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately one month's expenditure, or £0.9m. The Trustees feel that this is a reasonable level of reserves given the nature of the funding for the MAT. As the funding is more dependent on local pupil needs, the funding is more variable than in most academy schools. With COVID lockdown impacting on pupil numbers, the Trustees consider it prudent to hold these reserves. The free reserves are held to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Trust amount to £11,373,352 (excluding the defined benefit pension liability), although £10,997,091 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £376,261 (representing £257,556 unrestricted funds and £118,705 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA together with funding from Local Authorities. In the last year 41% of the Trust's incoming resources were ESFA funded, 59% came from Local Authorities. Whilst this level is expected to continue, there is no assurance that Government or Local authority policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to achieve the highest educational standards and building individual strengths. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety, and discipline.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

FUNDRAISING

The Trust does not undertake any significant fundraising and does not engage any fundraising agencies.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality staff in order to deliver its objectives.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Board of Trustees on *21/1/2021* and signed on their behalf, by:



**Dr Clive Grace OBE
Chair of Trustees**

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy 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.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

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 10 times during the period.

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

Trustee	Meetings attended	Out of a possible
Mrs Annette Benny, Chair (from 18 December 2019 to 15 July 2020)	6	9
Mr Andrew Dunkley	4	4
Mr Gavin Gracie, Interim CEO & Accounting Officer	4	4
Mr Peter McDonnell, Vice Chair	10	10
Mr Denis Parsons, Vice Chair (Acting Chair from 15 July 2020)	6	10
Dr Tim Searle, Chair (Chair until 18 December 2019)	9	10
Mr Timothy Thexton	3	3
Mr Peter Cubbon	6	7
Ms Carole Burgoyne	0	0
Ms Geraldine Herage	0	0
Mr Graham Oliver	0	0
Dr Karen Deeny	0	0
Dr Clive Grace, Chair	0	0

Following significant staff unrest at the end of 2019 year, the trust appointed Gavin Gracie as CEO in September 2019 on an interim basis later following this with a contract in March 2020. The trust started the year by recognising a collective union representation through a JCNC in September. In the same month, applications for WAVE 2 schools proved unsuccessful.

Following the qualification to the annual financial handbook requirements in 2019, and recognising weaknesses in key executive skills, the Board focused on governance through the year. The board commissioned a review of skills and structures in February 2020, which process led to adding three trustees during the year all with specific skill sets to enhance the board. The review was followed by an away day for members, trustees and cluster representatives where a revised scheme of delegation was explained and agreed.

Dr Tim Searle stood down as Chair after four years in January, continuing as a trustee and was replaced by Mrs Annette Benny. Mrs Benny had to resign in July 2020 to pursue her other roles. The trust thanks both for their long service to the trust in particular for their efforts as chair, an onerous and challenging role. The board recruited three new trustees during the year, partly to replace Andy Dunkley, who resigned following a transfer to another job out of area, and Gavin Gracie who resigned to become CEO. Changes are shown on information pages of the annual report.

The trust formed a representative cluster to oversee the Cornish sites. The trust thanks all the volunteers who give of their time so freely in all aspects of our governance.

In conducting their ongoing succession planning, the board contracted a selection agency to find four further trustees who were appointed in October 2020.

Clearly the year was particularly challenging for all with Covid lockdowns and restrictions imposed. During this time, staff initiated and undertook daily face to face calls with pupils and also delivered free school meals where necessary. These same staff were often managing around the educational needs of their own families at home. The board and pupils thank you hugely.

The year was marked by commissioning three major projects to strengthen controls and systems within the trust

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

following the qualification on “value for money” in the previous report. To this end, the board stopped the reliance on small local purchases previously made, centralising controls through a purchase order system that was brought online from September 2020. The second significant project was to transfer the IT systems onto cloud-based solutions almost eliminating the requirements for the expensive and aged previous infrastructure. This was a huge piece of work completed on time and on budget within a tight timeframe. The board has also commissioned a move of personnel records to cloud based user driven solution. This project is currently underway again on-time and budget.

These investments in the trust’s infrastructure have improved staff capability leading to new and improved delivery to pupils. These have further strengthened the internal controls of the trust.

During the year the board and committee meetings numbered as follows:

Full board
Finance & Audit
Education and Safeguarding

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the financial performance, risk management and audit results in detail. Recognising the need to widen the skill sets of trustees on this committee additional trustees were appointed as shown below. The committee reviewed progress on the major projects throughout.

Attendance during the period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Andy Dunkerly	4	4
Mr Denis Parsons	1	1
Mr Petter Cubon	1	1
Mr Peter McDonnell	2	2
Mr Tim Searle	2	3
Mr Tim Thexton	1	1
Mrs Annette Benny	2	5

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

As accounting officer, the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

During the year, internal audit reported on lack of authorisation for purchases/orders with poor supporting documentation. This included some instances where value for money was not evident for low value transactions.

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

- closing petty cash floats and restricting credit card purchases;
- focusing on order approval prior to expenditure being incurred, including commissioning the new purchase order system;
- improving the monthly reporting at a site level making expenditure more transparent and with routine review;
- established a clear scheme of delegation;
- establishing clear procurement policies and procedures;
- pursuing innovative solutions to drive down costs;
- establishing and embedding a robust risk management process;
- robust project management governance of all major projects; and
- reducing the number of agency staff.

This has placed the Trust in a position for the year from September 2020 to show value for money on all transactions.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been improved in Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust) throughout the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

- against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined procurement 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 decided not to appoint any internal auditor during the year following discussions with the external auditor. This decision took account of the range of and timings of improvements to internal control processes during the year. The impact of these were that any testing done at a specific point of time would be superseded by further developments coming on-line.

During the year the trust underwent an ESFA led PMO audit, two reviews from a school resource management advisor, a governance review through the external auditors, and an independent review of the purchasing systems by Delt. These reviews were completed before the lockdown for Covid in late March 2020. As the trust had significant changes then underway with the development of financial systems, combined with the difficulties inherent with completing internal audit testing remotely, the Board determined in discussion with external audit that further testing be delayed until post year end.

The Board appointed a CFO in November 2020 and, following a procurement exercise, an internal auditor in January 2021

REVIEW OF EFFECTIVENESS

As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and the plans to address weaknesses and ensure continuous improvement of the system is in place.

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



Dr Clive Grace
Chair of Trustees

21/1/2021



Mr Gavin Gracie
Accounting Officer

and signed on

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust) I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ELSA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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 ELSA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ELSA:

During the prior year there were identified weaknesses in the the authorisation and documentation of expenditure to justify the costs incurred. There was also a lack of evidence to support value for money being achieved on low value items, and excess use of petty cash. Steps have been taken during the year to address these weaknesses, however these actions have taken time to implement and so the issues previously identified have been in existence for a proportion of the year ended 31 August 2020.



Mr Gavin Gracie
Accounting Officer

Date: 21/1/2021

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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


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

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

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

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

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

21/11/2021


Dr Clive Grace
Chair of Trustees

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST) (CONTINUED)**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST) (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Nathan Coughlin FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 28 January 2021

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST) AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 26 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust) during the year 1 September 2019 to 31 August 2020 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 Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust) and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust) and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRANSFORMING FUTURES MULTI ACADEMY TRUST
(FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust)'s funding agreement with the Secretary of State for Education dated 27 May 2016 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST) AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

CONCLUSION

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The report on regularity for the year ended 31 August 2019 was modified to report weaknesses over authorisation of expenditure and documentation to justify costs incurred. The report also identified that there was a lack of evidence to support value for money being achieved for low value items and excessive use of petty cash for purchases. This report was issued in December 2019. During the year ended 31 August 2020, management have been taking steps to improve the control environment. However, this action has been taken over the second half of the year, so the weaknesses identified for the year ended 31 August 2019 have still been in existence for a proportion of the year ended 31 August 2020.



Nathan Coughlin FCA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 28 January 2021

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	-	-	4,623,754	4,623,754	316,367
Charitable activities		35,527	11,108,751	-	11,144,278	10,013,197
Other trading activities		14,181	-	-	14,181	13,080
Investments	6	436	-	-	436	626
Other income	7	9,713	-	-	9,713	-
TOTAL INCOME		59,857	11,108,751	4,623,754	15,792,362	10,343,270
EXPENDITURE ON:						
Raising funds		27,603	-	-	27,603	77,950
Charitable activities		125,945	11,731,070	415,385	12,272,400	10,702,791
TOTAL EXPENDITURE		153,548	11,731,070	415,385	12,300,003	10,780,741
NET (EXPENDITURE)/ INCOME		(93,691)	(622,319)	4,208,369	3,492,359	(437,471)
Transfers between funds	19	-	(180,437)	180,437	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(93,691)	(802,756)	4,388,806	3,492,359	(437,471)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	25	-	(372,000)	-	(372,000)	(439,000)
NET MOVEMENT IN FUNDS		(93,691)	(1,174,756)	4,388,806	3,120,359	(876,471)

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
RECONCILIATION OF FUNDS:					
Total funds brought forward	351,247	(2,251,539)	6,608,285	4,707,993	5,584,464
Net movement in funds	(93,691)	(1,174,756)	4,388,806	3,120,359	(876,471)
TOTAL FUNDS CARRIED FORWARD	257,556	(3,426,295)	10,997,091	7,828,352	4,707,993

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 57 form part of these financial statements.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10038640

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	15	16,515	37,294
Tangible assets	16	10,980,576	6,570,991
		<u>10,997,091</u>	<u>6,608,285</u>
CURRENT ASSETS			
Debtors	17	224,707	515,179
Cash at bank and in hand	24	1,031,295	450,875
		<u>1,256,002</u>	<u>966,054</u>
Creditors: amounts falling due within one year	18	(879,741)	(419,346)
		<u>376,261</u>	<u>546,708</u>
NET CURRENT ASSETS		376,261	546,708
TOTAL ASSETS LESS CURRENT LIABILITIES		11,373,352	7,154,993
NET ASSETS EXCLUDING PENSION LIABILITY		11,373,352	7,154,993
Defined benefit pension scheme liability	25	(3,545,000)	(2,447,000)
TOTAL NET ASSETS		7,828,352	4,707,993
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	19	10,997,091	6,608,285
Restricted income funds	19	118,705	195,461
		<u>11,115,796</u>	<u>6,803,746</u>
Restricted funds excluding pension asset	19	11,115,796	6,803,746
Pension reserve	19	(3,545,000)	(2,447,000)
		<u>7,570,796</u>	<u>4,356,746</u>
Total restricted funds	19	7,570,796	4,356,746
Unrestricted income funds	19	257,556	351,247
		<u>7,828,352</u>	<u>4,707,993</u>
TOTAL FUNDS		7,828,352	4,707,993

The financial statements on pages 26 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Dr Clive Grace
 (Chair of Trustees)

Date:

21/1/2021

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	21	760,421	(125,015)
CASH FLOWS FROM INVESTING ACTIVITIES	22	(180,001)	(509,049)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		580,420	(634,064)
Cash and cash equivalents at the beginning of the year		450,875	1,084,939
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23, 24	<u>1,031,295</u>	<u>450,875</u>

The notes on pages 30 to 57 form part of these financial statements

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ELSA, the Charities Act 2011 and the Companies Act 2006.

Transforming Futures Multi Academy Trust (Formerly: ACE Schools Multi Academy Trust) meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where 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.

• **Other income**

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

1.4 EXPENDITURE

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

• **Expenditure on raising funds**

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

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE (CONTINUED)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 INTANGIBLE ASSETS

Intangible assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 33 %
-------------------	--------

1.7 TANGIBLE FIXED ASSETS

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%
Furniture and equipment	-	20%
Computer equipment	-	33%

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

1.11 FINANCIAL INSTRUMENTS

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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.

1.12 OPERATING LEASES

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

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated 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 quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

1.14 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donated fixed assets	-	4,540,606	4,540,606
Capital Grants	-	83,148	83,148
	-	4,623,754	4,623,754

The donated fixed assets relate to the acquisition of the leasehold land and buildings at ACE Tiverton Special School which was donated by Devon County Council to the Academy Trust.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. INCOME FROM DONATIONS AND CAPITAL GRANTS (CONTINUED)

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	3,191	-	3,191
Capital Grants	-	313,176	313,176
	<u>3,191</u>	<u>313,176</u>	<u>316,367</u>

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DFE/ELSA GRANTS			
General Annual Grant	-	4,027,479	4,027,479
Other DfE/EFSA grants	-	292,830	292,830
	<u>-</u>	<u>4,320,309</u>	<u>4,320,309</u>
OTHER GOVERNMENT GRANTS			
High Needs	-	6,429,875	6,429,875
Other government grants: excluding capital	-	353,468	353,468
	<u>-</u>	<u>6,783,343</u>	<u>6,783,343</u>
OTHER			
Internal catering income	9,010	-	9,010
Other	23,930	-	23,930
Parental contributions	2,587	-	2,587
	<u>35,527</u>	<u>-</u>	<u>35,527</u>
EXCEPTIONAL GOVERNMENT FUNDING			
Exceptional costs	-	5,099	5,099
	<u>35,527</u>	<u>11,108,751</u>	<u>11,144,278</u>

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

- The funding received for coronavirus exceptional support covers £5,099 and relates to free school meals and confirmed or suspected coronavirus cases. These costs are included in notes 8 and 10 below as appropriate.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION (CONTINUED)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DFE/ELSA GRANTS			
General Annual Grant	-	3,704,391	3,704,391
Other DfE/EFSA grants	-	253,450	253,450
	-	3,957,841	3,957,841
OTHER GOVERNMENT GRANTS			
High Needs	-	5,577,705	5,577,705
Other government grants: excluding capital	-	231,229	231,229
	-	5,808,934	5,808,934
OTHER			
Internal catering income	10,490	-	10,490
Other	226,867	-	226,867
Parental contributions	9,065	-	9,065
	246,422	-	246,422
	246,422	9,766,775	10,013,197

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fees received	14,181	14,181	13,080

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	436	436	626

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. INVESTMENT INCOME (CONTINUED)

All prior year amounts relate to unrestricted funds.

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Solar panel income	9,713	9,713	-

8. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:				
Direct costs	-	-	27,603	27,603
EDUCATION:				
Direct costs	8,515,344	141,351	194,030	8,850,725
Allocated support costs	1,162,255	584,246	1,675,174	3,421,675
	<u>9,677,599</u>	<u>725,597</u>	<u>1,896,807</u>	<u>12,300,003</u>

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:				
Direct costs	-	-	77,950	77,950
EDUCATION:				
Direct costs	7,107,098	62,361	898,686	8,068,145
Allocated support costs	1,032,147	760,037	843,462	2,635,646
	<u>8,139,245</u>	<u>822,398</u>	<u>1,820,098</u>	<u>10,781,741</u>

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	8,850,725	3,421,675	12,272,400

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Education	8,068,145	2,635,646	10,703,791

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension finance cost	10,000	11,000
Staff costs	1,065,664	700,484
Depreciation	415,385	297,708
Other costs	4,457	1,008
Supply teachers	96,591	29,860
Recruitment and support	66,042	73,612
Maintenance of premises and equipment	232,318	167,339
Cleaning	64,905	69,534
Rent and rates	146,265	173,499
Energy costs	96,706	69,361
Insurance	43,287	42,019
Security and transport	264,866	299,784
Catering	126,316	62,527
Technology costs	214,539	179,201
Office overheads	184,766	188,696
Legal and professional - other	348,314	241,554
Bank interest and charges	1,689	980
Governance costs	39,565	27,480
TOTAL 2020	3,421,675	2,635,646

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	174,612	218,098
Depreciation of tangible fixed assets	394,606	269,687
Amortisation of intangible assets	20,779	28,020
Fees paid to auditors for:		
- audit	20,000	12,000
- other services	3,250	3,030

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	6,098,642	4,535,800
Social security costs	528,613	404,171
Pension costs	1,852,586	1,086,782
	<u>8,479,841</u>	<u>6,026,753</u>
Agency staff costs	1,153,516	2,104,840
Staff restructuring costs	44,242	7,652
	<u><u>9,677,599</u></u>	<u><u>8,139,245</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	44,242	7,652
	<u>44,242</u>	<u>7,652</u>

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

'Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £44,242 (2019: £7,562). Individually, the payments were £3,024, £3,595, £15,623 and £22,000.

c. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	71	64
Administration and support	194	131
Management	8	4
	<u>273</u>	<u>199</u>

Included in administration and support staff numbers are teaching related posts of 150 (2019: 101).

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	3
In the band £100,001 - £110,000	-	1

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £507,649 (2019 £469,912).

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Finance and administration
- Management costs
- Human Resources
- Legal services
- Educational support services

The Academy Trust charges for these services on the following basis:

ACE Schools Plymouth - 12% of budgeted income
 Courtlands School - 7% of budgeted income
 ACE Tiverton Special School - 7% of budgeted income

The actual amounts charged during the year were as follows:

	2020 £	2019 £
ACE Schools Plymouth	1,007,675	500,011
Courtlands School	151,060	76,695
ACE Tiverton Special School	56,057	-
TOTAL	1,214,792	576,706

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services he provides undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of his services as a Trustee. Other Trustees did not receive any payments, other than expenses from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: G Gracie: Remuneration £45,000 - £50,000 (2019: £nil), Employer's pension contributions £5,000 - £10,000 (2019: £nil).

Other related party transactions involving Trustees are set out in Note 28.

During the year, retirement benefits were accruing to 1 Trustee (2019 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, travel, subsistence and other academy expenses totalling £3,706 were reimbursed or paid directly to 3 Trustees (2019 - £4,045 to 3 Trustees).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost.

15. INTANGIBLE ASSETS

	Computer software £
COST	
At 1 September 2019	87,785
At 31 August 2020	87,785
AMORTISATION	
At 1 September 2019	50,491
Charge for the year	20,779
At 31 August 2020	71,270
NET BOOK VALUE	
At 31 August 2020	16,515
At 31 August 2019	37,294

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2019	6,317,098	306,986	595,803	7,219,887
Additions	4,541,113	99,452	163,626	4,804,191
At 31 August 2020	<u>10,858,211</u>	<u>406,438</u>	<u>759,429</u>	<u>12,024,078</u>
DEPRECIATION				
At 1 September 2019	206,565	103,192	339,139	648,896
Charge for the year	160,644	76,313	157,649	394,606
At 31 August 2020	<u>367,209</u>	<u>179,505</u>	<u>496,788</u>	<u>1,043,502</u>
NET BOOK VALUE				
At 31 August 2020	<u>10,491,002</u>	<u>226,933</u>	<u>262,641</u>	<u>10,980,576</u>
At 31 August 2019	<u>6,110,533</u>	<u>203,794</u>	<u>256,664</u>	<u>6,570,991</u>

The academy trust's transactions relating to land and buildings included the acquisition of leasehold land and buildings on former care home constructed in 1967, remodelled by Devon County Council for use as a special school, which was donated to the Academy Trust at a value of £4,540,606.

17. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Trade debtors	61,143	6,547
Other debtors	878	2,737
Prepayments and accrued income	124,502	397,596
VAT recoverable	38,184	108,299
	<u>224,707</u>	<u>515,179</u>

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	237,107	100,563
Other taxation and social security	116,179	109,232
Other creditors	138,056	92,191
Accruals and deferred income	388,399	117,360
	<u>879,741</u>	<u>419,346</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	10,127	9,545
Resources deferred during the year	25,256	10,127
Amounts released from previous periods	(10,127)	(9,545)
Deferred income at 31 August 2020	<u>25,256</u>	<u>10,127</u>

At the balance sheet date the Academy Trust was holding funds received in advance for education provision.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	351,247	59,857	(153,548)	-	-	257,556
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	189,775	4,027,479	(3,918,112)	(180,437)	-	118,705
High Needs Funding	-	6,429,875	(6,429,875)	-	-	-
Pupil Premium	-	244,589	(244,589)	-	-	-
UIFSM	-	8,547	(8,547)	-	-	-
PE & Sport Grant	-	33,150	(33,150)	-	-	-
Other Restricted Income	5,686	365,111	(370,797)	-	-	-
Pension Reserve	(2,447,000)	-	(726,000)	-	(372,000)	(3,545,000)
	<u>(2,251,539)</u>	<u>11,108,751</u>	<u>(11,731,070)</u>	<u>(180,437)</u>	<u>(372,000)</u>	<u>(3,426,295)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets Fund	6,570,991	4,540,606	(394,606)	263,585	-	10,980,576
DfE/ESFA Capital Grants	-	19,957	-	(19,957)	-	-
Other Capital Grants	-	63,191	-	(63,191)	-	-
Intangible Assets Fund	37,294	-	(20,779)	-	-	16,515
	<u>6,608,285</u>	<u>4,623,754</u>	<u>(415,385)</u>	<u>180,437</u>	<u>-</u>	<u>10,997,091</u>
TOTAL RESTRICTED FUNDS	<u>4,356,746</u>	<u>15,732,505</u>	<u>(12,146,455)</u>	<u>-</u>	<u>(372,000)</u>	<u>7,570,796</u>
TOTAL FUNDS	<u><u>4,707,993</u></u>	<u><u>15,792,362</u></u>	<u><u>(12,300,003)</u></u>	<u><u>-</u></u>	<u><u>(372,000)</u></u>	<u><u>7,828,352</u></u>

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS (CONTINUED)

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

Restricted Funds

General Annual Grant - Income from the ELSA which is to be used for the normal running costs of the Academy Trust, including education and support costs. An amount of £180,437 has been transferred out of the fund for the acquisition of fixed assets.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ELSA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

UIFSM is made up of funding received to provide universal infant free school meals.

PE & Sports Grant – This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Other restricted income - this represents other sources of restricted curriculum income.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Fixed Assets Fund - these funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

DfE/ELSA Capital Grants - this represents funding from the ELSA to cover the maintenance and purchase of the Academy's assets. £19,957 has been transferred out of the fund to cover the cost of fixed assets acquired during the year.

Other Capital Grants - this represents other capital grants used to cover the purchase of the Academy's assets. £63,191 has been transferred out of the fund to cover the cost of fixed assets acquired during the year.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
ACE Schools Plymouth	-	200,350
Courtlands Special School	-	486,858
Tiverton, Devon	-	(5,310)
Central MAT Services	376,261	(135,190)
Total before fixed asset funds and pension reserve	376,261	546,708
Restricted fixed asset fund	10,997,091	6,608,285
Pension reserve	(3,545,000)	(2,447,000)
TOTAL	<u>7,828,352</u>	<u>4,707,993</u>

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 excluding depreciation £	Total 2020 £
ACE Schools Plymouth	5,404,603	212,220	333,737	882,367	6,832,927
Courtlands Special School	1,615,485	109,007	56,090	229,816	2,010,398
Tiverton, Devon	579,623	81,104	110,437	146,125	917,289
Central MAT Services	749,955	759,924	14,493	599,632	2,124,004
ACADEMY TRUST	<u>8,349,666</u>	<u>1,162,255</u>	<u>514,757</u>	<u>1,857,940</u>	<u>11,884,618</u>

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS (CONTINUED)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
ACE Schools Plymouth	5,303,806	358,603	561,247	1,008,870	7,232,526
Courtlands Special School	1,315,707	87,686	63,551	228,755	1,695,699
Tiverton, Devon	27,362	-	3,290	35,162	65,814
Central MAT Services	762,027	291,357	11,763	423,847	1,488,994
ACADEMY TRUST	7,408,902	737,646	639,851	1,696,634	10,483,033

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	316,945	34,302	-	-	-	351,247
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	438,536	3,704,391	(3,764,823)	(188,329)	-	189,775
Start Up Grant	-	25,000	(25,000)	-	-	-
Pupil Premium	-	189,944	(189,944)	-	-	-
Other grants	-	2,573,058	(2,573,058)	-	-	-
Other income	2,496	3,503,399	(3,500,209)	-	-	5,686
Pension reserve	(1,578,000)	-	(430,000)	-	(439,000)	(2,447,000)
	<u>(1,136,968)</u>	<u>9,995,792</u>	<u>(10,483,034)</u>	<u>(188,329)</u>	<u>(439,000)</u>	<u>(2,251,539)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed Asset fund	6,038,071	-	(269,687)	802,607	-	6,570,991
DfE Group capital grants	321,346	163,176	-	(484,522)	-	-
Local Authority capital grants	-	150,000	-	(150,000)	-	-
Intangible Assets fund	45,070	-	(28,020)	20,244	-	37,294
	<u>6,404,487</u>	<u>313,176</u>	<u>(297,707)</u>	<u>188,329</u>	<u>-</u>	<u>6,608,285</u>
TOTAL RESTRICTED FUNDS	<u>5,267,519</u>	<u>10,308,968</u>	<u>(10,780,741)</u>	<u>-</u>	<u>(439,000)</u>	<u>4,356,746</u>
TOTAL FUNDS	<u><u>5,584,464</u></u>	<u><u>10,343,270</u></u>	<u><u>(10,780,741)</u></u>	<u><u>-</u></u>	<u><u>(439,000)</u></u>	<u><u>4,707,993</u></u>

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	10,980,576	10,980,576
Intangible fixed assets	-	-	16,515	16,515
Current assets	257,556	998,446	-	1,256,002
Creditors due within one year	-	(879,741)	-	(879,741)
Provisions for liabilities and charges	-	(3,545,000)	-	(3,545,000)
TOTAL	257,556	(3,426,295)	10,997,091	7,828,352

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,570,991	6,570,991
Intangible fixed assets	-	-	37,294	37,294
Current assets	351,247	614,807	-	966,054
Creditors due within one year	-	(419,346)	-	(419,346)
Pension scheme liability	-	(2,447,000)	-	(2,447,000)
TOTAL	351,247	(2,251,539)	6,608,285	4,707,993

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	3,492,359	(437,471)
ADJUSTMENTS FOR:		
Amortisation	20,779	28,020
Depreciation	394,606	269,687
Capital grants from DfE and other capital income	(83,148)	(313,176)
Interest receivable	(436)	(626)
Defined benefit pension scheme cost less contributions payable	683,000	391,000
Defined benefit pension scheme finance cost	43,000	39,000
Decrease/(increase) in debtors	290,472	(173,287)
Increase in creditors	460,395	71,838
Assets donated	(4,540,606)	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	760,421	(125,015)

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest received	436	626
Purchase of intangible assets	-	(20,244)
Purchase of tangible fixed assets	(263,585)	(802,607)
Capital grants from DfE / ELSA	19,957	163,176
Capital grants from Local Authorities	63,191	150,000
NET CASH USED IN INVESTING ACTIVITIES	(180,001)	(509,049)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	1,031,295	450,875
TOTAL CASH AND CASH EQUIVALENTS	1,031,295	450,875

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	450,875	580,420	1,031,295
	<u>450,875</u>	<u>580,420</u>	<u>1,031,295</u>

25. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Peninsula Pensions (a shared administration service on behalf of Devon and Somerset Administering Authorities). Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £135,812 were payable to the schemes at 31 August 2020 (2019 - £92,191) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

**TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £554,413 (2019 - £393,349).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £636,000 (2019 - £401,000), of which employer's contributions totalled £478,000 (2019 - £301,000) and employees' contributions totalled £ 158,000 (2019 - £100,000). The agreed contribution rates for future years are 15.3 per cent for employers and 5.5 - 12.5 per cent 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.

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.20	3.70
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.65	1.90
Inflation assumption (CPI)	2.20	2.20
Commutation of pensions to lump sums	50.00	50.00
RPI assumption	2.20	3.20

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.9	22.5
Females	24.1	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	25.5	26.2

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	5,722	4,198
Discount rate -0.1%	6,071	4,423
Mortality assumption - 1 year increase	6,091	4,466
Mortality assumption - 1 year decrease	5,703	4,157
CPI rate +0.1%	6,065	4,413
CPI rate -0.1%	5,728	4,208

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Equities	1,402,000	1,146,000
Gilts	83,000	66,000
Corporate bonds	111,000	35,000
Property	187,000	162,000
Cash and other liquid assets	27,000	25,000
Other	539,000	428,000
Total market value of assets	2,349,000	1,862,000

The actual return on scheme assets was £9,000 (2019 - £71,000).

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

	2020 £	2019 £
Current service cost	(1,161,000)	(637,000)
Past service cost	-	(55,000)
Interest income	40,000	41,000
Interest cost	(83,000)	(38,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the statement of financial activities	(1,205,000)	(690,000)

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

	2020 £	2019 £
At 1 September	4,309,000	2,978,000
Current service cost	1,161,000	637,000
Interest cost	83,000	80,000
Employee contributions	158,000	100,000
Actuarial losses	222,000	468,000
Benefits paid	(39,000)	(9,000)
Past service cost	-	55,000
At 31 August	5,894,000	4,309,000

TRANSFORMING FUTURES MULTI ACADEMY TRUST (FORMERLY: ACE SCHOOLS MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
At 1 September	1,862,000	1,400,000
Interest income	41,000	42,000
Actuarial (losses)/gains	(150,000)	29,000
Employer contributions	478,000	301,000
Employee contributions	158,000	100,000
Benefits paid	(39,000)	(9,000)
Administration expenses	(1,000)	(1,000)
At 31 August	2,349,000	1,862,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	177,348	157,159
Later than 1 year and not later than 5 years	157,442	256,349
	334,790	413,508

27. MEMBERS' LIABILITY

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

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 13.