

# Acorn Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2020

Company Registration number: 09253218 (England and Wales)



# **Acorn Multi Academy Trust**

## **Contents**

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 13
Governance Statement	14 to 18
Statement of Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21 to 23
Independent Reporting Accountant's Assurance Report on Regularity	24 to 25
Statement of Financial Activities incorporating Income and Expenditure Account	26 to 27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 to 54

# Acorn Multi Academy Trust

## Reference and Administrative Details

<b>Members</b>	Representative for EDEN (Exeter Diocesan Education Network) Representative for SDBE (Salisbury Diocesan Board of Education) Mr B Impey (up to 23 July 2020 and reappointed 2 November 2020)
<b>Trustees (Directors)</b>	Mr B Impey Mr P Middlemast Mrs A Rice Ms L Adams Mr C Sedgewick (resigned 21 September 2020) Ms S Miller Mr T Thexton (appointed 1 October 2020)
<b>Company Secretary</b>	Ms V Dower
<b>Senior Management Team</b>	Mrs A Rice, Executive Head and Chief Executive Officer Mr K Pratt, Head of Axminster Community Primary Academy Mr L Owen, Head of Marshwood CE Primary Academy Miss K Lyons, Head of Mrs Ethelston's CE Primary Academy Ms T Leganski, Head of Membury Primary Academy and Head of St Andrews CE Primary Academy Ms C Pooley, Head of Lodders CE VC Primary Academy Mrs C Porter, Chief Financial Officer
<b>Principal and Registered Office</b>	The Old Tool Office Chard Street Axminster EX13 5EB
<b>Company Registration Number</b>	09253218
<b>Independent Auditors</b>	PKF Francis Clark Statutory Auditor Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE
<b>Bankers</b>	Lloyds Bank plc 16 The Triangle Avon Clevedon BS21 6NG

## **Acorn Multi Academy Trust**

### **Reference and Administrative Details (continued)**

<b>Solicitors</b>	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX2 5WR
-------------------	--

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates a multi academy trust for pupils aged 4 to 11 serving a catchment area in East Devon and West Dorset. The Trust is made up of 6 primary schools with a total capacity of 740 pupils and had a roll of 625 pupils in the census in October 2020.

### **Structure, governance and management**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Acorn Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Acorn Multi Academy Trust.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### **Members' liability**

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

#### **Trustees' indemnities**

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees.

#### **Method of recruitment and appointment or election of Trustees**

The Acorn Multi Academy Trust Articles of Association state that the number of trustees shall not be less than 5, but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum (article 45). In addition, the Articles of Association state that the composition of the Board of Trustees is as follows

- The Members shall appoint by ordinary resolution a minimum of two Trustees (Article 50)
- Provided that the total number of (Foundation) Trustees appointed under Article 50A shall not exceed a simple majority of the total number of Trustees
- EDEN shall appoint no fewer than two Trustees
- SDBE shall appoint no fewer than one Trustees
- In the event that a Church Academy located in a Diocese other than those administered by either EDEN or SDBE joins the Company, the relevant Diocesan Corporate Member shall appoint no fewer than one Trustee
- Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee (Article 57)

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020 (continued)**

- The Trustees may appoint Co-opted Trustees
- The total number of Trustees, including the Chief Executive Officer, who are employees of the Company shall not exceed one third of the total number of Trustees

### **Term of office**

The term of office for any trustee shall be 4 years. When appointing new trustees, the Board will give consideration to the skills and experience mix of existing trustees in order to ensure that the Board has the necessary skills to contribute fully to the academy's development. New trustees will be appointed by the Members.

### **Policies and procedures adopted for the induction and training of Trustees**

New trustees are appointed based on specific skill sets identified by an analysis of the needs of the Trust. The training and induction provided for new trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet staff and pupils. 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. Induction tends to be done informally and is tailored specifically to the individual. Training has been provided by Babcock Learning and Development Partnership for all trustees on the monitoring of performance data and the new Ofsted framework. Trustees also have access to further general training and support provided by Babcock Learning and Development Partnership governor support, the Exeter Diocesan Board of Education, Diocese of Salisbury Education, as well as the National Governors Association and the Devon Association of Governance. Details of all courses and events are circulated to all trustees by the Clerk and trustees are encouraged to attend. Relevant newsletters, publications and guidance are circulated by the clerk to keep trustees informed of statutory requirements and changes in legislation.

### **Organisational structure**

The Board of Trustees normally meets once each half term. The Board establishes an overall framework for the governance of the Multi Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academies by the use of the budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments. The Finance and Audit committee meets six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving internal audit reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Each school also has its own local governing body that monitors the performance of their own school as well as maintaining its unique identity.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Multi Academy Trust to the CEO and Senior Leadership Team (SLT). The SLT comprises the CEO, Academy Improvement Partners, Heads of School and the Chief Financial Officer (CFO). The SLT implement the policies laid down by the Trustees and report back to them on performance.

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020 (continued)**

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

The key management personnel comprise of the Board of Trustees, the Chief Executive Officer, the Chief Financial Officer and the Heads of each school.

All Trustees give their time freely and no Trustee received remuneration in the year.

The pay of employed key management personnel is reviewed annually as part of the appraisal process.

The Chief Executive Officer appraisal is conducted by the CEO appraisal panel. A pay award is decided based upon performance and other factors such as pupil numbers and size of the Multi Academy Trust.

Headteachers pay increase is in accordance with School Teachers' Pay and Conditions Document (STPCD). The Head of School must demonstrate sustained high quality of performance in respect of Academy leadership and management and pupil progress, and is subject to a review of the totality of their performance by the CEO. The pay and performance committee may award one reference point for sustained, high quality performance in line with the Academy's expectations.

The Chief Financial Officer follows the same appraisal process as support staff within the academy trust. A pay award is benchmarked on similar positions within the public sector.

### **Trade union facility time**

There are no employees who were relevant union officials during the relevant period.

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

The Acorn Multi Academy Trust consists of six schools from East Devon and West Dorset. The Trust works closely with other schools outside the Trust from Axe Valley Learning Community and The Woodroffe Pyramid. The Trust takes an active part in the Jurassic Coast Teaching Schools Alliance and the Woodroffe Maths Hub, particularly for School Direct placements. The Acorn Multi Academy Trust works with the universities of Exeter and St Mark and St John. Plymouth.

Andrea Rice, Executive Head teacher, is a National Leader of Education and works with other staff from the Trust to provide school to school support beyond the Trust. Lesley Adams, a director, is a Member of the Active Learning Trust. Timothy Thexton, a director, is a Trustee of Transforming Futures MAT.

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020 (continued)**

### **Objectives and activities**

#### **Objects and aims**

The Company's object is specifically restricted to the following:

To advance for the public benefit education in the UK, particularly but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum, which shall include Church of England academies designated as such, which shall conduct in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for Religious Education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education. Other academies whether with or without a designated religious character, but in relation to each of the academies to recognise and support their individual ethos, whether or not designated Church of England.

#### **Objectives, strategies and activities**

The key objectives of the Trust are to ensure that every child has the best possible educational experience so that they achieve the best possible outcomes. The strategies for achieving these objectives are defined in the Acorn Trust Strategic plan. We aim to be (Christian) schools (where designated), at the heart of our communities, working together to enable children to grow creatively and to achieve their best in a happy and secure environment.

The priorities for the Trust for the year 2019/20 were:

- To continue to provide school improvement support to requires improvement schools to enable them to be good
- To support schools with the implementation of the new Ofsted framework
- To ensure schools have a clear and consistent curriculum progression that builds on prior learning
- To continue to grow the number of pupils in the Trust
- To develop a 3 year IT strategy to upgrade hardware and infrastructure

#### **Collaboration to improve outcomes for children**

The Trust academies have a shared commitment to formal collaborative working to establish a strong professional partnership where staff can support and stimulate each other in all aspects of teaching and learning and leadership and management. The benefits of this approach are:

- An absolute focus on improving outcomes for children
- Improved teaching and learning through sharing best practice
- Enhanced learning and curriculum opportunities for children
- A coherent system of professional development, support and accountability



# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020 (continued)**

### **Public benefit**

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

### **Strategic Report**

Acorn MAT was established in 2014 as a group of geographically close schools working on the borders of East Devon and West Dorset. The Trust is a mixed MAT of church and Community schools who work in formal collaboration to improve outcomes for all the children in our Trust. This collaborative working is central to our school improvement strategy as staff and children are able to learn from each other to develop and share best practice.

#### **Our Vision**

*To provide high quality education and deliver the best possible outcomes for young people, enabling every child to reach his or her potential, regardless of background.*

#### **Our Ethos**

Our academies are separate and distinct and their differences are valued. The character and distinctiveness of each are protected and developed. This is within a structure that is supportive and collaborative so staff are not isolated but benefit from opportunities to develop or progress their career within the MAT. CPD is a strong feature of Acorn MAT for all staff and is a positive draw for NQTs and student interns.

#### **Achievement and performance**

The strategic work of the Trust has been severely impacted this year by the Covid 19 pandemic when schools were closed from March 2020. During the first half of the year, the Trust continued to focus on its strategic priorities of continuing to improve standards in our own schools through collaborative working practices. The Trust developed a consistent approach to curriculum planning in all subjects to ensure there is continuity and progression in all subject areas that builds on prior learning.

Axminster Primary Academy was inspected by Ofsted in January 2020 and achieved a 'good' grade from the previous 'requires improvement'. The report found that "Ambition is at the heart of Axminster Community Primary Academy. Staff aim to make sure that every pupil reaches their full potential. Pupils who spoke with inspectors said that the school has improved considerably. They say that the staff are kind and caring". The report also said that "High expectations permeate the school. This has not always been the case. Pupils are keen to learn and enjoy the curriculum. They speak positively of the additional enrichment opportunities. Every pupil learns to play at least one musical instrument. Pupils are particularly complimentary about the wide range of after-school clubs".

This reflects the long school improvement journey at the school and the continuing improvements that have resulted in the continued growth of the school to 9 classes.

St Andrews Primary Academy, Chardstock was also inspected in February 2020. The school was graded as 'requires improvement' due to the significant turbulence in teaching staff which resulted in a weak curriculum. However, the report also acknowledged that the school had already identified the issues in the school and was now "moving in the right direction".

We have continued to provide school to school support to St Mary's C of E Primary, Thorncombe as part of a management partnership agreement in 2019/2020. This has allowed the school to be supported to improve educational outcomes for children and also to bring financial stability to the school. It is now confirmed that St Mary's C of E Primary school will join the trust from 1st February 2021.

## **Acorn Multi Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

Following the closure of schools in March 2020, the Trust needed to change direction to support remote learning while continuing to safeguard the vulnerable children across the Trust. All schools in the Trust introduced Google Classrooms or SeeSaw to enable online learning to take place. Where children could not access online learning for any reason the schools were able to provide paper packs to enable children to continue learning at home. As the weeks wore on staff became more confident with the new technology and the delivery of lessons became more sophisticated with tuition videos and more interactive marking and feedback. Teachers were also monitoring the engagement of children during this time and were supporting families where there were any concerns.

The schools remained open for vulnerable and key worker children during this time. Schools were able to offer places during term time and holidays to ensure continuous provision. During this time safeguarding our children was a paramount concern and teachers were contacting all children at least weekly to ensure their safety. In addition to providing meals to children attending school, the trust kitchen also cooked and delivered approx. 80 hot meals per day to FSM children home schooling direct to their homes. This enabled us to continue to monitor the vulnerable children more effectively as well as ensuring that they were eating a healthy meal daily.

In June all schools were asked to reopen for children in Reception, year 1 and year 6. This was 250 pupils and 39% of pupils on roll at that time. This involved significant work from all school staff to develop robust risk assessments to ensure the safety of children. This was a particularly challenging time for our smaller schools with mixed age year groups as they were expected to be in school teaching their class while the other year group in their class were being taught online.

The end of the Summer term was spent planning for the return of all pupils in September. This provided further challenges with space and logistical issues proving to be a significant challenge. However, our schools were able to work collaboratively to ensure that we were well prepared for September.

The Trust Board and local governing bodies continued to meet remotely to support the wellbeing of children and staff, and to ensure the quality of the risk assessments so that our children were kept safe.

#### **Achievement and standards**

Due to the Covid restrictions, the usual national testing did not take place. Teacher assessments were sent to Secondary schools at the end of the Summer term but these were difficult to assess as the engagement in learning since March was very varied. The Trust has developed a recovery plan for September for all children to undertake baseline assessments in September in reading, writing and maths against the learning from this academic year and gaps analysis used to identify areas that need to be addressed. Children will then be reassessed at the beginning of December to identify progress made during the first term and further action that is required to enable children to catch up rapidly.

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020 (continued)**

### **Key financial performance indicators**

The number of children on roll is a key performance indicator as funding is based on pupil numbers. In the trust total pupil numbers have fallen for the past 2 years to 625 in the October 2020 census. Those schools with Early Years provision however are sustaining growth and pupil numbers at nursery have increased to 69 pupils at October 2020 (an increase of 8 compared to the same period last year). The Trust are currently investigating opportunities to introduce Early Years into all schools within the Trust, this is however challenging with the limited amount of space available at these sites.

Another key performance indicator is payroll costs as a % of total expense. This is currently 76% and has remained stable between 76% and 77% for the previous three years. The Trust will aim to keep salary costs at 80% or below of total expense through sharing staff and expertise, and reducing overheads as the Trust grows. This continues to be a challenge due to statutory obligations such as NI increases, pension contribution increases and introduction of the national living wage.

### **Financial review**

During the period to 31st August 2020, pupil numbers fell across to the trust by 18 pupils to 634 (October 2019 census) and increased in nursery by 10 pupils to 61.

With the exception of one off grant income, the Trust's core income is received in the form of recurring annual grants from the ESFA. This includes General Annual Grant, Teachers pension and pay grant Pupil Premium, High Needs Funding, Sports Funding, Nursery Grants and Universal Free School Meals funding. Income is also received in the form of donations for trips and specific projects. This funding is spent directly on the education of the pupils within the Trust.

The Trust also receives unrestricted income from other sources such as the sale of meals and paid fees from the nursery. This income may be used by the Trustees to support the educational aims of the Trust and to build up reserves for use as specified in the reserves policy.

The Trust may also apply for conditional improvement grants offered by the Department for Education for the maintenance and improvement of fixed assets. The Trust secured CIF funding for 1 of its 6 schools in 2020. This was for the replacement of the roof at Membury School for £163,783. Funding for this agreement was announced in July 2020 and has not yet started. One other Capital Project is also still in progress. This is for a project to re-build the retaining wall at Mrs Ethelston's primary. The income was recognised in 2018-2019 however due to a number of factors the project could not complete within the year. An extension was granted from the ESFA. At the year end £16,153 has been spent of the full £195,947 grant, the project is expected to complete in financial year 2020-2021.

Salary payments to teachers and support staff comprise the largest recurring expense of the academies and central support function.

The Trust makes contributions to both the Teachers' Pension (TPS) and Local Government Pension Scheme (LGPS). The TPS is a national scheme managed by the Department for Education. Assets and Liabilities are not recognised to individual employees. In the LGPS however, the assets and liabilities are subject to an actuarial valuation and are attributable to individual employers. The balance sheet contains the net pension deficit in respect of current employees. Although a deficit does not indicate the liability will become payable, it does indicate that the current employer contributions may not meet the liabilities and assets of the scheme in the long term.

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020 (continued)**

2019-2020 was a challenging period due to the COVID pandemic: 5 of the 6 schools remained open to key workers during the initial lockdown and opened to nursery, reception, year 1 and year 6 on 1st June 2020. During this period the trusts catering function remained open and provided hot meals to FSM children. Furthermore, the trust did not furlough staff and all contracted staff were paid in full. Under Procurement Policy Note 0220, which required public bodies to continue to pay suppliers to ensure business continuity, school sports coaches and enrichment teachers were paid in full but were not required to work during this period. The trust was not eligible to request additional support for exceptional costs. This was because, although the trust had experienced increased costs in catering, cleaning and PPE, the trust's operating costs were running at a lower rate due to partial re-opening resulting in an end of year surplus of £61,498 (restricted and unrestricted funds).

During the lockdown period and with close scrutiny of the financial position, the trust recognised that a surplus would be achieved at the year end. In reaction to this, and considering the uncertainty of COVID-19 and if schools would remain open for the foreseeable future, the trust made an early decision to invest £41K of the expected surplus into IT. The trust purchased 160 chromebooks for pupils, and ensured all teachers and some support staff were provided with trust laptops so they can work from home if required. All lessons are now planned in google classrooms and the pupils are shared work if they are required to self isolate. The school also has a sufficient amount of chromebooks should a class need to self isolate and do not have IT equipment at home to allow them to homeschool.

During the year ending 31st August 2020, the total incoming resources (unrestricted and restricted general funds) of £3,895,797 for the trust has exceeded total expenditure (unrestricted and restricted general funds) of £3,737,271 resulting in an in-year surplus of £158,526 before transfers. After a £97,028 transfer to restricted fixed asset funds the trust has a net surplus of £61,498. The reserves balance carried forward at 31st August 2020 is £315,327 unrestricted and £166,759 restricted general funds. The balance of the Fixed Asset Fund is £4,675,879. Within this fund there are 2 capital projects which are not yet complete. Revenue of £359,730 has been recognised (£195,947 in 2018-2019 and £163,783 in 2019-2020), however only £16,153 has been spent.

### **Reserves policy**

At present the level of reserves is reviewed regularly by the Finance and Audit Committee, and recommendations are put forward to the Full Governing Board annually. The review incorporates detailed analysis of the nature of income and expenditure streams and the request to match specific income to commitments.

The multi academy trust is currently holding £315,327 in unrestricted reserves, this equates to the academy's free reserves. In addition the trust holds £166,759 in restricted general reserves. The balance of the Fixed Asset Fund is £4,675,879.

Trustees have considered the current level of reserves alongside the future projections for the trust. The trust manages and regularly reviews a sustainability plan which focuses on the long term financial position of the trust. As a result the trust reserves position has improved to the previous year.

It is the intention of the Trustees to maintain reserves at a level to allow the educational facilities and services of the trust to be maintained. Sustainability and future financial viability are a key focus and methods of achieving this are detailed and regularly reviewed alongside the strategic plan for the trust.

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2020 (continued)**

### **Investment Policy**

Due to the nature of funding the Trust holds significant cash balances surplus to its short term requirements. The Trustees have authorised the opening of an additional investment account to take advantage of higher interest rates. This policy is regularly reviewed by Trustees at the committee meeting.

### **Going concern**

The Board of Trustees have reviewed the financial plans for the trust of over the next 3 years when making their opinion regarding going concern.

The following assumptions have been used within the 3 year plan which demonstrate a prudent yet realistic approach:

- Reasonable pupil number growth (increase to 653 pupils in 20/21, 658 in 21/22 and 652 in 22/23)
- 2% pay increase for teachers and 3% pay increase for support staff each year
- 2% inflationary increase for resources and services each year
- GAG funding has been applied at the same rate for 20/21- no inflationary increase has been applied
- Pupil number driven grants assumed to be the same rate as 20/21. This includes UIFSM, DCF and Pupil Premium
- PE Sports grant removed from 21/22 onwards

Based on the assumptions above, the trust will have unrestricted and restricted funds of £156,292 at financial year ending 31st August 2023.

Furthermore, the Board of Directors have considered the trusts sustainability plan which identifies further areas and decisions that could be taken to sustain the financial viability of the trust. The risk register also ensures risks are mitigated where possible to minimise unforeseen events.

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

# Acorn Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2020 (continued)

### Principal Risks and Uncertainties

The Trustees regularly review the risks of Acorn Multi Academy Trust and have established a risk management register for the Trust, as well as the internal controls mentioned elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

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

**Financial** - The Multi Academy Trust has considerable reliance on continued Government funding through the EFSA. The Trust is Government funded and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same level or on the same terms. Financial projections are based on the most current information available at that time and are regularly monitored to ensure they reflect new policy as it is published by the ESFA.

**Legal and regulatory** - The risk in this area arises from potential failure to comply with regulations and legislation, follow internal controls or complete statutory returns. An internal audit is carried out annually to carry out checks on financial systems and records as required by the Academies Financial Handbook. The Trustees continue to review practice and policy and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - The continuing success of the Trust is dependent on continuing to attract sufficient numbers of pupils by providing the highest educational standards. To mitigate this risk Trustees ensure that pupil outcomes are closely monitored and reviewed.

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

**Staffing** - The success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring that we continue to invest in supporting the wellbeing of staff.

The Trust has continued to strengthen its risk management process through the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to financial and economic, strategic and reputational, legal and regulatory, political, environmental and infrastructure and operational. The Trustees have implemented a number of systems to assess and minimize those risks, including internal controls described elsewhere. Where significant financial risks still remain they have ensured adequate insurance cover.

### Fundraising

The Trust does not currently undertake any fundraising.

### Plans for future periods

The Trust will continue to strive to provide the highest quality of education by attracting the highest quality staff in order to deliver its objectives. Due to the Covid-19 pandemic some of the objectives from the previous year will be continued into next academic year as they were not able to be achieved.

# Acorn Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2020 (continued)

During 2020/21 our agreed priorities to support our strategy are:

- To ensure children catch up with prior learning to close the gap through the recovery phase plan
- To continue work started for all curriculum subjects to ensure consistent planning for all subjects that is ambitious, has clear end points and builds on prior learning
- To ensure the teaching of phonics and reading is effective and meets the needs of the lowest 20%
- To ensure Special Educational Needs and pupil premium children make progress that is at least in line with national expectations or better
- To ensure there is sufficient IT hardware in school to meet the needs of the curriculum in all subjects
- To develop a 5 year asset management plan to ensure all buildings are maintained and improved to good standard
- To review operational systems and processes for HR and finance to ensure they are streamlined and effective

These will be in place in Autumn 2020 and the detailed activity to achieve that is contained in the one-year plan.

St Marys C of E Primary, Thorncombe will be joining the trust on 1st February 2021. The trust has been working in a Management partnership with the school for 2 years, with the view to it joining the trust in the long term. This has now been approved and the process of conversion is underway.

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

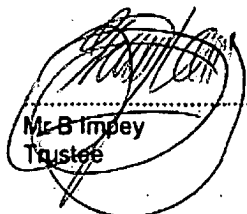
None of the Acorn Multi Academy Trust academies hold funds on behalf of others.

### Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Trustees' Report, incorporating a Strategic Report, was approved by order of the board of trustees, as the company directors, on 03/12/20 and signed on the board's behalf by:



Mr B Impey  
Trustee

# Acorn Multi Academy Trust

## Governance Statement

### Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to Mrs A Rice, 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 Acorn Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### 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 8 times during the year. Due to the coronavirus pandemic, 5 of the meeting were virtual meetings. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Impey	8	8
Mrs A Rice	8	8
Mr P Middlemast	7	8
Mr C Sedgewick	5	8
Ms L Adams	7	8
Ms S Miller	8	8

The key changes in the composition of the board were as follows:

- Mr Brian Impey was elected Chair of the board of trustees on 10th September 2020
- Mr Paul Middlemast was reappointed by SDBE (Salisbury Diocese Board of Education) as a foundation director on 27th April 2020
- Mr Brian Impey was reappointed by EDEN (Exeter Diocesan Education Network) as a foundation director on 11th April 2020
- Revd Clive Sedgewick resigned as a foundation director on 21st September 2020
- Mr Timothy Thexton was appointed by EDEN as a foundation director on 1st October 2020

Over the autumn period, the Board has plans in place to recruit three more directors.



# Acorn Multi Academy Trust

## Governance Statement (continued)

Governance arrangements at all levels were further strengthened by the following actions:

- Drafting and adoption of new Articles of Association on 23rd July 2020. The revised Articles show total separation across the two layers of governance (Members and Trustees) to ensure clear lines of accountability. The number of members has increased from 3 to 5
- The revised Articles have been brought into line with DFE guidance around the appointment and composition of the Board and Members
- Review and update of delegated powers, followed by a revision of the Scheme of Delegation and governance documents in September 2020 to reflect the new Articles of Association, the operation of the Board and its committees
- Regular meetings of Chairs of LGBs with Chair of Directors and CEO
- The further embedding of Scholarpack, a pupil performance tracking system linking SIMS and performance data. This has enabled governors and directors to have a detailed, accurate understanding of pupil progress
- Transfer to virtual meetings for all levels of governance in March 2020, including the meetings of local governing bodies, to ensure a continued focus on the monitoring of pupil and staff welfare and well-being, safeguarding, the quality and provision of remote education and the effective oversight of funds

Priorities and challenges for the next academic year include:

- Building effective relationships and communication between members of the Board through the COVID-19 pandemic and during a prolonged period of virtual meetings or a blend of virtual and physical meetings, balancing the associated risks
- Maintaining effective governance arrangements at all levels of the Trust during the COVID-19 pandemic
- Communication of the changes to the Articles to all levels of governance and senior leaders to ensure continuous monitoring in school delivers positive educational impact
- Progressing the recruitment and induction of new Directors in sufficient numbers to the Trust Board to reach full capacity, assure succession and provide full challenge to the Trust's leadership across the organisation
- Setting the role of Members and criteria for best practice, under the new Articles of Association

# Acorn Multi Academy Trust

## Governance Statement (continued)

### Governance reviews

The Trust has undertaken two activities during the period designed to assess the effectiveness of the board of trustees and its committees.

The trust board and local governing bodies carried out skills audits in the spring and summer of 2020 to assess the skills, knowledge and experience contained within the trustees and the local governors. The skills and competencies audit evaluated the Board's expertise, identified gaps in skills or knowledge and proactively sought to appoint to the key areas.

The trust board and local governing bodies undertook self-evaluations in the summer of 2020.

The trust board met remotely to complete the South West MAT Improvement Capacity Framework. The aim was to identify the MAT's most significant areas of strength and challenge in order to become more effective in supporting schools to improve.

It is intended that directors will complete the new National Governors Association skills audit in the autumn of 2020, to ensure new directors are recruited to fill any skills gap. In addition, the trust board will commission an external review of governance in 2020/21 to provide an objective, independent review of the effectiveness of the board.

### Finance and Audit Committee

The Finance and Audit Committee is a committee of the main board of trustees and meets six times a year.

The Finance and Audit Committee is responsible for:

- Monitoring, evaluating and reviewing policy and performance in relation to financial management
- Compliance with reporting and regulatory requirements
- Reviewing and monitoring reports from the Responsible Officer
- Drafting the annual budget including setting staffing levels
- Authorising spending within agreed budgets
- Performing the role of an audit committee
- Receiving and recommending statutory accounts to the trust board
- Human resources
- Asset management, facilities management and health and safety

The Chief Financial Officer is a member of the finance & audit committee. During the year, 2 of the 6 meetings in the summer were virtual meetings, held via Zoom.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Rice (CEO and Accounting Officer)	6	6
Mr B Impey	6	6
Ms L Adams	5	6
Ms S Miller (Chair)	6	6

# **Acorn Multi Academy Trust**

## **Governance Statement (continued)**

### **Review of Value for Money**

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

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

- The existing inclusion lead for Axminster has extended her role to encompass special educational needs and pupil premium provision across the Trust. This will enable us to have consistency of systems and procedures and to ensure value for money with the additional funding for these children, while ensuring the impact of this provision is effective. Two teachers have developed specialisms across the Trust in IT and Early Years across the Trust and have release time to do this. This enables us to share good practice and saves the cost of additional staff members
- An extensive CPD programme for our newly and recently qualified teachers has been implemented. This is being led by one of the Heads of School and a teacher using other specialists from across the Trust. This ensures high quality teaching from those staff whose training and induction was affected by the pandemic
- The trust has implemented a cloud based IT strategy. Wi-fi has been enhanced at every school and internet and filtering services brought in house. This has reduced the IT maintenance and support costs. VOIP has been introduced which removes the cost of calls between schools and the hub office. Pupil laptops have been repurposed and provided to teachers and pupil devices have been replaced with chromebooks which are cheaper. Google classrooms has been implemented at all schools to ensure learning can continue remotely
- The premises manager has undergone an extensive review of all the premises related service level agreements and has where possible brought the schools under a central contract managed by one supplier. This has resulted in cost and time efficiencies
- A formal re-tender for an external auditor was completed in 19/20. Francis Clark have been the trusts external auditor since conversion in 2014 and the board decided it would be good practice to re-tender the service. Bishop Fleming was the chosen auditor and they will be formally appointed in the AGM in January 2021

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Acorn Multi Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

# Acorn Multi Academy Trust

## Governance Statement (continued)

### Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and audit 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; and
- identification and management of risks.

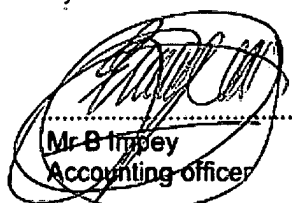
The board of trustees has considered the need for a specific internal audit function. Francis Clark were appointed to conduct an internal review in June 2020, this was delayed to September 2020. This assessment incorporated a review of internal systems of control for: payroll, regularity and risk management and governance. The report was presented to the board of trustees through the finance and audit committee and the Chief Financial Officer has addressed the items requiring actions.

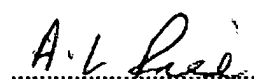
### Review of Effectiveness

As accounting officer the Executive Headteacher/CEO 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 auditor;
- the work of the external auditor; and
- the implementation by the Chief Financial Officer of internal procedures to establish compliant and consistent financial procedures across all schools in the Trust.

Approved by order of the members of the board of trustees on 03/12/20 and signed on its behalf by:

  
Mr B Tripley  
Accounting officer

  
Mrs A Rice  
Accounting officer


## Acorn Multi Academy Trust

### Statement of Regularity, Propriety and Compliance

As Accounting Officer of Acorn Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2019.

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

  
.....  
Mrs A Rice  
Accounting officer

Date: 9.12.20

# Acorn Multi Academy Trust

## Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Acorn Multi Academy 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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

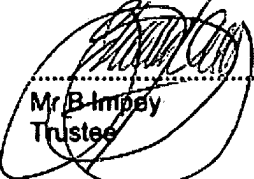
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 03/12/20 and signed on its behalf by:

  
Mr B Impey  
Trustee

# **Acorn Multi Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Acorn Multi Academy Trust**

### **Opinion**

We have audited the financial statements of Acorn Multi Academy Trust (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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'.

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

# **Acorn Multi Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Acorn Multi Academy Trust (continued)**

### **Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## Acorn Multi Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Acorn Multi Academy Trust (continued)

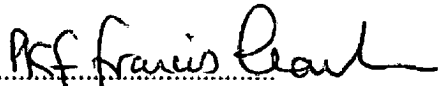
#### Auditor's responsibilities for the audit of the financial statements

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

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

#### Use of our report

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



Stephanie Henshaw (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

Date: 03/12/20

## **Acorn Multi Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Acorn Multi Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 4 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Acorn Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Acorn Multi Academy Trust's Accounting Officer and the reporting Accountant**

The Accounting Officer is responsible, under the requirements of Acorn Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2014 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

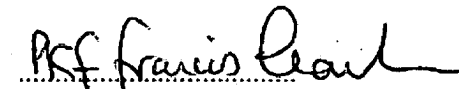
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

## **Acorn Multi Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Acorn Multi Academy Trust and the Education and Skills Funding Agency (continued)**

#### **Conclusion**

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



Stephanie Henshaw  
PKF Francis Clark, Chartered Accountants

Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

Date: 03/12/20

# Acorn Multi Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Restricted Pension Funds £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	167,153	1,168	163,783	-	332,104
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	3	203,124	3,441,215	-	-	3,644,339
Other trading activities	4	81,729	-	-	-	81,729
Investments	5	1,408	-	-	-	1,408
<b>Total</b>		<u>453,414</u>	<u>3,442,383</u>	<u>163,783</u>	<u>-</u>	<u>4,059,580</u>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	<u>385,031</u>	<u>3,352,240</u>	<u>57,937</u>	<u>237,000</u>	<u>4,032,208</u>
<b>Total</b>		<u>385,031</u>	<u>3,352,240</u>	<u>57,937</u>	<u>237,000</u>	<u>4,032,208</u>
Net income/(expenditure)		68,383	90,143	105,846	(237,000)	27,372
Transfers between funds	15	(55,070)	(41,958)	97,028	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	24	-	-	-	(499,000)	(499,000)
Net movement in funds/(deficit)		13,313	48,185	202,874	(736,000)	(471,628)
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2019	15	<u>302,014</u>	<u>118,574</u>	<u>4,473,005</u>	<u>(1,477,000)</u>	<u>3,416,593</u>
Total funds/(deficit) carried forward at 31 August 2020	15	<u>315,327</u>	<u>166,759</u>	<u>4,675,879</u>	<u>(2,213,000)</u>	<u>2,944,965</u>

# Acorn Multi Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

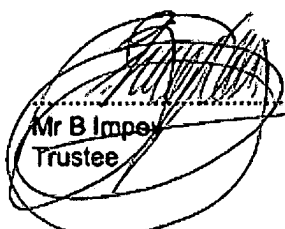
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Restricted Pension Funds £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	179,671	2,280	565,248	-	747,199
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	3	74,583	3,422,539	38,562	-	3,535,684
Other trading activities	4	97,557	462	-	-	98,019
Investments	5	2,156	-	-	-	2,156
<b>Total</b>		<u>353,967</u>	<u>3,425,281</u>	<u>603,810</u>	<u>-</u>	<u>4,383,058</u>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	250,982	3,482,272	25,128	221,000	3,979,382
<b>Total</b>		<u>250,982</u>	<u>3,482,272</u>	<u>25,128</u>	<u>221,000</u>	<u>3,979,382</u>
Net income/(expenditure)		102,985	(56,991)	578,682	(221,000)	403,676
Transfers between funds		(120,406)	65,092	55,314	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	24	-	-	-	(261,000)	(261,000)
Net movement in (deficit)/funds		(17,421)	8,101	633,996	(482,000)	142,676
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2018		<u>319,435</u>	<u>110,473</u>	<u>3,839,009</u>	<u>(995,000)</u>	<u>3,273,917</u>
Total funds/(deficit) carried forward at 31 August 2019	15	<u>302,014</u>	<u>118,574</u>	<u>4,473,005</u>	<u>(1,477,000)</u>	<u>3,416,593</u>

# Acorn Multi Academy Trust

(Registration number: 09253218)  
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	4,255,852	3,952,348
<b>Current assets</b>			
Debtors	13	450,706	714,640
Cash at bank and in hand		<u>888,816</u>	<u>724,875</u>
		1,339,522	1,439,515
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	<u>(437,409)</u>	<u>(498,270)</u>
<b>Net current assets</b>		<u>902,113</u>	<u>941,245</u>
<b>Total assets less current liabilities</b>		<u>5,157,965</u>	<u>4,893,593</u>
Net assets excluding pension liability		5,157,965	4,893,593
Defined benefit pension scheme liability	24	<u>(2,213,000)</u>	<u>(1,477,000)</u>
<b>Total assets</b>		<u><u>2,944,965</u></u>	<u><u>3,416,593</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		166,759	118,574
Restricted fixed asset fund		4,675,879	4,473,005
Restricted pension fund		<u>(2,213,000)</u>	<u>(1,477,000)</u>
	15	2,629,638	3,114,579
<b>Unrestricted funds</b>			
Unrestricted general fund	15	<u>315,327</u>	<u>302,014</u>
<b>Total funds</b>		<u><u>2,944,965</u></u>	<u><u>3,416,593</u></u>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 03/12/20 and signed on their behalf by:

  
Mr B Impey  
Trustee

## Acorn Multi Academy Trust

### Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	360,191	(291,703)
Cash flows from investing activities	20	<u>(196,250)</u>	<u>402,803</u>
Change in cash and cash equivalents in the year		163,941	111,100
Cash and cash equivalents at 1 September		<u>724,875</u>	<u>613,775</u>
Cash and cash equivalents at 31 August	21	<u>888,816</u>	<u>724,875</u>

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2020**

### **1 Accounting policies**

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

#### **Basis of preparation**

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

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

#### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Income**

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

#### **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.



# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### ***Sponsorship income***

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

#### ***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### ***Expenditure***

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

All resources expended are inclusive of irrecoverable VAT.

#### ***Charitable activities***

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

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Land and Buildings	125 years straight line
Leasehold Improvements	25 years straight line
Fixtures and Fittings	5 years straight line
Computer Equipment	4 years straight line

#### Liabilities

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

#### Provisions

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

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

#### Leased assets

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

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### **Taxation**

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 gains and losses on settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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 gains and losses.

#### **Fund accounting**

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

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

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

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 1 Accounting policies (continued)

#### Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The value of notional rent included in the financial statements for premises occupied on licence from the Dioceses of Exeter and Salisbury has been estimated at 5% of the most recent property valuation. Under the new requirement, the future notional donation has been included as a debtor, with a corresponding entry for the future notional expense as a creditor.

### 2 Voluntary income

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Restricted Pension Funds	Total 2020	Total 2019
	£	£	£	£	£	£
Capital grants	-	-	163,783	-	163,783	565,248
Other donations	167,153	1,168	-	-	168,321	181,951
	<u>167,153</u>	<u>1,168</u>	<u>163,783</u>	<u>-</u>	<u>332,104</u>	<u>747,199</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 3 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	123,596	2,838,423	2,962,019	2,971,483
<b>Non-government grants and other income</b>				
Other bodies	79,528	-	79,528	74,173
Other DfE/ EFA Grants	-	602,792	602,792	490,028
	<u>79,528</u>	<u>602,792</u>	<u>682,320</u>	<u>564,201</u>
Total grants	<u>203,124</u>	<u>3,441,215</u>	<u>3,644,339</u>	<u>3,535,684</u>

### 4 Other trading activities

	Unrestricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	490	490	4,653
Other income	81,239	81,239	93,366
	<u>81,729</u>	<u>81,729</u>	<u>98,019</u>

### 5 Investment income

	Unrestricted funds £	Total 2020 £	Total 2019 £
Short term deposits	<u>1,408</u>	<u>1,408</u>	<u>2,156</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 6 Expenditure

	Staff costs £	Non Pay Premises £	Expenditure Other costs £	Total 2020 £	Total 2019 £
<b>Academy's educational operations</b>					
Direct costs	2,186,178	-	99,271	2,285,449	2,297,252
Allocated support costs	672,018	493,436	581,305	1,746,759	1,682,130
	<u>2,858,196</u>	<u>493,436</u>	<u>680,576</u>	<u>4,032,208</u>	<u>3,979,382</u>

### Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating leases - other leases	5,518	4,995
Fees payable to auditor - audit	7,500	7,500
- other audit services	2,750	2,750
Profit/(loss) on disposal of tangible fixed assets	(2,974)	-
Depreciation	<u>52,076</u>	<u>25,128</u>

### 7 Charitable activities

	Total 2020 £	Total 2019 £
<b>Direct costs - educational operations</b>	2,285,449	2,297,252
<b>Support costs - educational operations</b>	<u>1,746,759</u>	<u>1,682,130</u>
	<u>4,032,208</u>	<u>3,979,382</u>

	Educational operations £	Total 2020 £	Total 2019 £
<b>Analysis of support costs</b>			
Support staff costs	672,018	672,018	695,424
Depreciation	52,076	52,076	25,128
Legal costs	2,766	2,766	2,871
Premises costs	441,360	441,360	406,056
Other support costs	559,529	559,529	540,731
Governance costs	19,010	19,010	11,920
Total support costs	<u>1,746,759</u>	<u>1,746,759</u>	<u>1,682,130</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 8 Staff

#### Staff costs

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,012,982	2,108,542
Social security costs	165,319	165,509
Pension costs	654,701	546,968
	<u>2,833,002</u>	<u>2,821,019</u>
Supply teacher costs	25,194	42,582
Staff restructuring costs	-	6,518
	<u>2,858,196</u>	<u>2,870,119</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £6,518). Individually, the payments were: £nil (2019: £6,518).

#### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2020 No	2019 No
<b>Charitable Activities</b>		
Teachers	44	47
Administration and support	83	93
Management	1	1
	<u>128</u>	<u>141</u>

#### Higher paid staff

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

	2020 No	2019 No
£100,001 - £110,000	<u>1</u>	<u>1</u>



# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 8 Staff (continued)

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £484,379 (2019: £481,069).

### 9 Central services

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

#### Central recharges

- Executive Headteacher and central administrative salary costs
- Trust Improvement
- Other staff costs; DBS, recruitment advertising

#### SLA recharges

- Financial services
- Insurance
- Educational support services
- Legal services
- HR and payroll services
- ICT services

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

#### Central recharges

- A lump sum between £15k and £50k dependent on pupil numbers at each school, plus £47 charge per pupil

#### SLA Recharges

- Flat amount of £20,000 per school plus ESG Grant

As the trust has developed, the central function has become stronger and more diverse. It is able to adapt and provide different levels of support and services to schools as required. The previous methodology has not covered the full cost of the central function which currently stands in deficit. The Trustees therefore introduced a further element to the central recharge in 18/19 whereby the schools in surplus contribute the surplus back to the central function. This additional recharge has continued in 19/20. The objective over the long term is for the central function to be self funded by a combination of central recharges and other income streams.

The actual amounts charged during the year were as follows:

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 9 Central services (continued)

	2020 £
Axminster Community Primary Academy	134,880
Marshwood CE Primary Academy	43,236
Mrs Ethelston's CE Primary Academy	118,092
St Andrew's CE Primary Academy	63,168
Membury Primary Academy	88,212
Loders CE VC Primary Academy	43,188
	<u>490,776</u>

### 10 Related party transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

Mrs A Rice (Executive Head and Chief Executive Officer):

Remuneration: £100,000 - £105,000 (2019 - £100,000 - £105,000)

Employer's pension contributions: £20,000 - £25,000 (2019 - £15,000 - £20,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £255 (2019 - £1,315) were reimbursed or paid directly to 2 Trustees (2019 - 2).

Other related party transactions are set out in note 25.

### 11 Trustees' and officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the trustees and officers indemnity element of the overall cost of the RPA scheme.

## Acorn Multi Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 12 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Fixtures and Fittings £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>						
At 1 September 2019	3,759,000	220,253	12,398	54,245	15,126	4,061,022
Additions	-	293,506	-	70,735	-	364,241
Disposals	-	-	-	(12,798)	-	(12,798)
Transfers	-	15,126	-	-	(15,126)	-
At 31 August 2020	<u>3,759,000</u>	<u>528,885</u>	<u>12,398</u>	<u>112,182</u>	<u>-</u>	<u>4,412,465</u>
<b>Depreciation</b>						
At 1 September 2019	78,537	10,198	8,603	11,336	-	108,674
Charge for the year	16,168	15,332	2,482	18,094	-	52,076
Impairments	-	-	-	2,887	-	2,887
Eliminated on disposals	-	-	-	(7,024)	-	(7,024)
At 31 August 2020	<u>94,705</u>	<u>25,530</u>	<u>11,085</u>	<u>25,293</u>	<u>-</u>	<u>156,613</u>
<b>Net book value</b>						
At 31 August 2020	<u>3,664,295</u>	<u>503,355</u>	<u>1,313</u>	<u>86,889</u>	<u>-</u>	<u>4,255,852</u>
At 31 August 2019	<u>3,680,463</u>	<u>210,055</u>	<u>3,795</u>	<u>42,909</u>	<u>15,126</u>	<u>3,952,348</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 13 Debtors

	2020 £	2019 £
Trade debtors	8,820	24,507
VAT recoverable	24,479	20,254
Other debtors	165,250	165,250
Prepayments	17,232	20,168
Accrued grant and other income	234,925	484,461
	<u>450,706</u>	<u>714,640</u>

### 14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	67,104	47,678
Other taxation and social security	36,976	41,232
Pension scheme creditor	49,747	44,231
Notional rent	165,250	165,250
Accruals	56,024	138,254
Deferred income	62,308	61,625
	<u>437,409</u>	<u>498,270</u>

	2020 £	2019 £
<b>Deferred income</b>		
Deferred income at 1 September 2019	61,625	55,926
Resources deferred in the period	62,308	61,625
Amounts released from previous periods	<u>(61,625)</u>	<u>(55,926)</u>
Deferred income at 31 August 2020	<u>62,308</u>	<u>61,625</u>

At the balance sheet date the Academy Trust was holding funds received in advance for: UIFSM - £52,400, Rates - £5,100, EY - £2,300, Catering - £2,100, Clubs - £400.

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 15 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,838,423	(2,794,354)	(44,069)	-
Other DfE/ESFA Grants	118,574	427,879	(400,600)	-	145,853
Trips	-	18,200	(14,944)	-	3,256
Restricted donation	-	1,168	(3,279)	2,111	-
Pupil Premium	-	156,713	(139,063)	-	17,650
	<u>118,574</u>	<u>3,442,383</u>	<u>(3,352,240)</u>	<u>(41,958)</u>	<u>166,759</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	3,710,455	-	(16,168)	-	3,694,287
DfE / Capital grants	724,668	163,783	(41,769)	97,028	943,710
Capital from predecessor school	<u>37,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,882</u>
	<u>4,473,005</u>	<u>163,783</u>	<u>(57,937)</u>	<u>97,028</u>	<u>4,675,879</u>
<b>Restricted pension funds</b>					
Defined Benefit Pension Scheme	<u>(1,477,000)</u>	<u>-</u>	<u>(237,000)</u>	<u>(499,000)</u>	<u>(2,213,000)</u>
Total restricted funds	3,114,579	3,606,166	(3,647,177)	(443,930)	2,629,638
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>302,014</u>	<u>453,414</u>	<u>(385,031)</u>	<u>(55,070)</u>	<u>315,327</u>
Total funds	<u>3,416,593</u>	<u>4,059,580</u>	<u>(4,032,208)</u>	<u>(499,000)</u>	<u>2,944,965</u>

The academy trust is not subject to GAG carried forward limits.

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 15 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,927,703	(2,992,795)	65,092	-
Other DfE/ESFA Grants	110,473	311,915	(303,814)	-	118,574
Trips	-	39,003	(39,003)	-	-
Restricted donation	-	2,280	(2,280)	-	-
Pupil Premium	-	144,380	(144,380)	-	-
	<u>110,473</u>	<u>3,425,281</u>	<u>(3,482,272)</u>	<u>65,092</u>	<u>118,574</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	3,726,623	-	(16,168)	-	3,710,455
DfE / Capital grants	74,504	603,810	(8,960)	55,314	724,668
Capital from predecessor school	<u>37,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,882</u>
	<u>3,839,009</u>	<u>603,810</u>	<u>(25,128)</u>	<u>55,314</u>	<u>4,473,005</u>
<b>Restricted pension funds</b>					
Defined Benefit Pension Scheme	<u>(995,000)</u>	<u>-</u>	<u>(221,000)</u>	<u>(261,000)</u>	<u>(1,477,000)</u>
Total restricted funds	2,954,482	4,029,091	(3,728,400)	(140,594)	3,114,579
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>319,435</u>	<u>353,967</u>	<u>(250,982)</u>	<u>(120,406)</u>	<u>302,014</u>
Total funds	<u><u>3,273,917</u></u>	<u><u>4,383,058</u></u>	<u><u>(3,979,382)</u></u>	<u><u>(261,000)</u></u>	<u><u>3,416,593</u></u>

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

### **15 Funds (continued)**

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

**General Annual Grant:**

Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the Academy as defined in the funding agreement.

**Other LA/ESFA Grants:**

Top-up funding received from the LA for the High Needs Block, and other ESFA grants received for the purpose of supporting school to school improvement.

**Trips:**

Contributions from parents towards educational visits.

**Restricted Donations:**

Donations received for specific purposes.

**Pupil Premium:**

Received from the ESFA to help raise the attainment of children likely to underachieve.

**Pension Scheme Reserve:**

This represents the negative reserve in respect of the LGPS scheme transferred over.

**Restricted Fixed Asset Fund:**

The fund includes the value of the Fixed Assets of the Academy on incorporation, monies received from the ESFA specifically for the Capital Expenditure on Fixed Assets and monies transferred from GAG for the purchase of Fixed Assets. Donations to the school for the purchase of specific fixed assets are also included.

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 15 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Axminster Community Primary Academy	213,624	135,130
Marshwood CE Primary Academy	172,103	162,385
Mrs Ethelston's CE Primary Academy	341,328	291,661
St Andrew's CE Primary Academy	219,934	247,991
Membury Primary Academy	113,140	81,080
Loders CE VC Primary Academy	(30,717)	(36,900)
Central services	<u>(547,326)</u>	<u>(460,759)</u>
Total before fixed assets and pension reserve	482,086	420,588
Pension Scheme Reserve	2,213,000	1,477,000
Fixed Asset Reserve	<u>4,675,879</u>	<u>4,473,005</u>
Total	<u><u>2,944,965</u></u>	<u><u>3,416,593</u></u>

Loders CE VC Primary Academy is carrying a net deficit of £30,717 (2019: £36,900) on these funds because an Early Years provision was introduced at Lodders School in 2017 which has proved to be successful and pupil numbers in KS1 have increased as children from the nursery then join the school in reception. The school will move into a better financial position as these larger class sizes move up through the school.



## Acorn Multi Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 15 Funds (continued)

##### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Axminster Community Primary Academy	585,697	157,454	23,129	181,268	947,548	899,590
Marshwood CE Primary Academy	256,205	57,321	5,523	109,459	428,508	418,458
Mrs Ethelston's CE Primary Academy	451,799	74,150	11,271	124,894	662,114	707,484
St Andrew's CE Primary Academy	336,241	113,517	14,486	238,384	702,628	683,721
Membury Primary Academy	88,092	49,769	5,702	33,976	177,539	199,944
Loders CE VC Primary Academy	273,990	56,285	5,502	111,798	447,575	472,759
Central services	194,154	163,522	13,901	242,643	614,220	572,298
Academy Trust	<u>2,186,178</u>	<u>672,018</u>	<u>79,514</u>	<u>1,042,422</u>	<u>3,980,132</u>	<u>3,954,254</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	4,255,852	4,255,852
Current assets	317,852	601,643	420,027	1,339,522
Current liabilities	(2,525)	(434,884)	-	(437,409)
Pension scheme liability	-	(2,213,000)	-	(2,213,000)
Total net assets	<u>315,327</u>	<u>(2,046,241)</u>	<u>4,675,879</u>	<u>2,944,965</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,952,348	3,952,348
Current assets	304,390	614,468	520,657	1,439,515
Current liabilities	(2,376)	(495,894)	-	(498,270)
Pension scheme liability	-	(1,477,000)	-	(1,477,000)
Total net assets	<u>302,014</u>	<u>(1,358,426)</u>	<u>4,473,005</u>	<u>3,416,593</u>

### 17 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	<u>7,500</u>	<u>30,160</u>

### 18 Financial commitments

#### Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	4,584	2,770
Amounts due between one and five years	<u>5,372</u>	<u>4,245</u>
	<u>9,956</u>	<u>7,015</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

	2020 £	2019 £
Net income	27,372	403,676
Depreciation	52,076	25,128
Impairments	2,887	-
Capital grants from DfE and other capital income	(163,783)	(565,248)
Interest receivable	(1,408)	(2,156)
Defined benefit pension scheme cost less contributions payable	211,000	197,000
Defined benefit pension scheme finance cost	26,000	24,000
Decrease/(increase) in debtors	263,934	(620,898)
(Decrease)/increase in creditors	(60,861)	246,795
Loss on disposal of tangible fixed assets	2,974	-
Net cash provided by/(used in) Operating Activities	<u>360,191</u>	<u>(291,703)</u>

### 20 Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,408	2,156
Purchase of tangible fixed assets	(364,241)	(164,601)
Proceeds from sale of tangible fixed assets	2,800	-
Capital grants from DfE Group	<u>163,783</u>	<u>565,248</u>
Net cash (used in)/provided by investing activities	<u>(196,250)</u>	<u>402,803</u>

### 21 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>888,816</u>	<u>724,875</u>
Total cash and cash equivalents	<u>888,816</u>	<u>724,875</u>

## Acorn Multi Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 22 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	724,875	163,941	888,816
	-	-	-
Total	<u>724,875</u>	<u>163,941</u>	<u>888,816</u>

#### 23 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 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.

#### 24 Pension and similar obligations

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

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

Contributions amounting to £49,747 (2019 - £44,231) were payable to the schemes at 31 August 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 24 Pension and similar obligations (continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £318,327 (2019: £224,346).

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

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

#### Local government pension scheme

The academy has four schools in the Devon LGPS and two school in the Dorset LGPS. For disclosure purposes we have aggregated the two schemes. Where assumptions have varied between the counties an average has been disclosed. The variations include:

Expected return on assets: -4% - 0%  
Males retiring today: 22.9 - 23.3  
Males retiring in 20 years: 24.3 - 24.7  
Females retiring today: 24.1 - 24.8  
Females retiring in 20 years: 25.5 - 26.2

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £190,000 (2019 - £184,000), of which employer's contributions totalled £146,000 (2019 - £141,000) and employees' contributions totalled £44,000 (2019 - £43,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 24 Pension and similar obligations (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

	2020 %	2019 %
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.90
Inflation assumptions (CPI)	2.30	2.20
RPI increases	3.10	3.20

#### Sensitivity analysis

	2020 £	2019 £
Discount rate +0.1%	3,688,000	2,650,000
Discount rate -0.1%	3,883,000	2,786,000
Mortality assumption – 1 year increase	3,919,000	2,817,000
Mortality assumption – 1 year decrease	3,653,000	2,621,000

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

	2020	2019
<b>Retiring today</b>		
Males retiring today	23.10	22.70
Females retiring today	24.50	24.70
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.50	24.40
Females retiring in 20 years	25.90	26.40

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 24 Pension and similar obligations (continued)

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

	2020 £	2019 £
Equities	950,000	727,000
Gilts	42,000	76,000
Other bonds	86,000	42,000
Property	132,000	114,000
Cash and other liquid assets	18,000	21,000
Other	343,000	260,000
Total market value of assets	1,571,000	1,240,000
Present value of scheme liabilities - funded	(3,784,000)	(2,717,000)
Deficit in the scheme	<u>(2,213,000)</u>	<u>(1,477,000)</u>

The actual return on scheme assets was £21,000 (2019 - £61,000).

### Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current service cost	(356,000)	(338,000)
Net interest cost	(26,000)	(24,000)
Admin expenses	(1,000)	-
Total operating charge	<u>(383,000)</u>	<u>(362,000)</u>

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

	2020 £	2019 £
At start of period	(2,717,000)	(2,000,000)
Current service cost	(356,000)	(338,000)
Interest cost	(51,000)	(53,000)
Employee contributions	(44,000)	(43,000)
Change in financial assumptions	(595,000)	(293,000)
Benefits paid	<u>(21,000)</u>	<u>10,000</u>
At 31 August	<u>(3,784,000)</u>	<u>(2,717,000)</u>

The current service cost has been adjusted to take account of the liabilities assumed in a business combination.

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 24 Pension and similar obligations (continued)

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

	2020 £	2019 £
At start of period	1,240,000	1,005,000
Other actuarial gains/(losses)	132,000	-
Interest income	25,000	29,000
Return on plan assets (excluding net interest on the net defined pension liability)	(36,000)	32,000
Employer contributions	146,000	141,000
Employee contributions	44,000	43,000
Benefits paid plus unfunded net of transfers in	21,000	(10,000)
Administration expenses	(1,000)	-
At 31 August	<u>1,571,000</u>	<u>1,240,000</u>

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

### 25 Related party transactions

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.