

Registered number: 07515832

**Transforming Lives Educational Trust
(formerly Ashlawn School Academy Trust)**

Trustees Report and Financial Statements

For the year ended 31 August 2016



Transforming Lives Educational Trust
(A company limited by guarantee)

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Transforming Lives Educational Trust
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Reference and Administrative Details of the Academy, its Trustees and Advisers
For the year ended 31 August 2016

Trustees	J Moore, Chair (resigned 13 September 2016) E T Fallon, Vice Chair (resigned 13 September 2016) D Gadsby M F Gibson (resigned 13 September 2016) R M Kelly (resigned 13 September 2016) H E Barge (appointed 13 September 2016) A F E Kinsella (resigned 13 September 2016) S Crosson (appointed 13 September 2016) G L Francis (appointed 22 September 2015, resigned 1 December 2016) J E Higham (appointed 13 September 2016) S Jardine (appointed 13 September 2016) G Matinyarare (appointed 13 September 2016) M H Soley (appointed 13 September 2016) N M Devine (appointed 22 September 2015, resigned 28 June 2016) E M Ingham (resigned 13 September 2016) P J Davis (appointed 13 September 2016)
Company registered number	07515832
Company name	Transforming Lives Educational Trust
Principal and registered office	Ashlawn School Ashlawn Road Rugby Warwickshire CV22 5ET
Company secretary	N J Foster
Head Teacher and Accounting Officer	L Reed
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank plc 14 Church Street Rugby Warwickshire CV21 3PL

Transforming Lives Educational Trust
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Trustees' Report
For the year ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

a. Constitution

The Academy and the group is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Transforming Lives Educational Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Transforming Lives Educational Trust.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The management of the Academy and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The members may appoint up to 1 Governor. The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Head Teacher) who are employees of the Academy does not exceed one third of the total number of Governors.

Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Local Authority (LA) may appoint the LA Governor.

The minimum number of Trustees allowed at any time is three.

d. Policies and procedures adopted for the induction and training of Trustees

The induction and training procedures provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on educational, legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All Trustees are subject to Disclosure and Barring Service checks.

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Trustees' Report (continued)
For the year ended 31 August 2016

e. Organisational structure and decision making

The organisational structure of the Academy consists of two levels: the Trustees, and the Senior Leadership Team.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. This is done via the use of the Resources Committee, the Curriculum Committee, the Personnel Committee and the Chairs Committee.

The Senior Leadership Team includes the Head Teacher, the four deputy heads, the seven assistant heads, and the business manager. These individuals control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. They are also responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

f. Pay policy for key management personnel

Head Teacher

An Individual Salary Range (ISR) of 7 points within the school group must be set on appointment and will take into account the recommended range for the school group. A framework to establish and review targets and performance objectives on an annual basis has been set up. The salary for the Head Teacher will be reviewed every two years, taking account of performance objectives previously agreed, and one point a year may then be awarded for sustained high quality of performance.

The Governing Body believes that the ISR recommended by the Local Education Authority in its booklet "Pay Policy – Guidance for Governing Bodies" according to the unit total of the school at the time of the review adequately reflects the size of the school and the normal responsibilities for the Head Teacher and is on a sound basis. Departure from the benchmark position will be to reflect the individual circumstances at the school considered by the Governing Body as relevant.

The Governing Body does not believe there are any special circumstances relevant to Transforming Lives Educational Trust but recognises that they may arise at short notice and reserves the right to take these into account in any decisions regarding the leadership group.

Deputy Teachers, Assistant Head Teachers and staff paid on the Leadership Scale

Five point ranges must be set for the Deputy Head Teachers, Assistant Head Teachers and the Business Manager. The Deputies' range must start at a higher point than the highest point of the Assistant Head and due account taken to maintain differentials, particularly in future years. There is in place a framework to establish and review annually performance objectives for both Deputy and Assistant Head Teachers.

All Leadership Scale post holders salaries will be reviewed every two years, taking account of agreed performance objectives, and one point a year may then be awarded for sustained high quality of performance.

The Head, Deputies, Assistant Head Teachers and those paid on the Leadership Scale shall be given a formal statement saying what his/her salary is and how it has been calculated.

g. Connected organisations, including related party relationships

The Transforming Lives Educational Trust has a full owned subsidiary; Innovation, Learning and Leadership Alliance Limited. The results of the subsidiary have been consolidated within the subsidiary.

Objectives and Activities

a. Objects and aims

The principal purpose of the Academy is to assist the students and adults of its community to develop into people who are confident, reliable, caring and successful, with the self-esteem to participate actively and responsibly in all areas of life and for whom learning will be a constant component of their life-style.

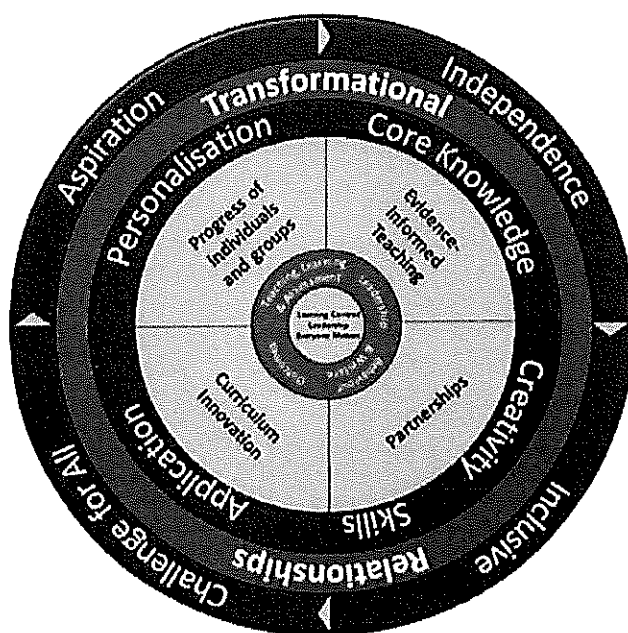
To this end the Academy's principle objectives are to:

Create the highest quality learning experiences by:

- Pursuing teaching which is "beyond outstanding" through the investigation and development of "mastery teaching".
- Improving the quality and consistency of assessment to optimise progress, achievement and behaviours for learning for each and every learner.
- Securing the successful implementation of a new lesson observation model in order to facilitate core knowledge, high order skills, application in contexts and creativity through a series of structured and personalised learning experiences.
- Continuing to challenge and support all teachers in the improvement of their practice.
- Building effective partnerships in order to extend effective learning throughout our community.

The main objectives for the Academy during the year ending 31st August 2016 are communicated to our stakeholders in the following diagram:

BEYOND OUTSTANDING
2015/16 Year



*"transforming lives
through learning and
leadership."*

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Trustees' Report (continued)
For the year ended 31 August 2016

b. Objectives, strategies and activities

The Academy's main strategy is encompassed in its vision statement: "transforming lives through learning and leadership". The Academy will transform its stakeholders through learning and leadership through the following:

1. To further improve teaching and learning through the development of **evidence-informed teaching** we will:
 - develop practices of beyond outstanding learning
 - continue to challenge and support all teachers in the improvement of their practice
 - improve the quality and consistency of assessment to optimise progress, achievement and behaviours-for-learning for each and every learner
2. To improve the **progress of individuals and groups** through improved **challenge for all** by:
 - closely tracking and intervening with the progress of pupil premium students
 - developing appropriate strategies to enable critical thinking, application and creativity
 - continuing to develop teachers' and subject leaders' expertise in utilising data
3. To build effective **partnerships** in order to extend effective learning throughout our community. We will:
 - share expertise, resources and accountability to meet the needs of learners in different contexts
 - engage partners in the use of data to secure pupil progress and accountability for progress
 - identify and deploy subject specialist within the Teaching School to improve teaching
4. To develop an **innovative curriculum** so that it is motivational, creative, authentic, skills-based and diverse. We will:
 - continue to develop a personalised curriculum for learners
 - develop strategies for students in the acquisition and assimilation of core knowledge and skills
 - create opportunities for students to develop wider and more sophisticated thinking and writing skills

c. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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Trustees' Report (continued)
For the year ended 31 August 2016

Achievements and performance

a. Review of activities

- Developing the Teaching School
- Attainment at Key Stage 4 is above national average. Attainment 8 score is 53.9 points with Warwickshire average being 52.1 points and England average being 48.2 points.
- The vast majority of subject attained A*-C grades above national averages.
- 73% of students achieved a C or better in English and Maths, compared with the Warwickshire average of 66.7% and the England average of 58.7%
- 46% of students achieved the EBacc, compared with the Warwickshire average of 29% and the England average of 22.8%
- A large number of subjects attained A*-C grades above national averages.
- Progress 8 is above national average with a score of 0.12. The Warwickshire average is 0.02 and the England average is 0.
- At Key Stage 4 21 out of 25 subjects achieved 3 or more levels of progress higher than the national average using 2015 transition matrices.
- At Key Stage 4 17 out of 25 subjects achieved 4 or more levels of progress higher than the national average using 2015 transition matrices.
- At Key Stage 5 attainment is above the national average at A*-B. Points score per entry is 218.7 compared to the national of 216.1.
- ALPS score is 3 which places the academies achievement in the top 25% of schools nationally.
- Value added is 0.10. The score is shown as a number of A level grade(s) above the national average level of progress for students of similar prior ability.
- Effective systems and practices for raising attainment, achievement and the quality of teaching and learning.
- Effective systems and practices for improving leadership and the capacity to lead.
- Rigorous processes for monitoring, challenging and supporting staff to reverse under performance

The high quality of teaching and learning and the positive impact that the behaviour of students display contributes to the high levels of attainment and progress

b. Key financial performance indicators

- We aim to ensure we set a balanced budget per annum
- We regularly test the market place to ensure suppliers are giving best value for money
- We benchmark the school's financial performance against other similar schools regularly

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Trustees' Report (continued)
For the year ended 31 August 2016

c. Going concern

During the year the academy trust completed the Sixth Form Building Project. Although this project was primarily funded by a capital grant from CIF funding, a CIF loan assisted with the cash flow of the project, the Academy trust contributed £384,717 from brought forward surplus funds (2015/16) towards the finalisation of the project. The CIF Loan liability has been recognised in full but is repayable over a 7 year period, payments commencing from September 2017. As a result of this, the academy trust has made a deficit on revenue funds for the year of £316,641, excluding movement on the pension reserve.

The trustees have prepared forecasts through to 31 August 2020, incorporating expected increased funding from increased sixth form college pupil numbers. These forecasts demonstrate that the academy trust is expected to return to a surplus position in 2017/18 and continue to generate financial surpluses for years 2018/19 & 2019/20.

As at 31 August 2016, the academy trust had net current assets of £371,679 (2015 - £314,261) and based on cash flow forecasts is expected to be able to continue to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Financial review

a. Reserves policy

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

The Academy held fund balances at 31 August 2016 of £11,921,696 (2015 - £11,576,461) consisting of £11,921,913 (2015 - £11,297,256) restricted funds and negative £217 unrestricted funds (2015 - positive £279,205 unrestricted funds). Included in restricted funds is an amount of £15,371,816 (2015 - £13,291,940) invested in fixed assets and a pension reserve deficit of £3,444,000 (2015 - £2,026,000).

b. Investment policy

Under the Memorandum and Articles of Association the academy's Trustees have the power to deposit or invest any funds of the Academy trust not immediately required for the furtherance of its objects (but to invest only after obtaining such advice from an independent financial institution). During the year ended 31st August 2016 no investments were made.

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Trustees' Report (continued)
For the year ended 31 August 2016

c. Principal risks and uncertainties

The principal risks to the Academy, as for most educational establishments, include failure to maintain and improve academic standards and damage to reputation. Both of these areas could ultimately result in a decline in student numbers which would have a detrimental impact on funding for the academy.

Under Financial Reporting Standard 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to the restricted general fund. This results in reducing the reserve shown in the total funds of the Academy. It should be noted that this does not present the academy with any current liquidity problem. The Academy is currently paying increased employer contributions to reduce this deficit.

Control measures have been put in place with the aim to mitigate and / or minimise these risks.

Risk Management

The Trustees have assessed the major risks to which the Academy and the group is exposed, in particular those related to the operations and finances of the Academy and the group and are satisfied that the systems and procedures are in place to mitigate our exposure to the major risks.

The Academy has undertaken further works during the year to develop and embed the system of internal control including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

The Trustees have noted the comments in the Academies Financial Handbook regarding risk management and have a financial risk register for the Academy.

Plans for future periods

a. Future developments

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure the students get jobs or a place in higher education once they leave

Funds held as custodian

At the year end, £20,000 was being held on behalf of Warwickshire County Council Cluster services.

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Trustees' Report (continued)
For the year ended 31 August 2016

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them of regular consultative committee and staff meetings meetings and have been kept informed on specific matters directly by management. The Academy and the group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy and the group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities
- Volunteer policy
- Health & safety policy

In accordance with the Academy and group's Equal opportunities policy, the Academy and the group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details on these policies are available from the Academy and group's offices.

Auditors

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the Board of Trustees as the company directors, on *15/12/2016*, and signed on its behalf by:


S Jardine
Trustee

Transforming Lives Educational Trust
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Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Lives Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Moore (resigned 13 September 2016)	4	4
E T Fallon (resigned 13 September 2016)	4	4
D Gadsby	4	4
M F Gibson (resigned 13 September 2016)	3	4
R M Kelly (resigned 13 September 2016)	4	4
A F E Kinsella (resigned 13 September 2016)	4	4
G L Francis (appointed 22 September 2015, resigned 1 December 2016)	4	4
N M Devine (appointed 22 September 2015, resigned 28 June 2016)	1	3
E M Ingham (resigned 13 September 2016)	3	4

The Finance/Site Committee is a sub-committee of the main Board of Trustees.

Its purpose is:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regulatory requirements
- Receive and act upon reports from the Council on their checks on the Academy's financial systems
- Draft and approve the annual budget
- Monitor the site and buildings of the Academy, determining what routine improvements should be made and planning for future expansion or enhancement of the current facilities.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Moore (resigned 13 September 2016)	3	4
G L Francis (appointed 22 September 2015, resigned 1 December 2016)	4	4
M F Gibson (resigned 13 September 2016)	0	4
N M Devine (appointed 22 September 2015, resigned 28 June 2016)	0	4
E M Ingham (resigned 13 September 2016)	1	4

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Governance Statement (continued)

The Learning Committee is also a sub-committee of the main Board of Trustees.

Its main purpose is to promote excellence in teaching and enhance and assure the quality of teaching and learning.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
E T Fallon	1	1
D Gadsby	1	1
A F E Kinsella	1	1
R M Kelly	1	1
E M Ingham	0	1

Review of Value for money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy'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 Academy has delivered improved value for money during the year by:

- Regularly reviewing the functions of the Trust and challenging how and why services are provided and setting targets for improvement.
- Consulting appropriate stakeholders before major decisions are made; and promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

The Trust is committed to continue best Value for Money practice and will be reviewing the following areas in future periods:

- Continued reviewing of the curriculum and its delivery
- A commitment to procuring services at Trust level to achieve on-going economies of scale

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Transforming Lives Educational Trust for the year 1 September 2015 to 31 August 2016 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 Academy 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 Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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Governance Statement (continued)

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Warwickshire County Council, to perform additional checks.

The Council's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems and controls. In particular the checks carried out in the financial period included:

- The financial responsibilities of the governing body are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are fully taken into account in reaching decisions.

On a termly basis, the Council report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Council delivered their schedule of work as planned. No material control issues were identified.

Review of Effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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/Site Committee and Learning Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on **15/12/2016** and signed on their behalf, by:


S Jardine
Trustee


L Reed
Accounting Officer

Transforming Lives Educational Trust
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Transforming Lives Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- the trustees have been notified of one area where the Academy's procedures as set in their financial policies surrounding procurement have not been followed. For two transactions tested during the year, the Academy's own tendering procedures were not followed. I confirm that, going forward, the tendering procedures will be undertaken in accordance with the Academy's scheme of delegation.



L Reed
Accounting Officer

15/12/16

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Responsibilities Statement
For the year ended 31 August 2016

The Trustees (who act as governors of Transforming Lives Educational Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 the group 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:

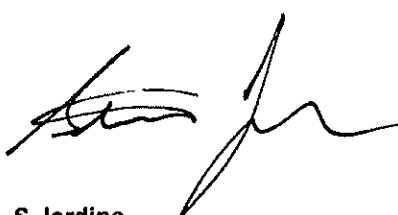
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group'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 **15/12/2016** and signed on its behalf by:



S Jardine
Trustee

Transforming Lives Educational Trust
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Independent Auditors' Report on the Financial Statements to the Members of Transforming Lives Educational Trust

We have audited the financial statements of Transforming Lives Educational Trust for the year ended 31 August 2016 which comprise the group statement of financial activities, group the balance sheet, the group cash flow statement the group Statement of financial activities, the group and Academy Balance sheets, the group Cash flow statement and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy 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.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of the group's 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 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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Independent Auditors' Report on the Financial Statements to the Members of Transforming Lives Educational Trust

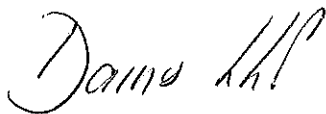
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable Academy 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.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

Date: 15/12/16

Transforming Lives Educational Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of
Ashlawn School Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 8 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Transforming Lives Educational Trust during the year 1 September 2015 to 31 August 2016 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 Lives Educational Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Transforming Lives Educational Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Transforming Lives Educational Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Transforming Lives Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Transforming Lives Educational Trust's funding agreement with the Secretary of State for Education dated 10 March 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

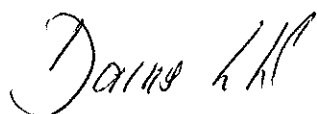
Transforming Lives Educational Trust
(A company limited by guarantee)

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

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- As set out in the Statement on Regularity, Propriety and Compliance, the Trustees have been notified of one area where the Academy's procedures as set in their financial policies surrounding procurement have not been followed. For two transactions tested during the year, we were unable to obtain evidence sufficient to satisfy the Academy's own tendering procedures.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

Date: 15/12/2016

Transforming Lives Educational Trust
(A company limited by guarantee)

Consolidated Statement of Financial Activities
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the year ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	8,665	-	1,981,113	1,989,778	767,379
Charitable activities:	3					
Funding for the Academy's educational operations		267,602	8,978,358	-	9,245,960	8,873,611
Other trading activities	4,5	40,686	133,295	-	173,981	115,465
Investments	6	1,271	-	-	1,271	1,788
Total income		318,224	9,111,653	1,981,113	11,410,990	9,758,243
Expenditure on:						
Raising funds	5	-	88,559	-	88,559	55,223
Charitable activities		285,177	9,073,839	365,180	9,724,196	9,423,356
Total expenditure	7	285,177	9,162,398	365,180	9,812,755	9,478,579
Net income / (expenditure) before transfers		33,047	(50,745)	1,615,933	1,598,235	279,664
Transfers between Funds	18	(312,469)	(151,474)	463,943	-	-
Net income / (expenditure) before other recognised gains and losses		(279,422)	(202,219)	2,079,876	1,598,235	279,664
(Losses)/Gains on defined benefit pension schemes	13	-	(1,253,000)	-	(1,253,000)	66,000
Net movement in funds		(279,422)	(1,455,219)	2,079,876	345,235	345,664
Reconciliation of funds:						
Total funds brought forward		279,205	(1,994,684)	13,291,940	11,576,461	11,230,797
Total funds carried forward		(217)	(3,449,903)	15,371,816	11,921,696	11,576,461

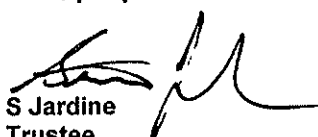
The notes on pages 24 to 47 form part of these financial statements.

Transforming Lives Educational Trust
(A company limited by guarantee)
Registered number: 07515832

Group Balance sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		15,371,815		13,288,200
Current assets					
Debtors	15	206,784		147,199	
Cash at bank and in hand		972,178		764,654	
		<u>1,178,962</u>		<u>911,853</u>	
Creditors: amounts falling due within one year	16	<u>(807,283)</u>		<u>(597,592)</u>	
Net current assets			<u>371,679</u>		<u>314,261</u>
Total assets less current liabilities			<u>15,743,494</u>		<u>13,602,461</u>
Creditors: amounts falling due after more than one year	17		<u>(377,798)</u>		<u>-</u>
Net assets excluding pension scheme liabilities			<u>15,365,696</u>		<u>13,602,461</u>
Defined benefit pension scheme liability	23		<u>(3,444,000)</u>		<u>(2,026,000)</u>
Net assets including pension scheme liabilities			<u><u>11,921,696</u></u>		<u><u>11,576,461</u></u>
Funds of the academy					
Restricted income funds:					
Restricted general funds	18	(5,903)		31,316	
Pension reserve	18	(3,444,000)		(2,026,000)	
Restricted fixed asset funds	18	<u>15,371,816</u>		<u>13,291,940</u>	
Total restricted income funds			<u>11,921,913</u>		<u>11,297,256</u>
Unrestricted income funds	18		<u>(217)</u>		<u>279,205</u>
Total funds			<u><u>11,921,696</u></u>		<u><u>11,576,461</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 15/12/2016 and are signed on their behalf, by:


S Jardine
Trustee

The notes on pages 24 to 47 form part of these financial statements.

Transforming Lives Educational Trust
(A company limited by guarantee)
Registered number: 07515832

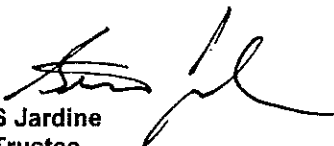
Academy Balance Sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		15,371,815		13,288,200
Investments	14		1		1
			<u>15,371,816</u>		<u>13,288,201</u>
Current assets					
Debtors	15	206,784		147,199	
Cash at bank and in hand		972,178		764,654	
		<u>1,178,962</u>		<u>911,853</u>	
Creditors: amounts falling due within one year	16	(801,383)		(597,593)	
Net current assets			<u>377,579</u>		<u>314,260</u>
Total assets less current liabilities			<u>15,749,395</u>		<u>13,602,461</u>
Creditors: amounts falling due after more than one year	17		(377,798)		-
Net assets excluding pension scheme liabilities			<u>15,371,597</u>		<u>13,602,461</u>
Defined benefit pension scheme liability	23		(3,444,000)		(2,026,000)
Net assets including pension scheme liabilities			<u>11,927,597</u>		<u>11,576,461</u>
Funds of the academy					
Restricted general funds:					
Restricted general funds	18	-		31,316	
Restricted fixed asset funds	18	15,375,555		13,291,940	
Restricted funds excluding pension asset		<u>15,375,555</u>		<u>13,323,256</u>	
Pension reserve		<u>(3,444,000)</u>		<u>(2,026,000)</u>	
Total restricted general funds			<u>11,931,555</u>		<u>11,297,256</u>
Unrestricted funds	18		(3,958)		279,205
Total funds			<u>11,927,597</u>		<u>11,576,461</u>

Transforming Lives Educational Trust
(A company limited by guarantee)

Academy Balance Sheet (continued)
As at 31 August 2016

The financial statements were approved by the Trustees, and authorised for issue, on
15/12/2016 and are signed on their behalf, by:


S Jardine
Trustee

The notes on pages 24 to 47 form part of these financial statements.

Transforming Lives Educational Trust
(A company limited by guarantee)

Consolidated Statement of Cash Flows
For the year ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>293,387</u>	<u>194,030</u>
Cash flows from investing activities:			
Interest received		1,271	1,788
Proceeds from the sale of tangible fixed assets		2,750	-
Purchase of tangible fixed assets		(2,448,795)	(941,842)
Capital grants from DfE/EFA and other capital income		<u>1,981,113</u>	<u>751,586</u>
Net cash used in investing activities		<u>(463,661)</u>	<u>(188,468)</u>
Advancement of funds		<u>377,798</u>	<u>-</u>
Net cash provided by financing activities		<u>377,798</u>	<u>-</u>
Change in cash and cash equivalents in the year		<u>207,524</u>	<u>5,562</u>
Cash and cash equivalents brought forward		<u>764,654</u>	<u>759,092</u>
Cash and cash equivalents carried forward	21	<u><u>972,178</u></u>	<u><u>764,654</u></u>

Transforming Lives Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Transforming Lives Educational Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Transforming Lives Educational Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Transforming Lives Educational Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

Transforming Lives Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.2 Going concern

As described in the Trustees report, during the year the academy trust completed the Sixth Form Building Project. Although this project was primarily funded by a capital grant from CIF funding, a CIF loan assisted with the cash flow of the project, the Academy trust contributed £384,717 from brought forward surplus funds (2015/16) towards the finalisation of the project. The CIF Loan liability has been recognised in full but is repayable over a 7 year period, payments commencing from September 2017. As a result of this, the academy trust has made a deficit on revenue funds for the year of £316,641, excluding movement on the pension reserve.

The trustees have prepared forecasts through to 31 August 2020, incorporating expected increased funding from increased sixth form college pupil numbers. These forecasts demonstrate that the academy trust is expected to return to a surplus position in 2017/18 and continue to generate financial surpluses for years 2018/19 & 2019/20.

As at 31 August 2016, the academy trust had net current assets of £371,679 (2015 - £314,261) and based on cash flow forecasts is expected to be able to continue to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Transforming Lives Educational Trust and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the Academy was £351,138 surplus (2015 - £345,664 surplus).

1.4 Fund accounting

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

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

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

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

Transforming Lives Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.5 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

1.6 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.

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

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

1.7 Turnover

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1. Accounting Policies (continued)

1.9 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% reducing balance
Leasehold improvements	-	4% reducing balance
Motor vehicles	-	10% reducing balance
Fixtures, fittings and equipment	-	20% reducing balance
Office equipment	-	No depreciation charged
Computer equipment	-	33.33% straight line
Other fixed assets	-	5% reducing balance

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

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

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Operating leases

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

1.12 Interest receivable

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

Transforming Lives Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.13 Debtors

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

1.14 Cash at Bank and in hand

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

1.15 Liabilities and provisions

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 Pensions

Retirement benefits to employees of the Academy 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 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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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

Transforming Lives Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.17 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.18 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	8,665	-	-	8,665	15,793
Capital Grants	-	-	1,981,113	1,981,113	751,586
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	8,665	-	1,981,113	1,989,778	767,379
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £15,793 was to unrestricted funds and £751,586 was to restricted funds

Transforming Lives Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	8,073,024	8,073,024	7,676,735
Pupil Premium	-	209,118	209,118	209,750
Insurance grant	-	-	-	32,277
Summer school grant	-	3,500	3,500	7,500
Year 7 catch up	-	13,500	13,500	11,000
Rates grant	-	40,340	40,340	17,216
Admissions appeal income	-	14,220	14,220	12,780
National College for Teaching and Leadership income	-	16,000	16,000	-
	-	8,369,702	8,369,702	7,967,258
Other government grants				
Special Needs	-	113,249	113,249	97,436
Additional students grant	-	-	-	41,000
Pupil Premium from the local authority	-	6,500	6,500	19,431
Other income from the local authority	-	2,980	2,980	-
Educated offsite	-	29,444	29,444	8,868
	-	152,173	152,173	166,735
Other funding				
Income for educational visits	267,602	-	267,602	206,020
Other teacher income	-	72,202	72,202	113,267
Non teaching income	-	19,500	19,500	4,411
Insurance claim income	-	989	989	5,734
Catering income	-	333,054	333,054	376,586
Music income	-	19,156	19,156	21,269
Exam fee income	-	11,582	11,582	12,331
	267,602	456,483	724,085	739,618
	267,602	8,978,358	9,245,960	8,873,611

In 2015, of the total income from charitable activities, £206,587 was to unrestricted funds and £8,667,025 was to restricted funds.

Transforming Lives Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

4. Other trading activities

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Department sales	-	50,639	50,639	37,125
Private photocopying and telephone calls	207	-	207	230
Lettings	30,145	-	30,145	22,635
Minibus income	1,504	-	1,504	180
Other trading income	8,830	-	8,830	72
	<u>40,686</u>	<u>50,639</u>	<u>91,325</u>	<u>60,242</u>

In 2015, of the total income from other trading activities, £23,057 was to unrestricted funds and £37,185 was to restricted funds.

5. Subsidiary trading activities

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Charity trading income				
Teaching school income	-	82,656	82,656	55,223
Expenses on raising funds				
Teaching school expenses	-	88,559	88,559	55,223
Net expenditure from subsidiary trading activities	-	(5,903)	(5,903)	-

In 2015, of the total income from trading activities, £55,223 was to restricted funds.

6. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	1,271	-	1,271	1,788

In 2015, of the total investment income, £1,788 was to unrestricted funds and £ NIL was to restricted funds.

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7. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	87,505	-	1,054	88,559	55,223
Activities:					
Direct costs	6,675,434	319,173	1,207,605	8,202,212	7,840,912
Support costs	860,179	383,914	277,891	1,521,984	1,582,444
	<u>7,623,118</u>	<u>703,087</u>	<u>1,486,550</u>	<u>9,812,755</u>	<u>9,478,579</u>

In 2016, of the total expenditure, £285,177 (2015 - £245,304) was to unrestricted funds and £9,527,578 (2015 - £9,233,275) was to restricted funds.

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8. Charitable activities

	Total funds 2016 £	Total funds 2015 £
Direct costs		
Wages and salaries	5,314,762	5,134,759
National insurance	406,387	307,386
Pension cost	954,285	906,240
Depreciation	319,173	289,287
LGPS finance costs	78,000	73,000
Educational supplies	191,365	206,224
Examination fees	188,313	189,965
Staff development	10,759	6,563
Music instruction	17,907	23,602
Educational consultancy	69,150	70,425
Travel and subsistence	-	335
Other direct costs	271,193	206,469
Catering costs	247,276	297,520
Recruitment and support	25,256	15,633
Maintenance of equipment	90,354	82,165
Transport	17,540	19,709
Technology costs	492	11,630
	<u>8,202,212</u>	<u>7,840,912</u>
Support costs		
Wages and salaries	748,785	816,887
National insurance	30,075	33,007
Pension cost	81,319	81,236
Depreciation	41,128	42,584
Educational supplies	39,829	30,922
Travel and subsistence	1,704	58
Other support costs	61,633	65,630
Maintenance of premises	159,614	139,888
Maintenance of equipment	12,758	23,511
Rates	40,341	39,884
Energy	125,961	145,611
Insurance	57,998	76,050
Technology costs	7,954	8,057
Governance costs	112,885	79,119
	<u>1,521,984</u>	<u>1,582,444</u>
	<u><u>9,724,196</u></u>	<u><u>9,423,356</u></u>

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9. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charitable group	360,302	331,872
Operating lease rentals:		
Other operating leases	11,719	17,688
Auditors' remuneration	7,750	7,500
	<u> </u>	<u> </u>

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10. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	6,142,080	5,993,984
Social security costs	439,972	343,112
Operating costs of defined benefit pension schemes	1,041,066	991,486
	<u>7,623,118</u>	<u>7,328,582</u>
Supply teacher costs	-	41,633
	<u>7,623,118</u>	<u>7,370,215</u>

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

	2016 No.	2015 No.
Teachers	116	116
Teaching Assistants	27	27
Technicians	13	12
Cover Supervisors	4	3
Invigilators	24	26
Leadership	14	13
Catering	9	9
Caretakers	7	6
Administration	30	30
Cleaning	26	23
1 to 1 Tuition	6	11
Other	5	1
	<u>281</u>	<u>277</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £50,000 was:

	2016 No.	2015 No.
In the band £50,001 - £80,000	10	11
In the band £80,001 - £220,000	1	1

The key management personnel of the academy trust comprise key trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,222,793 (2015 - £1,132,161)

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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration from an employment with the academy trust. The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
R M Kelly	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
A F E Kinsella	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was included in the total insurance cost of £49,853 (2015 - £74,652).

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13. Tangible fixed assets

Group and Academy	Long Term Leasehold Property £	Leasehold Improvements £	Motor vehicles £	Fixtures, fittings and equipment £
Cost				
At 1 September 2015	12,155,262	1,426,087	7,759	252,107
Additions	1,868,886	176,687	9,995	47,087
Disposals	-	-	(7,758)	-
Transfer between classes	99,562	-	-	-
At 31 August 2016	14,123,710	1,602,774	9,996	299,194
Depreciation				
At 1 September 2015	735,113	121,222	2,880	94,797
Charge for the year	203,401	53,163	725	31,022
On disposals	-	-	(2,880)	-
At 31 August 2016	938,514	174,385	725	125,819
Net book value				
At 31 August 2016	13,185,196	1,428,389	9,271	173,375
At 31 August 2015	11,420,149	1,304,865	4,879	157,310
Group and Academy	Assets under construction £	Computer equipment £	Other fixed assets £	Total £
Cost				
At 1 September 2015	99,562	389,899	146,857	14,477,533
Additions	256,420	89,720	-	2,448,795
Disposals	-	-	-	(7,758)
Transfer between classes	(99,562)	-	-	-
At 31 August 2016	256,420	479,619	146,857	16,918,570
Depreciation				
At 1 September 2015	-	212,621	22,700	1,189,333
Charge for the year	-	65,783	6,208	360,302
On disposals	-	-	-	(2,880)
At 31 August 2016	-	278,404	28,908	1,546,755
Net book value				
At 31 August 2016	256,420	201,215	117,949	15,371,815
At 31 August 2015	99,562	177,278	124,157	13,288,200

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14. Fixed asset investments

Valuation

The Academy is the sole shareholder of Innovation Learning and Leadership Alliance Limited, a trading subsidiary.

	Shares in group undertakings £
Academy	
Cost	
At 1 September 2015 and 31 August 2016	<u><u>1</u></u>

15. Debtors

	<u>Group</u>		<u>Academy</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	22,945	947	22,945	947
VAT recoverable	97,965	81,248	97,965	81,248
Prepayments and accrued income	85,874	65,004	85,874	65,004
	<u>206,784</u>	<u>147,199</u>	<u>206,784</u>	<u>147,199</u>

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16. Creditors:
Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	186,951	119,904	186,951	119,904
Amounts owed to group undertakings	-	-	34,097	4,918
Other taxation and social security	140,852	121,803	140,852	121,803
Other creditors	-	105,974	-	105,974
Accruals and deferred income	479,480	249,911	439,483	244,994
	<u>807,283</u>	<u>597,592</u>	<u>801,383</u>	<u>597,593</u>

	<u>Group</u>		<u>Academy</u>	
	£	£	£	£
Deferred Income				
Deferred income at 1 September 2015	163,065	68,891	158,148	68,891
Resources deferred during the year	375,208	163,065	335,208	158,148
Amounts released from previous years	(163,065)	(68,891)	(158,148)	(68,891)
Deferred income at 31 August 2016	<u>375,208</u>	<u>163,065</u>	<u>335,208</u>	<u>158,148</u>

Included within deferred income are amounts received for educational visits in advance. Deferred income also includes funding received from the EFA in advance, including training school income and conditional improvement funding not spent in the financial year.

17. Creditors:
Amounts falling due after more than one year

	<u>Group</u>		<u>Academy</u>	
	2016	2015	2016	2015
	£	£	£	£
Other creditors	<u>377,798</u>	<u>-</u>	<u>377,798</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group and Academy</u>	
	2016	2015
	£	£
Repayable by instalments	<u>142,358</u>	<u>-</u>

Included within other creditors payable in more than one year are amounts received from the EFA for capital funding which will be payable over seven years commencing from September 2017.

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18. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	279,205	41,647	(9,375)	(314,717)	-	(3,240)
School trips	-	267,601	(269,849)	2,248	-	-
School funds	-	8,976	(5,953)	-	-	3,023
	<u>279,205</u>	<u>318,224</u>	<u>(285,177)</u>	<u>(312,469)</u>	<u>-</u>	<u>(217)</u>
Restricted general fund						
General Annual Grant (GAG)	7,772	8,073,024	(7,906,041)	(174,755)	-	-
Other DfE/EFA grants	-	296,678	(296,678)	-	-	-
Other government grants	-	152,173	(152,173)	-	-	-
Other restricted income	23,544	174,068	(197,612)	-	-	-
Catering	-	333,054	(356,335)	23,281	-	-
Teaching school	-	82,656	(88,559)	-	-	(5,903)
Pension reserve	(2,026,000)	-	(165,000)	-	(1,253,000)	(3,444,000)
	<u>(1,994,684)</u>	<u>9,111,653</u>	<u>(9,162,398)</u>	<u>(151,474)</u>	<u>(1,253,000)</u>	<u>(3,449,903)</u>
Restricted fixed asset fund						
Gift from Local Authority	9,249,060	-	(172,414)	-	-	9,076,646
Devolved capital grants and revenue donations to capital	1,563,640	44,104	(146,969)	457,024	-	1,917,799
ACMF funding	2,026,834	-	(45,797)	-	-	1,981,037
Condition Improvement Funding	452,406	1,937,009	-	6,919	-	2,396,334
	<u>13,291,940</u>	<u>1,981,113</u>	<u>(365,180)</u>	<u>463,943</u>	<u>-</u>	<u>15,371,816</u>
Total restricted funds	<u>11,297,256</u>	<u>11,092,766</u>	<u>(9,527,578)</u>	<u>312,469</u>	<u>(1,253,000)</u>	<u>11,921,913</u>
Total of funds	<u>11,576,461</u>	<u>11,410,990</u>	<u>(9,812,755)</u>	<u>-</u>	<u>(1,253,000)</u>	<u>11,921,696</u>

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

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18. Statement of funds (continued)

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

Restricted general fund

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

This pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Transfers between funds

Transfers between funds represent a contribution to capital made from revenue, at the agreement of the Trustees.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	15,371,815	15,371,815	13,288,201
Current assets	78,960	858,101	241,901	1,178,962	911,853
Creditors due within one year	(79,177)	(486,206)	(241,900)	(807,283)	(597,593)
Creditors due in more than one year	-	(377,798)	-	(377,798)	-
Provisions for liabilities and charges	-	(3,444,000)	-	(3,444,000)	(2,026,000)
	<u>(217)</u>	<u>(3,449,903)</u>	<u>15,371,816</u>	<u>11,921,696</u>	<u>11,576,461</u>

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	1,598,235	279,664
Adjustment for:		
Depreciation charges	360,302	331,872
Interest receivable	(1,271)	(1,788)
Loss on the sale of fixed assets	2,128	-
(Increase)/decrease in debtors	(59,585)	19,160
Increase in creditors	209,691	124,708
Capital grants from DfE/EFA and other capital income	(1,981,113)	(751,586)
Defined benefit pension scheme adjustments	165,000	192,000
Net cash provided by operating activities	293,387	194,030

21. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	972,178	764,654
Total	972,178	764,654

22. Capital commitments

At 31 August 2016 the group and Academy had capital commitments as follows:

	<u>Group and Academy</u>	
	2016 £	2015 £
Contracted for but not provided in these financial statements	293,789	2,106,734

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23. Pension commitments

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £nil were payable to the schemes at 31 August 2016 (2015 - 105,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £751,000 (2015 - £615,000).

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23. Pension commitments (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £274,000 (2015 - £269,000), of which employer's contributions totalled £210,000 (2015 - £202,000) and employees' contributions totalled £64,000 (2015 - £67,000). The agreed contribution rates for future years are 14.7% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.4 years	22.4 years
Females	24.4 years	24.4 years
Retiring in 20 years		
Males	24.3 years	24.3 years
Females	26.6 years	26.6 years

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23. Pension commitments (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,483,950	1,077,760
Debt instruments	525,090	387,320
Property	251,130	202,080
Cash	22,830	16,840
	<u>2,283,000</u>	<u>1,684,000</u>
Total market value of assets	<u>2,283,000</u>	<u>1,684,000</u>

The actual return on scheme assets was £341,000 (2015 - £60,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(297,000)	(321,000)
Net interest cost	(78,000)	(73,000)
	<u>(375,000)</u>	<u>(394,000)</u>
Total	<u>(375,000)</u>	<u>(394,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	3,710,000	3,265,000
Current service cost	297,000	321,000
Contributions by employees	64,000	67,000
Benefits paid	(16,000)	(10,000)
Interest cost	147,000	128,000
Actuarial losses / (gains)	1,525,000	(61,000)
	<u>5,727,000</u>	<u>3,710,000</u>
Closing defined benefit obligation	<u>5,727,000</u>	<u>3,710,000</u>

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23. Pension commitments (continued)

Movements in the fair value of the group's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	1,684,000	1,365,000
Return on plan assets (excluding net interest on the net defined pension liability)	272,000	5,000
Interest income	69,000	55,000
Contributions by employer	210,000	202,000
Contributions by employees	64,000	67,000
Benefits paid	(16,000)	(10,000)
	<u>2,283,000</u>	<u>1,684,000</u>
Closing fair value of scheme assets	<u>2,283,000</u>	<u>1,684,000</u>

24. Operating lease commitments

At 31 August 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Group and Academy		
Amounts payable:		
Within 1 year	21,246	20,079
Between 1 and 5 years	27,178	46,873
After more than 5 years	12,612	15,295
	<u>61,036</u>	<u>82,247</u>
Total	<u>61,036</u>	<u>82,247</u>

25. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

26. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Innovation Learning and Leadership Alliance Limited	United Kingdom	100	Teaching school

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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. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.