

# Acorn Multi Academy Trust

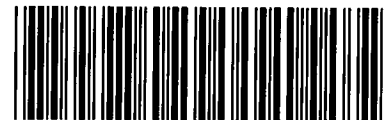
(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2018

Company Registration number: 09253218 (England and Wales)

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# **Acorn Multi Academy Trust**

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# Acorn Multi Academy Trust

## Reference and Administrative Details

<b>Members</b>	Representative for EDEN (Exeter Diocesan Education Network) Representative for DSET (Diocese of Salisbury Education Trust) Mr B Impey (appointed 11 October 2017) Mr N Whitaker (resigned 11 October 2017)
<b>Trustees (Directors)</b>	Mr B Impey Mr P Middlemast Mr B Allsop (resigned 30 November 2017) Mrs A Rice Mr M Van de Weyer Ms L Adams Mr C Sedgewick (appointed 1 November 2017) Mr N Whitaker (resigned 11 October 2017) Ms S Miller (appointed 8 February 2018)
<b>Company Secretary</b>	Ms V Dower
<b>Senior Management Team</b>	Mrs A Rice, Executive Head and Chief Executive Officer Mr R Minton, Head of Axminster Community Primary Academy Mr L Owen, Head of Marshwood CE Primary Academy Ms M Kite, Head of Mrs Ethelston's CE Primary Academy Ms T Leganski, Head of Membury Primary Academy and Head of St Andrews CE Primary Academy Mr P Beare, Head of Loders CE VC Primary Academy Mrs C Porter, Senior Finance Officer
<b>Principal and Registered Office</b>	Mrs Ethelston's CE Primary Academy Pound Lane Uplyme Lyme Regis Devon DT7 3TT
<b>Company Registration Number</b>	09253218
<b>Independent Auditors</b>	PKF Francis Clark Statutory Auditor Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

# **Acorn Multi Academy Trust**

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

<b>Bankers</b>	Lloyds Bank plc 16 The Triangle Avon Clevedon BS21 6NG
<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 2018**

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 2017 to 31 August 2018. 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 659 pupils in the census in October 2018.

### **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 directors shall not be less than 9, 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 Directors is as follows

- One director appointed by the directors (article 50)
- Up to two directors appointed by Axminster local governing body (article 50a)
- Up to two directors appointed by Mrs Ethelston's local governing body (article 50b)
- Up to two directors appointed by St Andrew's local governing body (article 50c)
- Up to two directors appointed by Marshwood local governing body (article 50d)
- The chief executive officer for as long as she remains in office (article 57)
- Foundation directors as needed to ensure that the total number of Foundation directors represent at least a simple majority of all directors (article 52)
- The directors may appoint co-opted directors as they shall think fit

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

### **Term of office**

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

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

New directors have been appointed based on specific skill sets identified by an analysis of the needs of the Trust. As vacancies have become available, a full recruitment process has been followed, and an induction pack is in place. Training has been provided by Babcock Learning and Development Partnership for all directors on effective governance within a multi academy trust. Directors 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 directors by the Clerk and directors are encouraged to attend. Relevant newsletters, publications and guidance are circulated by the clerk to keep the directors informed of statutory requirements and changes in legislation.

### **Organisational structure**

The directors 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/audit committee are a separate committee who approve the Trust budget and monitor the spending of these budgets to support the school improvement plan. Each school also has its own local governing body that monitors the performance of their own school as well as maintaining its unique identity.

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

The key management personnel comprises the Board of Directors, the Chief Executive Officer, the Senior Finance Officer and the Heads of each school.

All Directors give their time freely and no Director 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 Senior Finance 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.

## Acorn Multi Academy Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Trade union facility time

##### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

#### Percentage of time spent on facility time

Percentage of time

Number of employees

1%-50%

1

There was no associated cost as the employee was released and there was no provision in place for cover.

#### 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 Chair of the Active Learning Trust.

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (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, particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum, 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 2017/18 were:

- To raise educational standards so that all schools will be good or better at their next inspection
- To support and challenge school improvement rigorously through academy improvement partners
- To provide high quality Early Years provision across the Trust
- To grow the number of pupils in the Trust to sustain the long term viability of the Trust both from within our own schools and from other schools joining the Trust
- To review current IT systems to provide a more efficient and cost effective strategy that meets the needs of a multi academy Trust

#### **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 2018 (continued)**

### **Public benefit**

The Academy provides educational services to all children in the local area. The Directors 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 which enables us to share best practice and provide professional development in-house.

#### **Achievement and performance**

Sustainable growth has been a key focus of the work of the Trust this year. The Board is mindful of continuing to improve the standards in our own schools through collaborative working practices, as well as developing a robust growth strategy which will secure the long term sustainability of the Trust.

The Trust continues to attract new pupils by maintaining higher educational standards and establishing a good reputation within the Community. To support this, the Board has appointed Academy Improvement Partners to support and challenge school leaders. This has had a significant impact on standards across the schools as results for 2018 have seen a continuing upward trend in all of the schools. This has secured a shared understanding of 'good' teaching learning and assessment across the Trust. Five out of the six schools have been inspected by Ofsted with three of them achieving a 'good' grading. Axminster and St Andrews, Chardstock require improvement but the reports acknowledge the effective work of the Trust to identify issues and address them effectively to ensure those schools are already on rapid journey to being 'good'. The 2018 results for these schools confirms this.

# Acorn Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

The appointment of a Trust Early Years lead has also had a significant impact on outcomes in the Early years. She has created a consistent Early Years philosophy with high quality provision which ensures a high quality experience for the children. The strategy of developing Early Years provision in all of our schools, wherever possible, ensures that our children have a good start to their education as well as ensuring the future viability of the schools.

The Trust has considered its capacity to build a sustainable growth strategy that continues to provide effective school improvement with collaboration at the heart of its vision. The Trust has developed a centralised model in which the back office functions: HR, Finance, Premises and Health and Safety are managed by a hub team to enable heads of school to focus on teaching and learning. This model supports the trust growth strategy. The CEO has been developing links with other schools through the associate schools route. This gives schools the opportunity to 'try before you buy' for a period of time, understanding the ethos of the Trust and the quality of school improvement. This allows schools to make the right decision from a more informed position.

We are providing school to school support to St Marys, Thorncombe through a management partnership. This gives the school stability while governors consider the long term sustainability of the school, with the option to join the Trust.

The Trust has also reviewed the effectiveness of its operating systems to ensure the most efficient central services as well as providing best value for money. A new finance package has allowed the CFO to manage the accounts and set future budgets more effectively, and a premises package ensures that our premises are compliant with all requirements. The investment in a new Management Information System is expected to bring about significant cost savings for the Trust over the next four years and allows our assessment data to be linked to this so that we have live data that can be analysed by different groups more effectively.

### Achievement and standards

Attainment and progress in our schools overall has shown an improving picture. Those schools with good attainment have maintained this and others have made good progress with improving outcomes for all children. The attainment of children in EYFS and year 1 is in line with the national picture or better in all schools.

#### Key stage 2 results 2018

<i>EYFS% achieving GLD</i>	<b>2018 school</b>	<b>2018 national</b>	<b>2017 school</b>	<b>2017 national</b>
<b>Loders</b>	67%		75%	
<b>Marshwood</b>	75%		63%	
<b>Mrs Ethelston's</b>	76%	71%	63%	71%
<b>Axminster</b>	70%		50%	
<b>St Andrew's</b>	71%		71%	
<b>Membury</b>	100% (2 pupils)		100% (2 pupils)	

*Year 1 Phonics % working at the expected level*

# Acorn Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

	2018 school	2018 national	2017 school	2017 national
Loders	63%		100%	
Marshwood	79%		80%	
Mrs Ethelston's	83%	-	92%	81%
Axminster	84%		80%	
St Andrew's	84%		81%	
Membury	75%		80% (5 pupils)	

Phonics is a strength in all Trust schools.

### Year 2 Reading % working at the expected level (Greater depth in brackets)

	2018 school	2018 national	2017 school	2017 national
Loders	78% (33%)		60% (20%)	
Marshwood	83% (8%)		50% (13%)	
Mrs Ethelston's	80% (24%)	- -	79% (29%)	76% (25%)
Axminster	77% (41%)		56% (8%)	
St Andrew's	73% (33%)		89% (21%)	
Membury	67% (33%)		25% (0%)	

### Year 2 Writing % working at the expected level (Greater depth in brackets)

	2018 school	2018 national	2017 school	2017 national
Loders	67% (22%)		60% (0%)	
Marshwood	83% (0%)		50% (13%)	
Mrs Ethelston's	76% (16%)	- -	71% (21%)	68% (16%)
Axminster	77% (41%)		56% (8%)	
St Andrew's	67% (20%)		79% (0%)	
Membury	50% (0%)		25% (0%)	

## Acorn Multi Academy Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

*Year 2 Maths % working at the expected level (Greater depth in brackets)*

	2018 school	2018 national	2017 school	2017 national
<b>Loders</b>	67% (33%)		60% (0%)	
<b>Marshwood</b>	83% (8%)		63% (25%)	
<b>Mrs Ethelston's</b>	80% (24%)	- -	75% (18%)	75% (21%)
<b>Axminster</b>	86% (41%)		60% (16%)	
<b>St Andrew's</b>	73% (20%)		84% (5%)	
<b>Membury</b>	50% (17%)		50% (0%)	

*Year 6 Reading % working at the expected level (Greater depth in brackets)*

	2018 school	2018 progress	2017 school	2017 progress
<b>Loders</b>	83% (17%)	+2	91% (45%)	+6
<b>Marshwood</b>	90% (20%)	+1	100% (9%)	+1
<b>Mrs Ethelston's</b>	90% (48%)	+2	96% (48%)	+3
<b>Axminster</b>	70% (25%)	(2)	55% (18%)	(4)
<b>St Andrew's</b>	67% (17%)	(1)	71% (29%)	(4)
<b>Membury</b>	100% (100%)	-	0% (0%)	-

Year 6 Reading national average was 75% (2017: 71% (25%)).

# Acorn Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

*Year 6 Writing % working at the expected level (Greater depth in brackets)*

	2018 school	2018 progress	2017 school	2017 progress
<b>Loders</b>	92% (17%)	+3	81% (27%)	+2
<b>Marshwood</b>	80% (10%)	+1	64% (25%)	(2)
<b>Mrs Ethelston's</b>	94% (19%)	-	88% (28%)	-
<b>Axminster</b>	75% (15%)	(1)	64% (9%)	(4)
<b>St Andrew's</b>	78% (17%)	+2	64% (29%)	(3)
<b>Membury</b>	100% (100%)	-	0% (0%)	-

Year 6 Writing national average was 78% (2017: 76% (23%)).

*Year 6 Maths % working at the expected level (Greater depth in brackets)*

	2018 school	2018 progress	2017 school	2017 progress
<b>Loders</b>	75% (8%)	+1	81% (18%)	+2
<b>Marshwood</b>	90% (10%)	(1)	100% (27%)	+1
<b>Mrs Ethelston's</b>	84% (13%)	(1)	88% (56%)	+3
<b>Axminster</b>	70% (30%)	-	64% (14%)	(3)
<b>St Andrew's</b>	61% (17%)	(1)	57% (7%)	(4)
<b>Membury</b>	100% (100%)	-	0% (0%)	-

Year 6 Maths national average was 76% (2017: 75% (23%)).

# Acorn Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Key financial performance indicators

The number of children on roll at the schools is a key performance indicator as funding is based on pupil numbers. Pupil numbers have increased steadily over the last 3 years. Axminster Primary Academy continues to increase in pupil numbers following an increase in housing in the town. Our nursery numbers are also growing, currently at 51 pupils, as the provision becomes more highly regarded as providing high quality provision.

School	Oct 18	Oct 17	Oct 16	Oct 15
Axminster	191	178	169	166
Mrs Ethelston's	184	185	184	180
St Andrew's	110	119	120	112
Marshwood	69	68	59	61
Membury	28	23	20	N/A
Loders	77	69	64	N/A
<b>Total</b>	<b>659</b>	<b>642</b>	<b>616</b>	<b>519</b>

Another key performance indicator is salary costs which are currently 82% of GAG. The Trust will aim to keep salary costs at 80% or below of GAG 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.

### Going concern

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

### Financial review

During the period to 31st August 2018, pupil numbers for Acorn MAT have grown and continue to do so with 659 pupils recorded in the October 2018 census. This is the highest level since academy conversion.

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, 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 £35,666 CIF funding for Mrs Ethelston's school for Electrical Safety works in 2018. Other CIF applications were unsuccessful.

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

# **Acorn Multi Academy Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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. The trustees have considered this risk and have anticipated a 2% TPS employer contribution increase in the 3 year financial plan.

During the year ending 31st August 2018, the total expenditure (unrestricted and restricted general funds) of £3,583,053 for the trust has exceeded incoming resources of £3,493,955 resulting in an in-year deficit of £89,098. This was budgeted for and brought forward reserves have been utilised. The objectives of the Trust for 17/18 were to raise standards across its schools, achieve high quality Early Years Provision and review IT systems. Within the year the trust has invested in school improvement partners, recruited an EY Leader and introduced an EY setting at Loder's school. Furthermore, the trust has invested in IT systems and has rolled out a new accounting and MIS system. The reserves balance carried forward at 31st August 2018 is £319,435 unrestricted and £110,473 restricted general funds.

### **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 £319,435 in unrestricted reserves, this equates to the academy's free reserves. In addition the trust holds £110,473 in restricted general reserves.

The trustees have considered the current level of reserves alongside the future projections for the trust. Reserves are being depleted to fund a growth strategy driven by school improvement. Current projections show that the continuance of this strategy without significant results would fully deplete reserves within two years. Close monitoring of the impact of the strategy on the trusts financial position is continuous and contingency plans are in hand to avert that situation if necessary. Other key risks and sensitivity over future income streams are identified in the risk review.

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 2018 (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 the Finance and Audit Committees.

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

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.

**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.

**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 an 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.

# Acorn Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Plans for future periods

The Trust is now in its fourth year of operation and the schools within the Trust are now flourishing. The vision for the Trust of collaborative working to improve educational outcomes has impacted extremely well on the educational outcomes in the school. The Trust is now extremely well placed to improve even more and build upon its strong foundations.

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.

During 2018/19 our agreed activities to support our strategy are -

- Continue to provide school improvement support to requires improvement schools to enable them to be good
- Provide CPD to improve MAT areas for improvement-maths progress, challenging more able at key stage 2, provide broad and rich opportunities for learning at year 1
- To continue to explore opportunities for growth through the associate school model
- To investigate opportunities for cost saving such as GAG pooling, catering and PPA cover
- To develop a 3 year IT strategy to upgrade hardware and infrastructure.
- To improve asset management and develop a 5 year capital strategy

These will be in place in Autumn 2018 and the detailed activity to achieve them is contained in our current development plan.

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

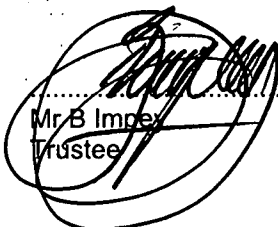
None of the Acorn Multi Academy Trust academies hold funds on behalf of others.

### 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 29/11/18 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.

The board of trustees has delegated the day-to-day responsibility to Executive Headteacher/CEO 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Impey	5	5
Mrs A Rice	5	5
Mr P Middlemast	5	5
Mr B Allsop	2	2
Mr M Van de Weyer	5	5
Ms L Adams	4	4
Mr N Whitaker	0	0
Mr C Sedgewick	3	3
Ms L Adams	4	4
Ms S Miller	2	2

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

- Revd Clive Sedgewick was appointed by EDEN (Exeter Diocesan Education Network) as a foundation director on 1st November 2017
- Mrs Samantha Miller was appointed by the directors as a director on 8th February 2018
- Mr Nigel Whitaker resigned as a director and Chair of the board of trustees on 11th October 2017
- Mr Brian Impey was elected Chair of the board of trustees on 11th October 2017
- Mr Barry Allsop resigned as a director on 30th November 2017

# **Acorn Multi Academy Trust**

## **Governance Statement (continued)**

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

- Review and update of delegated powers, followed by a revision of the Scheme of Delegation in November 2017 to reflect the operation of the Board and its committees
- Following a review of the role and effectiveness of LGBs, removal of delegated responsibility in 2017/18 for finance, HR and premises by LGBs and focus on school improvement and pupil outcomes
- Regular meetings of Chairs of LGBs with Chair of Directors and CEO
- Following review of skills audits and training needs, bespoke MAT wide training for directors and local governors on their role in the monitoring of school improvement and interpreting performance data
- The introduction of a pupil performance tracking system has enabled governors and directors to have a detailed, accurate understanding of pupil progress in order to hold leaders fully to account

Priorities and challenges for the next academic year include:

- Drafting of new Articles of Association. The revised Articles should show total separation across the two layers of governance (members and trustees) to ensure clear lines of accountability
- The revised Articles will be brought into line with DFE guidance around the appointment and composition of the Board
- The recruitment of an additional educationalist to the Trust Board to provide fuller challenge to the Trust's leadership on education matters
- Further bespoke training on responsibilities around education, including an emphasis on the primary curriculum for the Board and LGBs
- Introduction and embedding of Scholarpack, a system linking SIMs and performance data
- Revision of the Scheme of Delegation and governance documents to bring these into line with the new Articles of Association. Communication of the changes to directors, local governors and senior leaders

# **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 February and June 2018 to assess the skills, knowledge and experience contained within the trustees and the local governors. The assessment highlighted where the board or local governing bodies lacked a particular skill or knowledge base, so that new directors and governors can be recruited to fill any skills gaps.

An external review of the governance of the multi academy trust was undertaken by Michelmores. The review highlighted strengths in the structure of governance and a clear vision and understanding of delegated responsibilities through the Scheme of Delegation. The focus of local governors on teaching and learning was acknowledged to be a particular strength in improving leadership & management effectiveness in the schools over 2017/18.

A vision shaping day held with Michelmores enabled directors to engage in detailed discussions around governance, approach to autonomy/delegation, driving efficiencies, staff structures and funding central services. Particular challenges were addressed around roles and responsibilities to avoid duplication and ensuring more effective communication between the Board and committees.

It is intended that directors will complete the new National Governors Association skills audit in the spring of 2019, to ensure new directors are recruited to fill any skills gap. A self evaluation will be undertaken in the summer term of 2019.

### **Finance and Audit Committee**

The Finance and Audit Committee is a sub-committee of the main board of trustees.

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 Senior Finance Officer is a member of the finance and audit committee.

Attendance at meetings during the year was as follows:

# Acorn Multi Academy Trust

## Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr M Van de Weyer	6	6
Mr N Whitaker	1	1
Mrs A Rice	6	6
Mr B Impey	6	6
Ms L Adams	5	5
Ms S Miller	2	2

### 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:

- Continuing to strengthen the central administrative functions of the Trust to achieve staff savings and efficiencies, and to allow Heads of Schools to concentrate on Teaching and Learning
- Collaborative working between schools- sharing best practice and centralised training to minimise costs. Examples include the appointment of a central SENCo and central school improvement leaders. These appointments are more cost efficient than bought in services but more importantly more effective. This approach provides consistent and shared expertise across all schools within the trust
- Focusing particularly on Early Years in 17/18. The appointment of an EY lead has enabled costs efficiencies within the EY setting with regards to staff ratios and increased pupil numbers
- Negotiating and implementing Trust contracts for Insurance, ICT support, and discounts from resources suppliers to achieve economies and savings in all schools. Examples include the implementation of a new MIS and Accounting software system that will generate savings of approx £50K over 3 years
- Carefully benchmarking the schools in the Trust against each other to identify areas where costs can be reduced and challenging where a school's spending is comparatively high. Catering and Cleaning are the current areas of focus and although not yet fully implemented are looking to generate significant savings

### 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 2018 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 2018 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;
- 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 2018.

This assessment incorporated a review of internal systems of control for:

- payroll, purchases, income and the accounting system

The report was presented to the board of trustees through the finance and audit committee and the Senior Finance Officer has addressed the matters requiring actions.

### **Review of effectiveness**

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

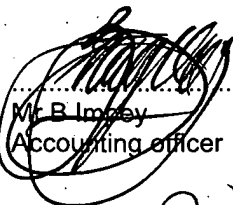
- the work of the internal control review;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the implementation by the Senior Finance Officer of internal procedures to establish compliant and consistent financial procedures across all schools in the Trust


The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

## Acorn Multi Academy Trust

### Governance Statement (continued)

Approved by order of the members of the board of trustees on 29/11/18 and signed on its behalf by:

  
.....  
Mr B Impey  
Accounting officer

  
.....  
Mrs A Rice  
Accounting officer


## Acorn Multi Academy Trust

### Statement on 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 & 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 2017.

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 2017.

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: 29.11.18

# 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 & 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:

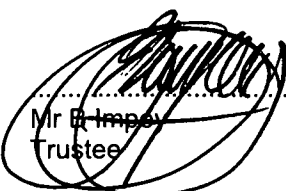
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (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 29/11/18 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 2018, 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 2018 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 2015 and the Academies Accounts Direction 2017 to 2018; 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**

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 23, 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)

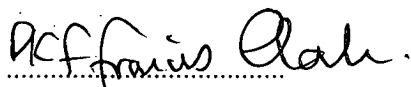
#### Auditor's responsibilities for the audit of the financial statements

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 and its 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: 20/11/18

## **Acorn Multi Academy Trust**

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

In accordance with the terms of our engagement letter dated 9 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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:

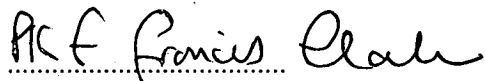
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

## Acorn Multi Academy Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Acorn Multi Academy Trust and the Education & 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 2017 to 31 August 2018 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: 29/11/18

# Acorn Multi Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Restricted Pension Funds £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	173,417	1,236	32,099	-	206,752
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	3	53,859	3,218,307	-	-	3,272,166
Other trading activities	4	45,184	-	-	-	45,184
Investments	5	1,952	-	-	-	1,952
<b>Total</b>		<u>274,412</u>	<u>3,219,543</u>	<u>32,099</u>	<u>-</u>	<u>3,526,054</u>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	<u>284,274</u>	<u>3,298,779</u>	<u>23,408</u>	<u>233,000</u>	<u>3,839,461</u>
<b>Total</b>		<u>284,274</u>	<u>3,298,779</u>	<u>23,408</u>	<u>233,000</u>	<u>3,839,461</u>
Net (expenditure)/income		(9,862)	(79,236)	8,691	(233,000)	(313,407)
Transfers between funds	15	(138,542)	138,542	-	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	22	-	-	-	260,000	260,000
Net movement in (deficit)/funds		(148,404)	59,306	8,691	27,000	(53,407)
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2017	15	<u>467,839</u>	<u>51,167</u>	<u>3,830,318</u>	<u>(1,022,000)</u>	<u>3,327,324</u>
Total funds/(deficit) carried forward at 31 August 2018	15	<u>319,435</u>	<u>110,473</u>	<u>3,839,009</u>	<u>(995,000)</u>	<u>3,273,917</u>

# Acorn Multi Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Restricted Pension Funds £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	176,361	-	6,000	-	182,361
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	3	59,648	3,175,804	-	-	3,235,452
Other trading activities	4	48,946	-	-	-	48,946
Investments	5	1,588	-	-	-	1,588
<b>Total</b>		<b>286,543</b>	<b>3,175,804</b>	<b>6,000</b>	<b>-</b>	<b>3,468,347</b>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	238,537	3,293,000	24,024	139,000	3,694,561
Net income/(expenditure)		48,006	(117,196)	(18,024)	(139,000)	(226,214)
Transfers between funds		1,112	(1,112)	-	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	22	-	-	-	61,000	61,000
Net movement in funds/(deficit)		49,118	(118,308)	(18,024)	(78,000)	(165,214)
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2016		418,721	169,475	3,848,342	(944,000)	3,492,538
Total funds/(deficit) carried forward at 31 August 2017	15	467,839	51,167	3,830,318	(1,022,000)	3,327,324

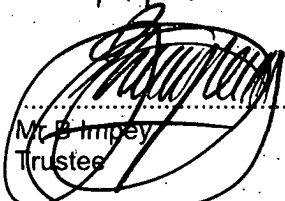
# Acorn Multi Academy Trust

(Registration number: 09253218)

## Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	3,812,875	3,816,440
<b>Current assets</b>			
Debtors	13	93,742	84,874
Cash at bank and in hand		<u>613,775</u>	<u>684,566</u>
		707,517	769,440
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	<u>(251,475)</u>	<u>(236,556)</u>
<b>Net current assets</b>		<u>456,042</u>	<u>532,884</u>
<b>Total assets less current liabilities</b>		<u>4,268,917</u>	<u>4,349,324</u>
Net assets excluding pension liability		4,268,917	4,349,324
Defined benefit pension scheme liability	22	<u>(995,000)</u>	<u>(1,022,000)</u>
<b>Total assets</b>		<u><u>3,273,917</u></u>	<u><u>3,327,324</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		110,473	51,167
Restricted fixed asset fund		3,839,009	3,830,318
Restricted pension fund		<u>(995,000)</u>	<u>(1,022,000)</u>
	15	2,954,482	2,859,485
<b>Unrestricted funds</b>			
Unrestricted general fund	15	<u>319,435</u>	<u>467,839</u>
<b>Total funds</b>		<u><u>3,273,917</u></u>	<u><u>3,327,324</u></u>

The financial statements on pages 29 to 59 were approved by the Trustees, and authorised for issue on 29/11/18 and signed on their behalf by:

  
 Mr B Impey  
 Trustee

## Acorn Multi Academy Trust

### Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	(84,999)	(68,456)
Cash flows from investing activities	19	<u>14,208</u>	<u>(20,107)</u>
Change in cash and cash equivalents in the year		(70,791)	(88,563)
Cash and cash equivalents at 1 September		<u>684,566</u>	<u>773,129</u>
Cash and cash equivalents at 31 August	20	<u><u>613,775</u></u>	<u><u>684,566</u></u>

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018**

### **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 2017 to 2018 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 and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **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 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 2018 (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 2018 (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

Land and Buildings

Leasehold Improvements

Fixtures and Fittings

Computer Equipment

#### Depreciation method and rate

125 years straight line

25 years straight line

5 years straight line

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 2018 (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.

#### **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 2018 (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.

#### **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.

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### *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 22, 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 2018. 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.

### 2 Voluntary income

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Restricted Pension Funds	Total 2018	Total 2017
	£	£	£	£	£	£
Capital grants	-	-	32,099	-	32,099	6,000
Other donations	173,417	1,236	-	-	174,653	176,361
	<u>173,417</u>	<u>1,236</u>	<u>32,099</u>	<u>-</u>	<u>206,752</u>	<u>182,361</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 3 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	2,766,058	2,766,058	2,778,322
<b>Non-government grants and other income</b>				
Other bodies	53,859	-	53,859	59,648
Other DfE/ EFA Grants	-	452,249	452,249	397,482
	<u>53,859</u>	<u>452,249</u>	<u>506,108</u>	<u>457,130</u>
<b>Total grants</b>	<u>53,859</u>	<u>3,218,307</u>	<u>3,272,166</u>	<u>3,235,452</u>

### 4 Other trading activities

	Unrestricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	15,754	15,754	18,877
Other income	29,430	29,430	30,069
	<u>45,184</u>	<u>45,184</u>	<u>48,946</u>

### 5 Investment income

	Unrestricted funds £	Total 2018 £	Total 2017 £
Short term deposits	<u>1,952</u>	<u>1,952</u>	<u>1,588</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 6 Expenditure

	Staff costs £	Non Pay Premises £	Expenditure Other costs £	Total 2018 £	Total 2017 £
<b>Academy's educational operations</b>					
Direct costs	2,022,526	-	116,628	2,139,154	1,993,850
Allocated support costs	<u>784,142</u>	<u>441,981</u>	<u>474,184</u>	<u>1,700,307</u>	<u>1,700,711</u>
	<u>2,806,668</u>	<u>441,981</u>	<u>590,812</u>	<u>3,839,461</u>	<u>3,694,561</u>

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

	2018 £	2017 £
Operating leases - other leases	6,478	8,935
Fees payable to auditor - audit	7,000	6,500
- other audit services	2,750	2,750
Depreciation	<u>23,408</u>	<u>24,024</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 7 Charitable activities

		Total 2018 £	Total 2017 £
Direct costs - educational operations		2,139,154	1,993,850
Support costs - educational operations		<u>1,700,307</u>	<u>1,700,711</u>
		<u>3,839,461</u>	<u>3,694,561</u>
	Educational operations £	Total 2018 £	Total 2017 £
<b>Analysis of support costs</b>			
Support staff costs	784,142	784,142	687,885
Depreciation	23,408	23,408	24,024
Premises costs	418,573	418,573	442,871
Other support costs	463,434	463,434	537,431
Governance costs	<u>10,750</u>	<u>10,750</u>	<u>8,500</u>
Total support costs	<u>1,700,307</u>	<u>1,700,307</u>	<u>1,700,711</u>

### 8 Staff

#### Staff costs

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,051,892	1,997,780
Social security costs	150,813	136,696
Operating costs of defined benefit pension schemes	<u>532,917</u>	<u>301,163</u>
	2,735,622	2,435,639
Supply teacher costs	57,837	73,921
Staff restructuring costs	<u>13,209</u>	<u>22,000</u>
	<u>2,806,668</u>	<u>2,531,560</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,209 (2017: £22,000). Individually, the payments were: £7,287 and £5,922 (2017: £22,000).

## Acorn Multi Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2018 No	2017 No
<b>Charitable Activities</b>		
Teachers	41	37
Administration and support	82	79
Management	1	1
	<u>124</u>	<u>117</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No	2017 No
£100,001 - £110,000	<u>1</u>	<u>1</u>

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 £462,505 (2017: £443,492).

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 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

The actual amounts charged during the year were as follows:

	Period to 2018 £
Axminster Community Primary Academy	82,059
Marshwood CE Primary Academy	44,279
Mrs Ethelston's CE Primary Academy	76,113
St Andrew's CE Primary Academy	68,166
Membury Primary Academy	36,032
Loders CE VC Primary Academy	44,733
	<u>351,382</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:

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **10 Related party transactions - Trustees' remuneration and expenses (continued)**

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

Remuneration: £100,000 - £105,000 (2017 - £100,000 - £105,000)

Employer's pension contributions: £15,000 - £20,000 (2017 - £15,000 - £20,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £809 (2017 - £1,569) were reimbursed or paid directly to 2 Trustees (2017 - 3).

Other related party transactions involving the Trustees are set out in note 23.

### **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 2018 (contin

### 12 Tangible fixed assets

	Freehold land and buildings £	Leasehold improvements £	Fixtures and Fittings £
<b>Cost</b>			
At 1 September 2017	3,759,000	79,631	12,398
Additions	-	19,843	-
At 31 August 2018	<u>3,759,000</u>	<u>99,474</u>	<u>12,398</u>
<b>Depreciation</b>			
At 1 September 2017	46,121	4,291	3,645
Charge for the year	16,248	2,075	2,479
At 31 August 2018	<u>62,369</u>	<u>6,366</u>	<u>6,124</u>
<b>Net book value</b>			
At 31 August 2018	<u>3,696,631</u>	<u>93,108</u>	<u>6,274</u>
At 31 August 2017	<u>3,712,879</u>	<u>75,340</u>	<u>8,753</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 13 Debtors

	2018 £	2017 £
Trade debtors	3,119	7,445
Prepayments	38,231	41,817
Accrued grant and other income	25,207	23,348
VAT recoverable	27,185	12,264
	<u>93,742</u>	<u>84,874</u>

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

	2018 £	2017 £
Trade creditors	84,719	70,953
Other taxation and social security	38,344	36,751
Pension scheme creditor	40,685	38,068
Accruals	31,801	32,006
Deferred income	55,926	58,778
	<u>251,475</u>	<u>236,556</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	58,778	60,829
Resources deferred in the period	55,926	58,778
Amounts released from previous periods	<u>(58,778)</u>	<u>(60,829)</u>
Deferred income at 31 August 2018	<u>55,926</u>	<u>58,778</u>

At the balance sheet date the Academy Trust was holding funds received in advance for: UIFSM - £44,000, Rates - £7,000, Trips - £4,000, Catering - £1,000.

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 15 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	14,166	2,766,058	(2,918,766)	138,542	-
Other DfE/ESFA Grants	37,001	265,783	(192,311)	-	110,473
Trips	-	45,479	(45,479)	-	-
Pupil Premium	-	142,223	(142,223)	-	-
	<u>51,167</u>	<u>3,219,543</u>	<u>(3,298,779)</u>	<u>138,542</u>	<u>110,473</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	3,742,791	-	(16,168)	-	3,726,623
DfE / Capital grants	49,645	32,099	(7,240)	-	74,504
Capital from predecessor school	<u>37,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,882</u>
	3,830,318	32,099	(23,408)	-	3,839,009
<b>Restricted pension funds</b>					
Defined Benefit Pension Scheme	<u>(1,022,000)</u>	<u>-</u>	<u>(233,000)</u>	<u>260,000</u>	<u>(995,000)</u>
Total restricted funds	2,859,485	3,251,642	(3,555,187)	398,542	2,954,482
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>467,839</u>	<u>274,412</u>	<u>(284,274)</u>	<u>(138,542)</u>	<u>319,435</u>
Total funds	<u>3,327,324</u>	<u>3,526,054</u>	<u>(3,839,461)</u>	<u>260,000</u>	<u>3,273,917</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 15 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	114,074	2,778,322	(2,878,230)	-	14,166
Primary Development/Start up Grant	49,683	-	(49,683)	-	-
Other DfE/ESFA Grants	-	214,967	(177,966)	-	37,001
Trips	-	51,835	(56,441)	4,606	-
Restricted donation	5,718	-	-	(5,718)	-
Pupil Premium	-	130,680	(130,680)	-	-
	<u>169,475</u>	<u>3,175,804</u>	<u>(3,293,000)</u>	<u>(1,112)</u>	<u>51,167</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	3,759,159	-	(16,368)	-	3,742,791
DfE / Capital grants	51,301	6,000	(7,656)	-	49,645
Capital from predecessor school	<u>37,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,882</u>
	<u>3,848,342</u>	<u>6,000</u>	<u>(24,024)</u>	<u>-</u>	<u>3,830,318</u>
<b>Restricted pension funds</b>					
Defined Benefit Pension Scheme	<u>(944,000)</u>	<u>-</u>	<u>(139,000)</u>	<u>61,000</u>	<u>(1,022,000)</u>
Total restricted funds	3,073,817	3,181,804	(3,456,024)	59,888	2,859,485
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>418,721</u>	<u>286,543</u>	<u>(238,537)</u>	<u>1,112</u>	<u>467,839</u>
Total funds	<u>3,492,538</u>	<u>3,468,347</u>	<u>(3,694,561)</u>	<u>61,000</u>	<u>3,327,324</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 15 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	114,074	5,544,380	(5,796,996)	138,542	-
Primary Development/Start up Grant	49,683	-	(49,683)	-	-
Other DfE/ESFA Grants	-	480,750	(370,277)	-	110,473
Trips	-	97,314	(101,920)	4,606	-
Restricted donation	5,718	-	-	(5,718)	-
Pupil Premium	-	272,903	(272,903)	-	-
	<u>169,475</u>	<u>6,395,347</u>	<u>(6,591,779)</u>	<u>137,430</u>	<u>110,473</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	3,759,159	-	(32,536)	-	3,726,623
DfE / Capital grants	51,301	38,099	(14,896)	-	74,504
Capital from predecessor school	<u>37,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,882</u>
	<u>3,848,342</u>	<u>38,099</u>	<u>(47,432)</u>	<u>-</u>	<u>3,839,009</u>
<b>Restricted pension funds</b>					
Defined Benefit Pension Scheme	<u>(944,000)</u>	<u>-</u>	<u>(372,000)</u>	<u>321,000</u>	<u>(995,000)</u>
Total restricted funds	3,073,817	6,433,446	(7,011,211)	458,430	2,954,482
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>418,721</u>	<u>560,955</u>	<u>(522,811)</u>	<u>(137,430)</u>	<u>319,435</u>
Total funds	<u>3,492,538</u>	<u>6,994,401</u>	<u>(7,534,022)</u>	<u>321,000</u>	<u>3,273,917</u>

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (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.

**Primary Chain Development Fund:**

Received from the ESFA to support a two year chain development programme.

**Start-Up Grants:**

Received from the ESFA to support the costs of starting up the individual academies.

**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.

**Pupil Premium:**

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

**Early Years:**

Funds received from the ESFA for 2, 3 and 4 year olds attending Early Years provision.

**Trips:**

Contributions from parents towards educational visits.

**Restricted Donations:**

Donations received for specific purposes.

**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 2018 (continued)

### 15 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total £
Axminster Community Primary Academy	134,130
Marshwood CE Primary Academy	161,385
Mrs Ethelston's CE Primary Academy	290,661
St Andrew's CE Primary Academy	246,991
Membury Primary Academy	80,080
Loders CE VC Primary Academy	14,258
Central services	<u>(497,597)</u>
Total before fixed assets and pension reserve	429,908
Pension Scheme Reserve	995,000
Assets transferred on conversion	<u>3,839,009</u>
Total	<u><u>3,273,917</u></u>

#### 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 2018 £
Axminster Community Primary Academy	544,629	134,972	22,019	146,968	848,588
Marshwood CE Primary Academy	205,317	39,425	6,782	54,354	305,878
Mrs Ethelston's CE Primary Academy	401,525	88,688	10,621	151,042	651,876
St Andrew's CE Primary Academy	266,667	111,009	16,232	145,703	539,611
Membury Primary Academy	104,710	31,775	4,751	35,500	176,736
Loders CE VC Primary Academy	285,615	43,666	4,672	78,402	412,355
Central services	<u>214,063</u>	<u>334,607</u>	<u>142</u>	<u>332,197</u>	<u>881,009</u>
Academy Trust	<u><u>2,022,526</u></u>	<u><u>784,142</u></u>	<u><u>65,219</u></u>	<u><u>944,166</u></u>	<u><u>3,816,053</u></u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,812,875	3,812,875
Current assets	320,427	360,956	26,134	707,517
Current liabilities	(992)	(250,483)	-	(251,475)
Pension scheme liability	-	(995,000)	-	(995,000)
Total net assets	<u>319,435</u>	<u>(884,527)</u>	<u>3,839,009</u>	<u>3,273,917</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	-	-	3,816,440	3,816,440
Current assets	468,510	287,052	13,878	769,440
Current liabilities	(671)	(235,885)	-	(236,556)
Pension scheme liability	-	(1,022,000)	-	(1,022,000)
Total net assets	<u>467,839</u>	<u>(970,833)</u>	<u>3,830,318</u>	<u>3,327,324</u>

### 17 Financial commitments

#### Operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	4,995	6,478
Amounts due between one and five years	<u>7,016</u>	<u>12,011</u>
	<u>12,011</u>	<u>18,489</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2018 £	2017 £
Net expenditure	(313,407)	(226,214)
Depreciation	23,408	24,024
Capital grants from DfE and other capital income	(32,099)	-
Interest receivable	(1,952)	(1,588)
Defined benefit pension scheme cost less contributions payable	207,000	119,000
Defined benefit pension scheme finance cost	26,000	20,000
Increase in debtors	(8,868)	(7,328)
Increase in creditors	14,919	3,650
Net cash used in Operating Activities	<u>(84,999)</u>	<u>(68,456)</u>

### 19 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	1,952	1,588
Purchase of tangible fixed assets	(19,843)	(21,695)
Capital grants from DfE Group	32,099	-
Net cash provided by/(used in) investing activities	<u>14,208</u>	<u>(20,107)</u>

### 20 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>613,775</u>	<u>684,566</u>
Total cash and cash equivalents	<u>613,775</u>	<u>684,566</u>

### 21 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.

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **22 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 Barnett Waddingham. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £(40,685) (2017 - £(38,068)) 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

#### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

## **Acorn Multi Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **22 Pension and similar obligations (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £208,220 (2017: £188,756).

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: 2% - 6%

Males retiring today: 23.5 - 24.0

Males retiring in 20 years: 25.8 - 26.3

Females retiring today: 25.6 - 26.1

Females retiring in 20 years: 28.0 - 28.5

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 2018 was £156,000 (2017 - £170,000), of which employer's contributions totalled £117,000 (2017 - £132,000) and employees' contributions totalled £39,000 (2017 - £38,000). The agreed contribution rates for future years are 15.4 per cent for employers and 6.5 per cent for employees.

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

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 22 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.70	2.60
Inflation assumptions (CPI)	2.30	2.70
RPI increases	<u>3.30</u>	<u>3.60</u>

#### Sensitivity analysis

	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	1,951,000	1,802,000
Discount rate -0.1%	2,050,000	1,893,000
Mortality assumption – 1 year increase	2,066,000	1,907,000
Mortality assumption – 1 year decrease	<u>1,936,000</u>	<u>1,789,000</u>

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

	2018	2017
<b>Retiring today</b>		
Males retiring today	23.80	23.70
Females retiring today	25.90	25.80
<b>Retiring in 20 years</b>		
Males retiring in 20 years	26.10	25.90
Females retiring in 20 years	<u>28.30</u>	<u>28.10</u>

# Acorn Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 22 Pension and similar obligations (continued)

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

	At 31 August 2018 £	At 31 August 2017 £
Equities	599,000	478,000
Gilts	57,000	52,000
Other bonds	34,000	43,000
Property	94,000	73,000
Cash and other liquid assets	14,000	20,000
Other	207,000	159,000
Total market value of assets	1,005,000	825,000
Present value of scheme liabilities - funded	(2,000,000)	(1,847,000)
Deficit in the scheme	(995,000)	(1,022,000)

The actual return on scheme assets was £43,000 (2017 - £88,000).

### Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	(324,000)	(251,000)
Net interest cost	(26,000)	(20,000)
Total operating charge	(350,000)	(271,000)

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

	2018 £	2017 £
At start of period	(1,847,000)	(1,557,000)
Current service cost	(324,000)	(251,000)
Interest cost	(49,000)	(35,000)
Employee contributions	(39,000)	(38,000)
Change in financial assumptions	240,000	31,000
Benefits paid	19,000	3,000
At 31 August	(2,000,000)	(1,847,000)

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 2018 (continued)

### 22 Pension and similar obligations (continued)

#### Movements in the fair value of Academy Trust's share of scheme assets

	2018 £	2017 £
At start of period	825,000	613,000
Interest income	23,000	15,000
Return on plan assets (excluding net interest on the net defined pension liability)	20,000	73,000
Employer contributions	117,000	132,000
Employee contributions	39,000	38,000
Benefits paid	(19,000)	(3,000)
Plan introductions, benefit changes, curtailments and settlements	-	(43,000)
At 31 August	<u>1,005,000</u>	<u>825,000</u>

# **Acorn Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **23 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.