

PARADIGM TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year 1 September 2014 to 31 August 2015

Company Registration No. 08469218
(England and Wales)

Paradigm Trust Index

REFERENCE AND ADMINISTRATIVE DETAILS	1
DIRECTORS' REPORT	3
GOVERNANCE STATEMENT	13
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE	18
STATEMENT OF DIRECTORS' RESPONSIBILITIES	19
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARADIGM TRUST	20
STATEMENT OF FINANCIAL ACTIVITIES	22
BALANCE SHEET	23
CASH FLOW STATEMENT	24
ACCOUNTING POLICIES	25
NOTES TO THE FINANCIAL STATEMENTS	28

Paradigm Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Members

C Crozier
J Martin
R Neill (resigned 29 January 2015)
D Syndercombe Court
M Williams

Directors

C Crozier* (chairman)
R Brumby (appointed 23 September 2015)
J Martin*
R Neill*# (resigned 29 January 2015)
R Newman* (parent director)
A Phillips CBE*
A Redgrove (parent director, appointed 23 September 2015)
D Syndercombe Court*
P Wallace*#
M Williams*
D Willis*#

* Members of Finance Committee until 31 August 2015

Members of the Audit and Risk Committee

Senior Management Team

Executive Principal and Accounting Officer	A Phillips CBE
Financial Manager	B Jeavons
Professional Assistant and Company Secretary	G Jenkins

Culloden Primary Academy Senior Management Team

Principal	B Carter (appointed Principal 1 September 2014)
Assistant Principals	M Dolan D Gregory E Pinchin (interim) A Silva (interim)
Deaf Support Base Manager and Midday Meals Manager	S Richards

Old Ford Primary Academy Senior Management Team

Principal	K Jones (appointed Principal 1 September 2014)
Assistant Principals	A McKenzie L Sherling M Stevens (resigned 31 December 2014) D Wallace (resigned 30 April 2015) S Ward (resigned 31 August 2015) - a new structure is in place with year group managers

Solebay Primary Academy Senior Management Team from 1 September 2014

Principal	A Phillips CBE
Assistant Principal	J Baker (appointed Interim Principal 1 September 2015)

Paradigm Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary	G Jenkins
Principal and Registered Office	Dee Street London E14 0PT
Company Registration Number	08469218 (England and Wales)
Independent Auditor	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Internal Auditor	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	Lloyds Bank Stratford Westfield Branch PO Box 1000 BX1 1LT
Solicitors	Stone King 16 St John's Lane London EC1M 4BS
Accountants	RSM UK Tax and Accounting Limited (formerly Baker Tilly Tax and Accounting Limited) One London Square Cross Lanes Guildford Surrey GU1 1UN

HIGHLIGHTS DURING THE YEAR

Culloden Primary Academy

Ofsted inspected Culloden Primary Academy in June 2015 and it was judged to be "Outstanding" in all areas. In their report Ofsted noted that "Pupils continue to make rapid progress in all key stages. The proportion of pupils attaining higher National Curriculum levels at Key Stage 1 is particularly impressive. Similarly, the proportion of pupils reaching the highest National Curriculum Level 6 in writing and mathematics at the end of Key Stage 2 is exceptionally high."

In addition, over the Summer, the final phase of the playground development was undertaken and pupils now have a broader range of activities and experiences at break and lunch times.

Ipswich Academy

During the period, the DfE asked Paradigm to consider sponsoring an under-performing secondary school, Ipswich Academy, which is subject to Special Measures. A complex programme of work ensued to assess the situation and, ultimately, Paradigm agreed to assume responsibility for Ipswich Academy. This was achieved in readiness for the beginning of the new academic year in September 2015. The Board is delighted to have the opportunity to make a difference to the life chances of the young people there.

Old Ford Primary Academy

Old Ford Primary Academy is a National Teaching School, which forms part of the Government's plan to give schools a central role in raising standards by developing a self-improving and sustainable school-led system that works with others to provide high-quality training and development to new and experienced school staff.

By way of assessing the quality of provision by external experts, Paradigm continues to commission reviews of all of its schools, which were carried out by former senior HM Inspectors, who had the following comments: "Pupils at Old Ford Primary Academy achieve exceptionally well from very low starting points: they reach high standards of attainment by the time they leave the school."

Solebay Primary Academy

This is the first year Paradigm had responsibility for Solebay Primary Academy. Previously known as CET Primary School Tower Hamlets it was deemed to Require Improvement. Solebay Primary Academy joined Paradigm Trust from 1 September 2014. We are pleased to confirm that former senior HM inspectors have since reported that: "Teaching and learning has improved at Solebay Primary Academy. Teaching is now good or better, and in some respects, outstanding. This is reflected in the data and pupils' books which demonstrate the good and better progress that the majority of pupils are making".

In addition, a new nursery was opened to ensure the youngest pupils are given the best start possible before entering Reception. This aligns with the Trust's principle of ensuring its children are educated in the Paradigm manner as early as possible.

New Governance Structure

The Board approved a new governance structure with effect from 1 September 2015. The decision was reached following advice from a DfE governance adviser and reinforced by research carried out by Robert Hill, a renowned education policy expert. This detailed review resulted in strong support for the new arrangements; the purpose of which is to create a clear and accountable framework, thus avoiding unnecessary duplication of discussions and decision-making and encourages greater parental engagement. Further detail is provided in the Governance Statement.

Paradigm Trust

DIRECTORS' REPORT (CONTINUED)

Introduction and Defined Terms

Paradigm Trust ('Paradigm' or the 'Company') is a company limited by guarantee and an exempt charity. The Directors of the Company are also the trustees for the purposes of charity law and the expression the 'Directors' includes the 'Trustees' in this Annual Report and Financial Statements. References to the 'Board' are to the Directors as a body.

The Directors present their Annual Report together with the Financial Statements and Auditor's Report of the Company for the period from 1 September 2014 to 31 August 2015. The Annual Report serves the purposes of both a Trustees' Report under charity law and a Directors' report under company law.

Paradigm is a multi-academy trust which from 1 September 2013 operated two primary schools in the London Borough of Tower Hamlets ('LBTH'), now known as:

- Culloden Primary Academy; and
- Old Ford Primary Academy.

These schools converted to academy status with effect from 1 September 2013, with Old Ford Primary Academy as a National Teaching School. On 1 September 2014, Paradigm assumed responsibility for Solebay Primary Academy, a free school in LBTH. These schools had a combined pupil capacity of 1,685 and a roll of 1,451 in the January 2015 school census. Since 31 August 2015, Paradigm has assumed responsibility for Ipswich Academy, a secondary school in Suffolk.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Paradigm is a company limited by guarantee and an exempt charity. The Company's Articles of Association are the primary governing document of Paradigm. Details of the Directors who served during the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Directors' Indemnities

In accordance with normal commercial practice, the Company has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on company business. The insurance provides cover up to £5,000,000 on any one claim (£50,000 if this relates to Ipswich Academy).

Method of Recruitment and Appointment or Election of Directors

Provisions relating to the appointment of Directors are contained in the Company's Articles of Association. In summary, until 31 August 2015

- the members were entitled to appoint up to seven Directors;
- the Executive Principal was a Director;
- there were up to two Parent Directors;
- there were provisions allowing representation on the Board from members of the Local Governing Bodies of Paradigm schools; and
- the Board was entitled to co-opt an additional Director.

As part of the governance review described in more detail in the Governance Statement, the relevant provisions in the Articles of Association were amended with effect from 1 September 2015 so that the

Paradigm Trust

DIRECTORS' REPORT (CONTINUED)

provisions relating to Local Governing Bodies were deleted and the number of Directors who may be co-opted by the Board was increased to four.

Further information on the approach taken to recruiting new members of the Board is set out in the Governance Statement.

Policies and Procedures Adopted for the Induction and Training of Directors

Directors have many years' experience as members of school governing bodies. Directors attend seminars, conferences and similar events to keep abreast of developments in the education sector and internal training is also organised including attendance by Directors at staff inset days.

Organisational Structure

The Directors have overall responsibility for the management and strategic direction of Paradigm. The Executive Principal acts as Chief Executive of Paradigm with responsibility for day-to-day management and implementation of the decisions of the Directors. She is also the Accounting Officer. During the period, each school had a Local Governing Body to which powers and responsibilities in relation to that school were delegated.

Local Governing Bodies were constituted as committees of the Board and their members included the Principal of the school, Parent Governors, one or more Assistant Principals and Directors or other members appointed by the Board.

For each school, the Board approved Terms of Reference that set out the respective roles of the Board, the Local Governing Body and the Executive Principal. The Board retained overall responsibility for the financial affairs of Paradigm, including approving the budget of each school and its annual funding, compliance with the Funding Agreements with the Secretary of State for Education and the Academies' Financial Handbook and drafting and approving the Financial Code of Practice (that delegated day-to-day financial management to the Local Governing Bodies). Each Local Governing Body monitored expenditure on a regular basis and was required, by the Financial Code, to bring to the Board particular matters, such as expenditure, write offs and/or disposals in excess of defined limits. The Board set human resource policies and terms and conditions of staff and was responsible for the appointment of the Executive Principal and the Principal of each school. The Local Governing Body, in liaison with the Executive Principal and Principal, appointed Assistant Principals at the schools and the other members of staff were appointed by the Executive Principal and Principal. The Board approved other Paradigm policies and the Local Governing Body implemented these policies, set certain policies and complied with school specific statutory and/or regulatory requirements, such as those concerning equality objectives.

On 1 September 2015, Paradigm introduced a new governance structure. Two additional committees to the Board, in addition to the Audit and Risk Committee, have been constituted; the Education Committee and the Operations and Finance Committee, which replaced the previous Finance Committee but with expanded terms of reference. Under the new arrangements the Local Governing Bodies have been disbanded and Academy Councils have been created in each of the schools. Further information on the background to these changes is contained in the Governance Statement.

When Ipswich Academy became part of Paradigm, it required Special Measures. An Interim Executive Board (IEB) has been established, which will report directly to the Board for an interim period whilst the academy improvement plan is formulated and put into effect.

Connected Organisations including Related Party Relationships

Paradigm is committed to school improvement and collaborates with a range of organisations to help develop and spread best practice. Old Ford Primary Academy was designated as a National Teaching School in 2011. National Teaching Schools take a leading responsibility for supporting and assuring initial teacher training and professional and leadership development for teachers and leaders in their area. Old Ford Primary Academy is part of a network of schools in East London, including Culloden Primary Academy, that work in partnership to deliver school improvement and offers bespoke school improvement services to other schools.

Paradigm Trust

DIRECTORS' REPORT (CONTINUED)

Paradigm has a number of educational business partners including Aldgate and Allhallows, Bank of New York Mellon, The Mercers' Company, Morgan Stanley, Sir John Cass Foundation and Thomson Reuters and is very grateful for the contributions they have made to improve the work of Paradigm's schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Company's objects are set out in the Articles of Association and are restricted to advancing for the public benefit education in the UK, in particular by establishing, maintaining, carrying on, managing and developing:

- schools offering a broad and balanced curriculum; and/or
- educational institutions which provide education for children who may not receive suitable education unless alternative provision is made for them; and/or
- 16 to 19 academies; and/or
- schools organised to make special educational provision for pupils with special educational needs.

In line with the objects set out in the Company's Articles of Association, its schools provide a broad, balanced and relevant curriculum through outstanding teaching to ensure high educational standards are achieved by all of its pupils. This includes those pupils with special educational needs and disabilities and, in particular, pupils attending the Deaf Support Base at Culloden Primary Academy.

Objectives, Strategies and Activities

In the academic year ending 31 August 2015, Paradigm consolidated the achievements of the two founding schools (Culloden Primary Academy and Old Ford Primary Academy) and began to expand the number of schools operated by the Company. This involved the transfer of Solebay Primary Academy into the Company. The schools serve communities in areas of acute deprivation, where there are high levels of unemployment and the proportion of pupils receiving free school meals is much higher than the national average. In addition, the proportion of pupils who speak English as an additional language is in the highest quintile in the country.

The key aims and objectives of Paradigm during this period were:

- sustaining high achievement and improving the life chances for all pupils who attend its schools;
- improving the ambitions and the aspirations of the communities that its schools serve;
- providing a framework within which governance ensures the success of Paradigm and secures its vision for the future;
- attracting and retaining high quality and dynamic leadership; and
- creating an environment that helps in the recruitment and retention of high quality staff linked to performance appraisal.

Paradigm is an approved sponsor of up to five schools, which required official approval by the Department for Education ('DfE') as a sponsor. During the period, the DfE asked Paradigm to consider sponsoring a secondary school, Ipswich Academy which had been placed in special measures. A complex programme of work ensued to assess the situation and, ultimately, Paradigm agreed to assume responsibility for Ipswich Academy on 1 September 2015. This was achieved in readiness for the beginning of the new academic year in September 2015.

Paradigm Trust

DIRECTORS' REPORT (CONTINUED)

Activities relating to this area are commensurate with the Company's objective, which is, in the short to medium term, to have one more under-performing school, using its tried and tested school improvement strategies to improve the life chances of the pupils who attend these schools. However, following the sponsorship of Ipswich Academy, the fourth school to join the Company, the Board is reviewing its strategy and is considering developing two clusters of schools; one in Tower Hamlets, focused on the three primary schools in the Trust and one in Ipswich, focused on Ipswich Academy. This will be subject to further discussion with the DfE.

Public Benefit

In setting our objectives and planning our activities as set out above, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit, in particular, the additional guidance on the advancement of education for the public benefit and are satisfied that the Company is compliant. Further details of how Paradigm has achieved this are set out in the strategic report below.

STRATEGIC REPORT

Activities relating to the achievement and performance of the stated aims and objectives

Old Ford Primary Academy and Culloden Primary Academy both met or exceeded national expectations at the end of Key Stage 1. Solebay Primary Academy exceeded national expectations at the end of Key Stage 1 (at this time there were no pupils beyond year 4). These are remarkable achievements given the very low starting points of the children on entry to the schools.

The good level of development at the end of the foundation stage and the mathematics results at the end of KS2 at Old Ford Primary Academy fell below our high expectations but the underlying causes have been analysed and a robust plan of action has been implemented to ensure this is not repeated.

At Paradigm, we attach great importance to the nursery provision in the primary academies in order to prepare young children to join reception. During the period, and in readiness for the 2015-2016 academic year, we opened a nursery at Solebay Primary Academy, to ensure those young children also receive the best possible start.

The schools continued to maintain strong links within the communities they serve. This included on-going work to engage parents/carers in the life of the schools previously through representation on the Local Governing Bodies. High profile events such as the end of year music concerts continue to celebrate and broadcast the work of the schools and to demonstrate the quality of provision to the local communities and beyond. Following the review of governance, which is described in more detail later, we have established Academy Councils in each of the schools, where all parents/carers are invited to attend.

The two Principals assumed their roles in the founding schools on 1 September 2014 and the Interim Principal of Solebay Primary Academy on 1 September 2015. They report to the Executive Principal and have strengthened the senior leadership of Paradigm. This leadership has been further strengthened by the continued development of a Central Support Services team, which comprises leadership and management, teaching and learning, finance and HR. During the period, we also developed a very strong teaching team at Solebay Primary Academy, which has enabled us to bring about the improvements required and to achieve the excellent results referred to in the sections, which follow.

High quality teaching continues to be the most important feature of the success of Paradigm. Much work has been carried out to ensure that all teachers and staff have the resources and support to carry out their responsibilities with consistently high quality. Professional development features prominently in this work and at all levels within the schools. The impact of this work is assessed regularly by employing external experts to verify the quality of teaching

Paradigm Trust

DIRECTORS' REPORT (CONTINUED)

and the impact on learning. This is enhanced by developing a culture of rewarding staff through performance related pay. The designation of Old Ford Primary Academy as a National Teaching School has provided opportunities for staff to hone their skills of sharing best practice in teaching and learning, and leadership and management.

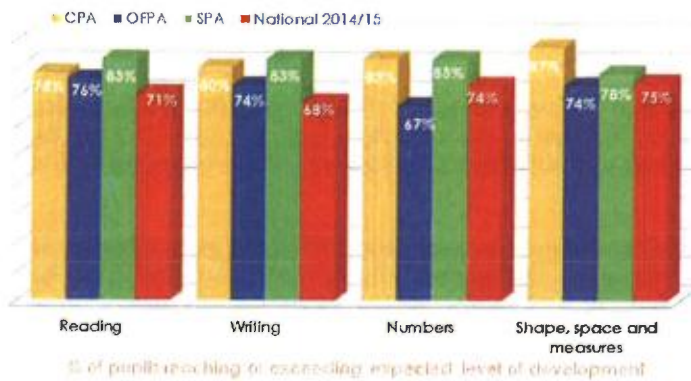
Key Performance Indicators

Pupil Performance

Our end of year results across the schools demonstrate that the achievement of our pupils is outstanding, especially when considered against the high proportion of pupils who enter our schools with attainment that is low compared to age-related expectations.

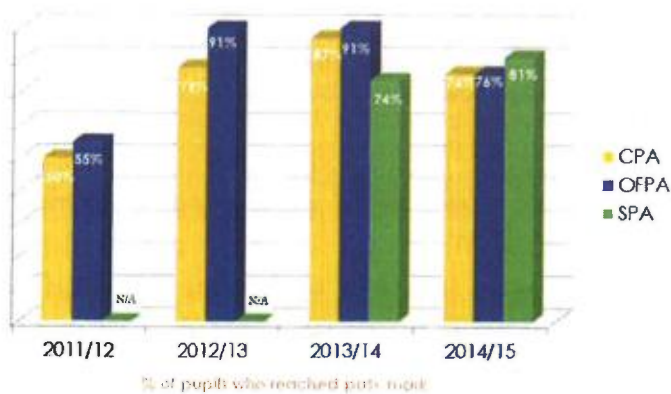
Foundation Stage

Pupils at the end of the Foundation Stage at Culloden Primary Academy and Solebay Primary Academy achieved higher results than the average achieved by pupils nationally and pupils in schools locally compared to last year. At least 76% of our pupils achieved a good level of development in all of the prime areas of the Early Years Foundation Stage. The good level of development at Old Ford Primary Academy fell below our high expectations but the underlying causes have been analysed and a robust plan of action has been implemented to ensure this is not repeated.



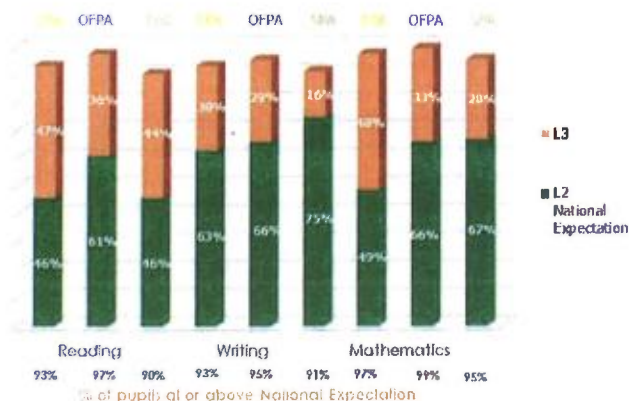
Phonics

In Year 1 the pupils are given a test on 40 pseudo and real words they are expected to be able to read. If the pupils recognise 32 out of 40 (i.e. 80%) of these 'words' they pass the test. 76% of our Year 1 pupils passed the test at Culloden Primary Academy, 76% at Old Ford Primary Academy and 81% at Solebay Primary Academy.



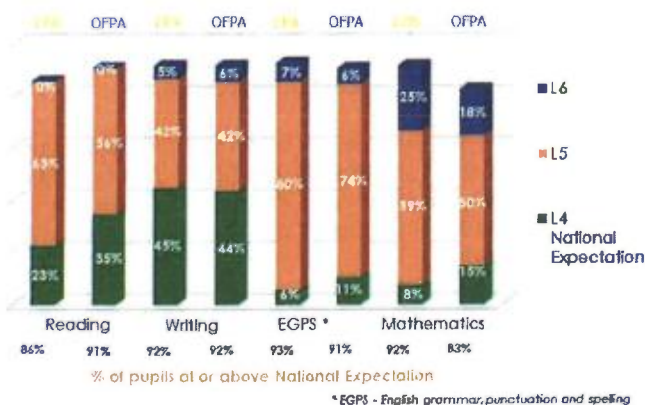
Key Stage 1

Level 2 is the expected result for Year 2 pupils and for above average pupils level 3. Our Year 2 pupils achieved the following outstanding results:



Key Stage 2

The nationally expected level for all pupils at the end of Year 6 is level 4 and for pupils achieving above average, the expected result is level 5 and then level 6. Our Year 6 pupils achieved the following outstanding results:



External verification of the quality of educational provision

We use this data to check how the Trust is doing and to ensure our internal assessments are accurate. During the academic year ending 31 August 2015, Ofsted inspected Culloden Primary Academy and it was judged outstanding in all areas. The Ofsted report notes that pupils continue to make rapid progress in all key stages. The proportion of pupils attaining higher National Curriculum levels at Key Stage 1 is particularly impressive. Similarly, the proportion of pupils reaching the highest National Curriculum Level 6 in writing and mathematics at the end of Key Stage 2 is exceptionally high. By way of assessing the quality of provision by external experts, Paradigm continues to commission reviews of the schools, which were carried out by former senior HM Inspectors, who had the following comments:

"Pupils at Old Ford Primary Academy achieve exceptionally well from very low starting points: they reach high standards of attainment by the time they leave the school."