

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

FRIDAY



ABJFNH97

A12

23/12/2022

#36

COMPANIES HOUSE



Bishop Fleming

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 23
Independent Reporting Accountant's Report on Regularity	24 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 59

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Representative for EDEN (Exeter Diocesan Education Network) Representative for SDBE (Diocese of Salisbury Education Trust) Representative for Diocese of Bath & Wells Chair of Directors, Mr B Impey
Trustees	Mr B Impey, Chair Ms A Rice, Chief Executive Mr P Middlemast Ms L Adams Mrs V Singer Ms S Miller Mr R Toms Mr J Bearman (resigned 7 September 2021) Mr T Thexton (resigned 14 September 2022)
Company registered number	09253218
Company name	Acorn Multi-Academy Trust
Principal and registered office	The Old Tool Office Chard Street Axminster Devon EX13 5EB
Company secretary	V Dower
Chief executive officer	A Rice
Senior leadership team	Mrs A Rice*, Executive Head and Chief Executive Officer Mr L Owen, Head of Axminster Community Primary Academy Mr P Beare, Acting Head of Marshwood CE Primary Academy Miss K Lyons, Head of Mrs Ethelston's CE Primary Academy & Membury Community Primary Mrs D Butler, Head of St Andrews CE Primary Academy (appointed 26 May 2022) Ms C Pooley, Head of Lodders CE Primary Academy Mrs J Evans, Head of Thorncombe, St Marys CE VC Primary School (from 1 September 2022) Mrs C Porter*, Chief Financial Officer Mrs S Elliott*, Business Operations Manager Ms E Smith, Head of Thorncombe, St Marys CE VC Primary School (resigned 31 August 2022) * Deemed to be key management personnel for the purposes of disclosure in the financial statements
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Bankers	Lloyds Bank plc 16 The Triangle Avon Cleavedon BS21 6NG
Solicitors	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX2 5WR

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

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, and to the date the accounts are approved are included in the Reference and Administrative Details.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while 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 be not less than five (appointed under Articles 50 and 50A), but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum
- The Members shall appoint by ordinary resolution a minimum of two Directors (Article 50)
- Provided that the total number of (Foundation) Directors appointed under Article 50A shall not exceed a simple majority of the total number of Directors:
 - i) EDEN shall appoint no fewer than two directors;
 - ii) SDBE shall appoint no fewer than one director; and
 - iii) in the event that a Church Academy located in a Diocese other than those administered by either EDEN or SDBE joins the Company, the relevant Diocesan Corporate Member shall appoint no fewer than one director.
- Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Director (Article 57).
- The Directors may appoint Co-opted Directors (Article 58).
- The total number of Directors, including the Chief Executive Officer if they so choose to act as Director under Article 57, who are employees of the Company shall not exceed one third of the total number of Directors (Article 50B).

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.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are appointed based on specific skill sets identified by an analysis of the needs of the Trust. The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. Induction tends to be done informally and is tailored specifically to the individual. Training has been provided by Devon Education Services Governance Support Team for all Trustees. Trustees also have access to further general

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

training and support provided by the Exeter Diocesan Board of Education, Diocese of Salisbury Education, as well as the National Governors Association Learning Link and the Devon Association of Governance. Details of all courses and events are circulated to all directors by the Clerk and Trustees are encouraged to attend. Relevant newsletters, publications and guidance are circulated by the clerk to keep Trustees informed of statutory requirements and changes in legislation.

Organisational structure

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

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

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Multi Academy Trust to the CEO and Senior Leadership Team (SLT). The SLT comprises the CEO, Heads of School, the Chief Financial Officer (CFO) and the Business Operations Manager. The SLT implements the policies laid down by the Trustees and reports back to them on performance. The CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel comprise the Board of Trustees, the Chief Executive Officer, the Chief Financial Officer, the Business Operations Manager.

All Directors give their time freely and no Director received remuneration in the year in respect of their role as a Director.

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.

As part of the SLT, 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.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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

Trade union facility time

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

Related Parties and other Connected Charities and Organisations

The Acorn Multi Academy Trust consists of seven schools from East Devon and West Dorset. The Trust works closely with other schools outside the Trust including The Woodroffe Pyramid. The Trust is working with South Central Teaching School hub and Woodroffe School to provide provision for the Early Career Teacher induction programme. The Acorn Multi Academy Trust works with the universities of Exeter, Bath Spa and St Mark and St John. Plymouth to provide teaching practice placements.

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

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 2021/22 were:

To continue to ensure St Andrews, Chardstock is "good" at its next inspection and other schools continue to be good

To improve outcomes for all children but particularly disadvantaged and SEND children through impact of catch up and recovery premium

To identify and address gaps in language and vocabulary development early to enable children to access the full curriculum

To develop a succession plan for senior staff to ensure effective running of the operations team through refining roles and responsibilities

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

To develop an IT infrastructure that enables effective use of shared drives and automated processes to ensure the effective operation of the organisation

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.

Public benefit

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

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

We are united by our passion for working collaboratively to achieve the best possible outcomes in all our schools. Each of our academies are separate and distinct and their differences are valued. This character and distinctiveness are protected and developed in each school and are at the heart of their communities. This is within a structure that is supportive and collaborative so that staff and children are not isolated but benefit from opportunities to develop and grow.

The Trust has continued to strengthen the phonics and reading curriculum through the further implementation of the Read, Write Inc programme in Nursery and Key Stage 1, and intertwining the reading and writing curriculum across the Trust. This has created a strong culture of reading on which to build the rest of the curriculum. The programme has been extended to include children from key stage two who have reading difficulties through the use of fast track tutoring. The impact of this has been extremely positive with attainment in Reception and year 1 being high in all schools except Axminster. This links to the other priority around speech and language as children with these difficulties are struggling to learn to read using a phonetic approach. 12 out of 17 children in year one had speech and language programmes. We have developed a systematic approach to early identification of issues in Nursery and reception so that these are no longer a barrier to learning. The Trust has also invested in Lexia, a language based learning platform that supports individual language difficulties online and this is supporting this focus on early language development to ensure all children are able to read by the time they leave key stage one.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The use of various government grants e.g. catch up premium and school led tutoring have enabled us to invest in a range of strategies to identify barriers to learning and support children's learning. These have included precision teaching, fast track phonics, attachment based mentoring training and Boxall online and all of these have provided additional support for those children most affected by the Covid pandemic.

There have been several external visits this year from Mark Lees, Dorset school improvement and Paul Walker through the targeted schools support. This has provided important CPD for Heads of school and subject leaders as they continue to refine their curriculum offering to ensure their quality of education is effective by building on prior knowledge to ensure children know more and therefore learn more.

The central services aspect of the Trust has been strengthened through the recruitment of additional staff to ensure a more specialised service from the small team of part time staff. This allows for succession planning as well as ensuring adequate support for our schools to ensure the schools are able to focus on the job of education. Alongside this a new Google drive structure has been developed to ensure ease of access as well as a more user friendly service through the automation of many HR and finance services across the Trust. This enables a swifter and more efficient service.

The Trust continued to work with the Local Authority and the ESFA to progress the additional accommodation at Axminster Community Primary. The planning application has been completed and building work is expected to commence in January 2023. This is being funded by Devon Local Authority in response to basic need. As the leaseholders of Mrs Ethelstons Primary Academy, the Bestic Trust continues to work towards a solution to expand capacity at Mrs Ethelstons. The Bestic Trust have obtained full planning permission for a new school on a new site and continue to research ways of beginning the building work. All of these are considerations as the Trust board continues to work to ensure long term sustainability of the Trust.

ACHIEVEMENTS AND PERFORMANCE

The national SATS testing took place this year for the first time since the Covid pandemic but the results will not be published nationally.

2022	EYFS GLD	Yr 1 phonics	KS1 reading	writing	maths	KS2 reading	writing	maths
Mrs Ethelstons	80%	84%	62%	62%	62%	93%	77%	63%
Axminster	62.5%	37%	55%	33%	26%	65%	58%	62%
St Andrews	87.5%	100%	58%	32%	58%	60%	53%	60%
Loders	60%	75%	63%	25%	50%	70%	50%	60%
Marshwood	100%	50%	38%	25%	38%	69%	62%	54%
Membury	50%	N/A	100%	100%	100%	100%	100%	100%
Thorncombe	100%	100%	100%	100%	100%	55%	44%	55%

The results for 2022 are not being published this year as they have been hampered by the impact of the Covid pandemic and they are to be used cautiously due to the impact of this. The majority of

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

schools in the Trust have year groups below 10 pupils and therefore the results are skewed by one or two children who may also have specific learning needs.

The children who have not been affected by Covid in Reception and year one are making a strong start to their education. The support of the early years lead to ensure high quality provision in nursery and EYFS is ensuring that children get off to a strong start in the Reception year and outcomes in communication, reading and writing are strong. There is a strong focus on early reading and the relentless pursuit of high quality phonics teaching has ensured that outcomes are also strong in year one phonics scores. The children in year 2 have had the majority of their early school years disrupted by Covid and this has impacted on their knowledge of the basic skills of reading, writing and maths, and this is reflected in the outcomes. Although they are now beginning to close the gaps, there are also issues with a lack of social skills and less developed attitudes to learning. This year group is a focus for next year to ensure that gaps in knowledge continue to be addressed adequately to enable children to catch up.

Key stage two outcomes are close to the national average in reading, but below in writing and maths. The Trust undertook significant writing moderation training to ensure assessments were robust but some children lacked stamina to write enough pieces of sufficient quality and length due to the pandemic. Maths at key stage 2 is a priority for all schools next year. Children have regained fluency and gaps have been filled where necessary, however, children found explaining their reasoning and applying their understanding more challenging. Marshwood and Chardstock have joined a maths mastery project with the Jurassic maths hub and are working on developing a Trust wide mastery approach with the maths subject leads.

Key Performance Indicators

The number of children on roll is a key performance indicator as funding is based on pupil numbers. Across the Trust total pupil numbers are 699 (36 nursery) in the October 2022 census. Pupil numbers have remained stable at all schools and the drop of 3 pupils is minimal. The aim is to maintain pupil numbers or achieve growth.

Another key performance indicator is payroll costs as a % of total expense. This is currently 79% and has remained stable between 76% and 79% for the previous four years. The Trust will aim to keep salary costs at 80% or below of total expense through sharing staff and expertise, and reducing overheads as the Trust grows. This continues to be a challenge due to statutory obligations such as NI increases, pension contribution increases and introduction of the national living wage.

GOING CONCERN

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

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

- Pupil numbers are driven by current class numbers with reception intake assumed to be in line with previous years. Budgeted pupil numbers for the next three years are: 679 22/23, 684 23/24 and 685 in 24/25
- 2% pay increase for teachers and 2% pay increase for support staff each year
- 5% inflationary increase for resources and services each year
- Utilities increased by 65% as was estimated by energy suppliers for gas and electric.
- 2% GAG funding increase has been applied from 22/23
- Pupil number driven grants assumed to be the same rate as 22/23. This includes UIFSM, DCF, Pupil Premium and sports premium

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Based on the assumptions above, the trust will have unrestricted and restricted funds (excluding fixed asset and pension fund) of £734,831 at the financial year ending 31 August 2025.

Subsequent to the recent agreement of Teachers and NJC pay awards, the trust has reviewed the budget. The impact of the pay award is £182k. With closing reserves of £738,385 on 31 August 2022 (excluding FA and Pension fund), the trust will use the operation reserves fund to meet this deficit and it has not altered the Directors opinion with regards to going concern. The Directors recognise the challenges facing the trust in future years that will impact going concern and outlines how it plans to utilise reserves in the future years in the reserves policy on page 10.

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 2022, funding was based on October 2020 pupil numbers of 666. Pupil numbers are currently 699 as per the October 2022 census.

With the exception of one off grant income, the Trust's core income is received in the form of recurring annual grants from the ESFA. This includes General Annual Grant, Teachers pension and pay grant, Pupil Premium, Catch up 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 had 1 new CIF project and 1 ongoing project in the year 21/22. The new project was for a roof replacement at Axminster Primary. The project cost was £172,863 and the amount awarded £155,037. This project was completed within the year and the income and expense is recognised in the 21/22 financial year. The ongoing project to rebuild the retaining wall at Mrs Ethelston's primary is due to complete in the year 22/23. The total amount spent to date is £28,334 of a project value of £195,947. The income for this project was recognised in prior year accounts.

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

The Trust makes contributions to both the Teachers' Pension (TPS) and Local Government Pension Scheme (LGPS). The TPS is a national scheme managed by the Department for Education. Assets and Liabilities are not allocated 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 and prior 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.

Although schools have remained open for the full 21/22 academic year, there have been the highest levels of staff absence over the past three years. The COVID testing programme and self-isolation rules were in existence until 1st April 2022 which have resulted in higher levels of supply costs. The

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

vigorous cleaning program at the schools has continued with regular fumigation and deep cleans where necessary. PPE costs also remained higher than normal.

During the year and with the assistance of pupil premium, recovery and catch-up grants, the trust has invested in Read Write Inc to improve phonics and reading and Lexia, a language support program that supports individual language difficulties online. Other curriculum packages such as Accelerated Reader and Kapow have continued to be purchased at trust level for all the schools to benefit from.

The Trust has continued to invest in IT this year with a further purchase of laptops for teachers costing £6,369. Furthermore, 33 Chromebooks were donated from the DFE for children. This is shown in the accounts as a donation of £6,237.

In summary, for the year ending 31st August 2022, the total incoming resources (unrestricted and restricted general funds) of £4,663,110 for the trust been exceeded by total expenditure (unrestricted and restricted general funds) of £4,678,802 resulting in an in-year deficit of £15,692 before transfers. After a £6,012 transfer from restricted fixed asset funds the trust has a net deficit of £9,680. The reserves balance carried forward at 31st August 2022 is £259,353 unrestricted and £479,032 restricted general funds (excluding FA and Pension fund). The balance of the Fixed Asset Fund is £4,647,840.

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 trust reviews the opportunities and risks at a trust level in order to assess the required level of resources needed to meet expected and unexpected needs in the short and long term. The current reserve policy requires that a capital reserve be created to fund future capital expenditure and that a revenue reserve be created to fund both operational and strategic aims of the trust.

Currently the capital reserve consists of £211,515. Within this fund £188,954 is unspent capital projects. The remaining £22,561 is for future capital spend.

Revenue Reserves are split into strategic and operational.

Operational reserves are intended to be sufficient to allow for the educational facilities and services of the trust to be maintained for the short term (within the current academic year). The minimum level for this reserve is 5% of GAG income. For the academic year 22/23, the minimum level of this reserve is £189,980 and it will provide for increases to salaries, utility costs and absence costs beyond those budgeted.

Strategic reserves consider longer term aspirations of the trust. Pupil numbers being a high risk and key financial driver for the trust are used as measure for this reserve and as a rule it aims to support a movement of 20 pupils numbers both up and down. The Age Weighted Pupil Unit (AWPU) for 22/23 is £3,217, therefore the minimum level of this reserve is £64,340. In addition this fund should support any deficit forecast in the next 3 years. The 3 year forecast shows a surplus in years 1 and 2 and a deficit in year 3. A further £3,554 is added to the strategic reserve requirement.

The trust is currently holding £259,353 in unrestricted reserves, this equates to the academy's free reserves. In addition, the trust holds £479,032 in restricted general reserves (excluding pension fund). The current reserve level for the trust exceeds the required level and this surplus will be utilised for unfunded pay increases and capital improvements

Due to the nature of funding the Trust holds significant cash balances surplus to its threshold set for operational and strategic requirements. The Trustees have authorised the opening of an additional

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

investment account to take advantage of higher interest rates. This policy is regularly reviewed by Trustees at the committee meeting

INVESTMENT POLICY

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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 ESFA. 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 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 continued investment and supporting the wellbeing of staff. Recruitment of staff continues to be a challenge at all levels. The number of applicants at teacher and support staff level is low and the quality is also not as good as the trust would like. The retention of support staff is also challenging due to low pay rates, part time hours and term time only contracts. This situation looks likely to get worse in the future.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

infrastructure and operational. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risks still remain they have ensured adequate insurance cover.

FUNDRAISING

The academy trust does not use any external fundraisers.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide the highest quality of education by attracting the highest quality staff in order to deliver its objectives. During 2022/23 our agreed priorities to support our strategy are:

To improve the quality of education in maths to ensure that children master maths by acquiring a deep, long term secure and adaptable understanding of the subject.

To ensure that disadvantaged children are able to access the curriculum through adaptations to the curriculum that enable them to succeed as learners, and any gaps are identified and addressed so that children can keep up not catch up.

To ensure attendance is improving, particularly for disadvantaged children, and strategies are in place to ensure attendance of all children is a priority and steps are taken to address any barriers to low or persistent absence.

To develop an action plan to address climate change and sustainability issues in the curriculum and across the Trust as a whole.

To create an extension to Axminster Primary Academy to enable the school to increase NOR to 315 from September 2023. This is being funded by Devon LA as a result of there being a basic need.

In light of the school capacity report relating to Mrs Ethelston's and continued pressure on admissions, to continue to work with the Bestic Trust to secure funds to build a new school on the site acquired that has detailed planning consent for a single form entry.

To develop a strategy to ensure the long-term sustainability of the Trust in response to the White paper.

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 8th December 2022 and signed on the board's behalf by:



Mr B Impey
Chair of Trustees

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher/CEO, 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 7 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
B Impey (Chair)	7	7
A Rice (CEO and accounting officer)	7	7
P Middlemast	7	7
L Adams	6	7
S Miller	6	7
T Thexton	1	7
R Toms	6	7
V Singer	6	7
J Bearman	0	0

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

Mr Brian Impey was elected Chair of the board of trustees on 13th September 2022.

Mr Timothy Thexton resigned as a foundation director on 14th September 2022.

Mr John Bearman resigned as a foundation director on 7th September 2021

Over the autumn 2022 period, the Board has plans in place to recruit two more directors.

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

- To ensure that Trustees and Local Governors have a clear and concise scheme of delegation, delegated powers were reviewed and updated, followed by a revision of the Scheme of Delegation and governance documents in September 2022.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

- Improving communication across all levels of governance was a focus in 2021-2022. Half termly meetings of Chairs of Local Governing Bodies (LGBs) with the Chair of Directors and CEO continued through 2021-22.
- During 2022, Chairs of LGBs were invited to attend Trust Board meetings and feedback to local governors. This improved understanding of the trust's governance structure and practice, along with its values, ethos and culture.
- Governance at local level was strengthened with the recruitment of governors with skills in education and links to the community.
- Scholarpack, the pupil performance tracking system linking SIMS and performance data has now been fully embedded. This has enabled governors and directors to have a detailed, accurate understanding of pupil progress.
- Members' meetings were increased to three in 2021-22, with a general meeting at the end of the year reviewing the risks for the next academic year and mitigations, along with a strategic overview.
- A Memorandum of Understanding was agreed in November 2021 to strengthen the links between the three Church Members and the Trust.
- A Trust SLA with the NGA Learning Link was set up in 2022, giving access to high quality training and development to governors at all levels, alongside face to face training with Devon Education Services.

Priorities and challenges for the next academic year include:

- Continue to build and consolidate effective relationships and communication between members of the Board and local governors.
- Progressing the recruitment and induction of new Directors to the Trust Board to reach full capacity and fill any gaps identified through the skills audit, assure succession and provide full challenge to the Trust's leadership across the organisation.
- Recruiting an additional Member to represent community schools, to reach the 5 Members required under the articles.
- Review of governance structure, to ensure active stakeholder engagement is key to the role of local governors.

Governance Reviews:

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

The trust board and local governing bodies carried out skills audits in the summer of 2022 to assess the skills, knowledge and experience contained within the trustees and the local governors. The skills and competencies audit evaluated the Board's expertise, identified gaps in skills or knowledge and proactively sought to appoint to the key areas.

The trust board and local governing bodies undertook self-evaluations in the spring and summer of 2022.

The trust board completed the NGA MAT Board online appraisal tool. The follow up meeting with an NGA consultant provided external oversight of the process and helped the board identify strengths and key areas for development. An analysis of the appraisal report was followed by the creation of a governance action plan. The development and review of the governance action plan enabled all trust board members to be actively engaged in improving the effectiveness of the governing board over the 2021-22 academic year.

It is intended that directors will complete the new National Governors Association skills audit in the spring of 2023, to ensure new directors are recruited to fill any skills gap and to identify suitable learning opportunities.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Finance and Audit Committee is a sub-committee of the main Board of Trustees and meets six times a year.

The Finance & 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 Internal Auditor
- 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 & health & safety

The Chief Financial Officer is a member of the finance & audit committee.

During the year, T Thexton and R Toms joined the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Miller (Chair)	6	6
B Impey	5	6
R Toms	5	6
A Rice (CEO and Accounting Officer)	6	6
T Thexton	1	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the 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 trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- The trust is committed to developing staff to take on more senior roles. This can be seen in the introduction of senior teacher roles at both Mrs Ethelstons and Membury. The trust also supports staff development and encourages movement within schools in the trust. These approaches increase staff satisfaction leading to better staff retention and reduced recruitment costs.
- Curriculum subscriptions continue to be purchased at trust level wherever possible to maximise savings. The following are currently being used by the trust: Accelerated reader, Lexia, Read Write Inc, Kapow, speechlink. This also allows the smaller schools to benefit from the service which they would be unable to afford as a stand alone academy.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

- Photocopier contract tender - the trust has negotiated a new trust-wide contract. This provides consistency across the trust. This contract will generate savings of £25k over a 5-year period.
- Absence Insurance. The trust has been self-funding until now and this has been closely monitored. Absence is a risk identified in the risk register and has been slowly increasing. To mitigate the risk of Long-Term absence and maternity, the trust has purchased an absence insurance policy. This also offers a wellbeing package which is anticipated will provide support and help to reduce absence going forward.

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 period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy 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 period 1 September 2021 to 31 August 2022 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 and has appointed Thompson Jenner as internal auditor.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Testing of payroll
- Review of board compliance
- Review of GAG pooling
- Testing of management accounts
- Review of capital projects and of consolidation
- An internal audit exercise is performed twice a year. A report is provided to the board of trustees, through the finance and audit committee of findings of each visit outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. An annual program of works is reviewed and proposed by the finance and audit committee.


REVIEW OF EFFECTIVENESS

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

- the work of the external auditor
- the work of the internal auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 8th December 2022 and signed on its behalf by:



Mr S Incey
Chair of Trustees



Mrs A Rice
Accounting Officer

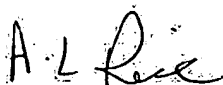
**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Acorn Multi Academy Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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: 8/12/22

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

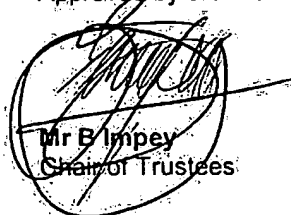
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 8/12/22 and signed on its behalf by:



Mr B Impey
Chair of Trustees

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' 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 2022 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the ESFA.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACORN
MULTI ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report and financial statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual report and financial statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 and governance statement including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and governance statement and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACORN
MULTI ACADEMY TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and assessment of the impact of schools joining the Academy in relation to these areas;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act, tax legislation and Charity SORP 2019 and FRS102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACORN
MULTI ACADEMY TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

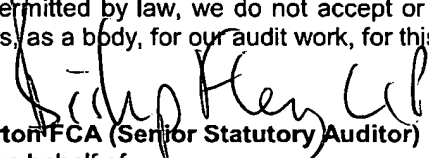
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

This report is made solely to the Academy'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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Tim Borton FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

15 December 2022

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**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 14 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 year 1 September 2021 to 31 August 2022 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Acorn Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Acorn Multi Academy Trust and 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 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

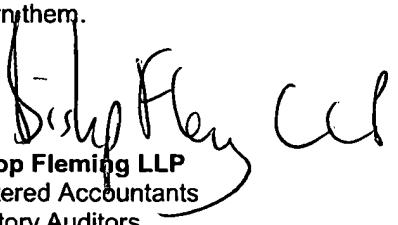
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Bishop Fleming LLP
Chartered Accountants
Statutory Auditors

2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 15 December 2022

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds As restated 2021 £
Income from:						
Donations and capital grants	3	16,372	256,749	197,181	470,302	290,509
Other trading activities		25,961	-	-	25,961	13,707
Investments	6	277	-	-	277	222
Charitable activities		305,684	4,058,067	-	4,363,751	4,081,754
Total income		348,294	4,314,816	197,181	4,860,291	4,386,192
Expenditure on:						
Charitable activities		382,359	4,750,443	95,986	5,228,788	4,496,732
Transfer from Local Authority on Conversion		-	-	-	-	40,435
Total expenditure		382,359	4,750,443	95,986	5,228,788	4,537,167
Net income / (expenditure)		(34,065)	(435,627)	101,195	(368,497)	(150,975)
Transfers between funds	20	-	6,012	(6,012)	-	-
Net movement in funds before other recognised gains/(losses)		(34,065)	(429,615)	95,183	(368,497)	(150,975)
Other recognised (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	2,653,000	-	2,653,000	(218,000)
Net movement in funds		(34,065)	2,223,385	95,183	2,284,503	(368,975)
Reconciliation of funds:						
Total funds brought forward		293,418	(2,399,353)	4,552,657	2,446,722	2,815,697
Net movement in funds		(34,065)	2,223,385	95,183	2,284,503	(368,975)
Total funds carried forward		259,353	(175,968)	4,647,840	4,731,225	2,446,722

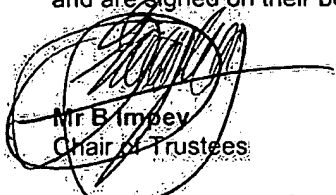
The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 29 to 59 form part of these financial statements.

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09253218

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible assets	15	4,436,325	4,340,198
Current assets			
Debtors	16	218,386	121,504
Cash at bank and in hand		995,049	1,103,505
		<u>1,213,435</u>	<u>1,225,009</u>
Creditors: amounts falling due within one year	17	(263,535)	(264,485)
Net current assets		<u>949,900</u>	<u>960,524</u>
Total assets less current liabilities		<u>5,386,225</u>	<u>5,300,722</u>
Net assets excluding pension liability		<u>5,386,225</u>	<u>5,300,722</u>
Defined benefit pension scheme liability	26	(655,000)	(2,854,000)
Total net assets		<u><u>4,731,225</u></u>	<u><u>2,446,722</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	4,647,840	4,552,657
Restricted income funds	20	479,032	454,647
		<u>5,126,872</u>	<u>5,007,304</u>
Restricted funds excluding pension asset	20	5,126,872	5,007,304
Pension reserve	20	(655,000)	(2,854,000)
Total restricted funds	20	<u>4,471,872</u>	<u>2,153,304</u>
Unrestricted income funds	20	<u>259,353</u>	<u>293,418</u>
Total funds		<u><u>4,731,225</u></u>	<u><u>2,446,722</u></u>

The financial statements on pages 26 to 59 were approved by the Trustees, and authorised for issue on 8/12/22 and are signed on their behalf, by:


 Mr B Impey
 Chair of Trustees

The notes on pages 29 to 59 form part of these financial statements.

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	22	83,380	493,737
Cash flows from investing activities	23	(191,836)	(279,048)
Change in cash and cash equivalents in the year		(108,456)	214,689
Cash and cash equivalents at the beginning of the year		1,103,505	888,816
Cash and cash equivalents at the end of the year	24, 25	995,049	1,103,505

The notes on pages 29 to 59 form part of these financial statements

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

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

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

The estimated useful lives are as follows:

Land and buildings	- 125 years straight line
Leasehold Improvements	- 25 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 4 years straight line

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 FUND ACCOUNTING

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds As restated 2021 £
Donations	16,372	256,749	6,237	279,358	255,699
Capital Grants	-	-	190,944	190,944	34,810
TOTAL 2022	16,372	256,749	197,181	470,302	290,509
TOTAL 2021	8,894	233,197	48,418	290,509	

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. FUNDING FOR THE ACADEMY'S CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	3,434,702	3,434,702	3,067,729
Pupil Premium	-	175,296	175,296	163,154
Start Up Grants	-	-	-	25,000
UIFSM	-	98,361	98,361	104,465
PE & Sports Grant	-	110,790	110,790	108,532
Growth Grant	-	49,450	49,450	-
Other DfE/ESFA Grants	-	75,853	75,853	187,601
	-	3,944,452	3,944,452	3,656,481
OTHER GOVERNMENT GRANTS				
High Needs	-	63,536	63,536	36,001
	-	63,536	63,536	36,001
Other income from the Academy's educational operations	305,684	-	305,684	336,892
COVID-19 ADDITIONAL FUNDING(ESFA & Local Authority)				
Catch-up Grants	-	50,079	50,079	52,380
	-	50,079	50,079	52,380
TOTAL EDUCATION	305,684	4,058,067	4,363,751	4,081,754
	305,684	4,058,067	4,363,751	4,081,754
TOTAL 2021	336,892	3,744,862	4,081,754	

The academy received £50k of funding to support students to catch-up after the covid pandemic. The costs incurred in respect of this funding totalled £50k.

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	2,700	-	2,700	1,900
Other income	23,261	-	23,261	11,807
TOTAL 2022	25,961	-	25,961	13,707
TOTAL 2021	13,340	367	13,707	

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	277	277	222
TOTAL 2021	222	222	

7. EXPENDITURE

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
EDUCATION:					
Direct costs	2,883,583	65,055	363,532	3,312,170	2,830,295
Allocated support costs	1,014,838	448,311	453,469	1,916,618	1,663,295
Transfer from Local Authority on conversion	-	-	-	-	40,435
TOTAL 2022	3,898,421	513,366	817,001	5,228,788	4,534,025
TOTAL 2021	3,431,262	357,553	745,210	4,534,025	

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. ANALYSIS OF GRANTS

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds As restated 2021 £
Grant to diocese			3,142
TOTAL 2021	3,142	3,142	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds As restated 2021 £
Education	3,312,170		1,916,618	5,228,788	4,496,732
TOTAL 2021	2,839,461	3,142	1,654,129	4,496,732	

ANALYSIS OF DIRECT COSTS

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	46,000	46,000	36,000
Staff costs	2,644,829	2,644,829	2,474,104
Depreciation	65,055	65,055	50,625
Educational supplies	119,810	119,810	40,603
Other costs	75,055	75,055	47,859
Supply teachers	238,754	238,754	89,842
Recruitment and support	9,215	9,215	6,575
Educational consultancy	113,452	113,452	93,853
	3,312,170	3,312,170	2,839,461
TOTAL 2021	2,839,461	2,839,461	

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS (continued)

ANALYSIS OF SUPPORT COSTS

	Education 2022 £	Total funds 2022 £	Total funds As restated 2021 £
Staff costs	1,014,838	1,014,838	867,316
Depreciation	30,931	30,931	31,061
Staff development	15,057	15,057	10,261
Other costs	32,567	32,567	23,142
Maintenance of premises and equipment	83,653	83,653	64,160
Cleaning	80,159	80,159	74,172
Rent and rates	279,745	279,745	254,398
Energy costs	67,349	67,349	56,868
Insurance	13,358	13,358	13,324
Security and transport	8,942	8,942	6,970
Catering	100,480	100,480	80,409
Technology costs	106,249	106,249	79,954
Office overheads	26,264	26,264	25,835
Legal and professional	12,467	12,467	29,640
Bank interest and charges	1,493	1,493	1,068
Educational consultancy	12,062	12,062	15,620
Governance costs	31,004	31,004	19,931
TOTAL 2022	1,916,618	1,916,618	1,654,129
TOTAL 2021	1,654,129	1,654,129	

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2022 £	As restated 2021 £
Operating lease rentals	4,951	4,963
Depreciation of tangible fixed assets	95,986	81,686
Gain on disposal of fixed assets	-	(367)
Fees paid to auditors for:		
- audit	10,750	9,750
- other services	2,550	2,250
	<u>107,237</u>	<u>93,692</u>

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,482,137	2,338,641
Social security costs	205,401	185,078
Pension costs	960,229	813,555
	<u>3,647,767</u>	<u>3,337,274</u>
Agency staff costs	238,754	89,842
Staff restructuring costs	11,900	4,146
	<u>3,898,421</u>	<u>3,431,262</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	-	4,146
Severance payments	11,900	-
	<u>11,900</u>	<u>4,146</u>

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. STAFF (CONTINUED)

b. SEVERANCE PAYMENTS

The Academy paid 1 severance payments in the year (2021 - 0), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	1	-

c. STAFF NUMBERS

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

	2022 No.	2021 No.
Teachers	39	44
Administration and support	97	90
Management	3	3
	139	137

d. HIGHER PAID STAFF

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

	2022 No.	2021 No.
In the band £100,001 - £110,000	1	1

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees and the senior management team identified as such on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £222,221 (2021 - £223,916).

12. CENTRAL SERVICES

The Academy Trust makes use of GAG pooling arrangements as set out in the Academies Financial Handbook. Under this arrangement, all income received by the academies within the Academy Trust is centrally pooled. As such, there are no central service contributions.

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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 Ms A Rice's (Chief Executive), remuneration was between £105,000 - £110,000 (2021: £105,000 - £110,000) and the pension contributions paid were between £25,000 - £30,000 (2021: £25,000 - £30,000).

During the year ended 31 August 2022, expenses totalling £NIL were reimbursed or paid directly to 8 Trustees (2021 - £888 to 8 Trustees).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £11,965 (2021: £11,925). The cost of this insurance is included in the total insurance cost.

15. TANGIBLE FIXED ASSETS (AS RESTATED)

	Leasehold land and buildings £	Leasehold Improvements As restated £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2021	3,759,000	584,436	20,092	205,193	4,568,721
Additions	-	173,807	5,700	12,606	192,113
At 31 August 2022	3,759,000	758,243	25,792	217,799	4,760,834
DEPRECIATION					
At 1 September 2021	110,872	37,882	13,039	66,730	228,523
Charge for the year	16,168	25,977	2,299	51,542	95,986
At 31 August 2022	127,040	63,859	15,338	118,272	324,509
NET BOOK VALUE					
At 31 August 2022	3,631,960	694,384	10,454	99,527	4,436,325
At 31 August 2021	3,648,128	546,554	7,053	138,463	4,340,198

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	4,322	3,111
Prepayments and accrued income	205,093	101,604
VAT recoverable	8,971	16,789
	<u>218,386</u>	<u>121,504</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	47,690	39,509
Other taxation and social security	49,857	44,787
Other creditors	60,920	58,200
Accruals and deferred income	105,068	121,989
	<u>263,535</u>	<u>264,485</u>
	2022 £	2021 £
Deferred income at 1 September 2021	69,880	62,308
Resources deferred during the year	69,718	69,718
Amounts released from previous periods	(69,880)	(62,308)
	<u>69,718</u>	<u>69,718</u>

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. FINANCIAL INSTRUMENTS

	2022 £	2021 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	995,049	1,103,505
Financial assets that are debt instruments measured at amortised cost	81,154	70,697
	<u>1,076,203</u>	<u>1,174,202</u>
	2022 £	2021 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	243,661	194,593

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

19. PRIOR YEAR ADJUSTMENTS

In the previous period, the value of the school buildings for one school, Mrs Ethelston's CofE Primary Academy, was not recognised in the financial statements, as it was understood that the premises were covered by the Church Supplemental Agreement that is in place for that school. It has now been ascertained that the premises are subject to a lease agreement with an entity other than the Diocese. As a result, a prior year adjustment has been posted to restate the value of Mrs Ethelston's CofE Primary Academy school buildings, to include these buildings in the financial statements in the prior period.

The financial impact of this change of policy is to have increased the net book value of the land and buildings included in the balance sheet by £1,786,383 as at 31 August 2021 and to increase depreciation in the statement of financial activities by £9,166 in the comparative year to that date.

As with the other diocesan schools, the Academy Trust's occupation for the prior year was recognised as a notional donation (since it paid no actual rent) and a notional rental expense for its use of the premises. The value of the donation is the amount that the Academy Trust would otherwise have to pay to secure the premises for its operations. As a result, £9,166 has been removed from the statement of financial activities for the period ending 31 August 2021 as both the notional donation and notional rent.

In the prior year, in accordance with the AAD, the capital expenditure for the diocesan buildings was recognised as grant expenditure to church trustees. As a result, grant expenditure of £12,182 has been removed from the statement of financial activities in the year to 31 August 2021 and recapitalised on the fixed asset register.

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General funds	293,418	348,294	(382,359)	-	-	259,353
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	281,255	3,434,703	(3,223,784)	(29,895)	-	462,279
PE & Sport premium	107,108	110,793	(217,901)	-	-	-
Other DfE & ESFA grants	-	76,250	(76,250)	-	-	-
Pupil Premium	44,191	175,296	(219,487)	-	-	-
UIFSM	-	98,361	(98,361)	-	-	-
High Needs	-	63,536	(63,536)	-	-	-
Growth grant	-	49,450	(49,450)	-	-	-
Catch-up grants	-	50,079	(50,079)	-	-	-
Diocese rental charge	-	214,000	(214,000)	-	-	-
Trips	2,817	38,248	(36,591)	-	-	4,474
Other restricted donations/grants	10,677	4,100	(11,097)	-	-	3,680
Devolved formula capital	-	-	(35,907)	35,907	-	-
Capital improvement fund	8,599	-	-	-	-	8,599
Pension reserve	(2,854,000)	-	(454,000)	-	2,653,000	(655,000)
	<u>(2,399,353)</u>	<u>4,314,816</u>	<u>(4,750,443)</u>	<u>6,012</u>	<u>2,653,000</u>	<u>(175,968)</u>
RESTRICTED FIXED ASSET FUNDS						
Transferred on conversion	3,685,964	-	(16,168)	-	-	3,669,796
DfE / Capital grants	828,811	197,181	(64,768)	(35,907)	-	925,317

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Capital from predecessor school	37,882	-	(7,576)	-	-	30,306
Fixed assets purchased from GAG and other restricted funds	-	-	(7,474)	29,895	-	22,421
	<u>4,552,657</u>	<u>197,181</u>	<u>(95,986)</u>	<u>(6,012)</u>	<u>-</u>	<u>4,647,840</u>
TOTAL RESTRICTED FUNDS	2,153,304	4,511,997	(4,846,429)	-	2,653,000	4,471,872
TOTAL FUNDS	2,446,722	4,860,291	(5,228,788)	-	2,653,000	4,731,225

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

Restricted funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

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

UIFSM - Universal infant free school meals (UIFSM) provides funding for all government funded schools to offer free school meals to pupils in reception, year 1, and year 2.

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

Growth Grant - Funding received by LA to fund pupil growth greater than ten pupils within the year.

Catch-up Grants - funding from the ESFA and local authority that includes Recovery Premium, National Tutoring Programme and Local Authority Covid Grants to support children and young people to catch up on missed learning caused by coronavirus (COVID19).

Other DfE & ESFA Grants - Other ESFA grants received for the purpose of supporting school to school improvement.

Trips - Contributions from parents towards educational visits.

Restricted Donations - Donations received for specific purposes.

PE & Sports Premium - Income from the ESFA which is to be used to fund additional and sustainable improvements to the provision of PE and sport for the benefit of primary-aged pupils.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. STATEMENT OF FUNDS (CONTINUED)

Diocese land and building rent - The Trust's occupation of property owned by the Diocese of Exeter for the period is recognisable as a notional donation and a notional rental expense.

Devolved Formula Capital - Income from the ESFA which is used to maintain and improve the condition of the school buildings, grounds and infrastructure.

Pension Reserve – This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed Asset Funds

Fixed assets transferred on conversion – This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

DfE Capital Grants & Donations - This represents funding from the ESFA to spend specifically on the capital improvements of the Trust premises. It also includes a small amount of donated equipment. The fixed asset fund balance at the year end represents the NBV of assets and any unspent capital grants.

Capital from predecessor school - This represents an element of capital received from a predecessor school.

Fixed assets purchased from GAG and other restricted funds - This represents the NBV of assets acquired using funds transferred from the restricted GAG funds.

Transfers - £29,895 has been transferred from restricted general funds to the restricted fixed asset funds, representing assets purchased with those grants. Devolved formula capital of £35,907 that has been spent on eligible non capital expenditure has been transferred from restricted fixed asset funds to restricted general funds.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. STATEMENT OF FUNDS (CONTINUED)

Restated comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	315,327	359,348	(381,257)	-	-	293,418
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	3,067,729	(2,734,542)	(51,932)	-	281,255
Start up grant	-	25,000	(25,000)	-	-	-
PE & Sport premium	95,130	108,532	(96,554)	-	-	107,108
Other DfE & ESFA grants	50,723	170,402	(221,125)	-	-	-
Pupil Premium	17,650	163,153	(127,032)	(9,580)	-	44,191
UIFSM	-	104,465	(104,465)	-	-	-
High Needs	-	36,001	(36,001)	-	-	-
Growth grant	-	17,199	(17,199)	-	-	-
Catch-up grants	-	52,380	(52,380)	-	-	-
Diocese rental charge	-	208,185	(208,185)	-	-	-
Trips	3,256	13,852	(14,291)	-	-	2,817
Other restricted donations/grants	-	20,327	(4,847)	(4,803)	-	10,677
Devolved formula capital	-	35,597	(35,597)	-	-	-
Capital improvement fund	-	-	(3,142)	11,741	-	8,599
Pension reserve	(2,213,000)	-	(423,000)	-	(218,000)	(2,854,000)
	<u>(2,046,241)</u>	<u>4,022,822</u>	<u>(4,103,360)</u>	<u>(54,574)</u>	<u>(218,000)</u>	<u>(2,399,353)</u>
RESTRICTED FIXED ASSET FUNDS						
Transferred on conversion	3,688,327	-	(2,358)	-	-	3,685,969

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
DfE / Capital grants	820,282	13,188	(59,238)	54,574	-	828,806
Capital from predecessor school	37,882	-	-	-	-	37,882
	<u>4,546,491</u>	<u>13,188</u>	<u>(61,596)</u>	<u>54,574</u>	<u>-</u>	<u>4,552,657</u>
TOTAL RESTRICTED FUNDS	<u>2,500,250</u>	<u>4,036,010</u>	<u>(4,164,956)</u>	<u>-</u>	<u>(218,000)</u>	<u>2,153,304</u>
TOTAL FUNDS	<u><u>2,815,577</u></u>	<u><u>4,395,358</u></u>	<u><u>(4,546,213)</u></u>	<u><u>-</u></u>	<u><u>(218,000)</u></u>	<u><u>2,446,722</u></u>

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 As restated £
Axminster Community Primary Academy	-	115,091
Marshwood CofE Primary Academy	-	13,482
Mrs Ethelston's CofE Primary Academy	-	17,107
St Andrew's CofE Primary Academy	3,385	24,505
Membury Primary Academy	-	7,891
Loders CofE VC Primary Academy	8,599	64,480
St Mary's CofE VC Primary School	-	2,120
Central services	-	503,389
Acorn Multi Academy Trust	726,401	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	738,385	748,065
Restricted fixed asset fund	4,647,840	4,552,657
Pension reserve	(655,000)	(2,854,000)
	<hr/>	<hr/>
TOTAL	4,731,225	2,446,722
	<hr/>	<hr/>

The Trust began GAG pooling in 2021. The trust has pooled all GAG income between individual academies as well as the free reserves of each academy.

The carry forward balances of the individual academies represents ringfenced grants and restricted funding that is not eligible for pooling.

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Axminster Community Primary Academy	757,416	88,223	62,140	19,041	926,820	815,294
Marshwood CofE Primary Academy	297,356	3,771	25,298	5,774	332,199	301,833
Mrs Ethelston's CofE Primary Academy	572,678	11,641	44,825	19,606	648,750	612,221
St Andrew's CofE Primary Academy	378,902	4,721	33,224	11,859	428,706	477,298
Membury Primary Academy	128,295	486	12,964	3,299	145,044	115,391
Loders CofE VC Primary Academy	253,694	53,177	24,202	22,281	353,354	370,184
St Mary's CofE VC Primary School	157,848	33,596	14,642	7,252	213,338	108,599
Central services	745,224	43,675	170,138	1,125,554	2,084,591	1,654,661
	3,291,413	239,290	387,433	1,214,666	5,132,802	4,455,481

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	4,436,325	4,436,325
Current assets	259,353	742,567	211,515	1,213,435
Creditors due within one year	-	(263,535)	-	(263,535)
Defined benefit pension scheme liability	-	(655,000)	-	(655,000)
TOTAL	259,353	(175,968)	4,647,840	4,731,225

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR (AS RESTATED)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	4,340,198	4,340,198
Current assets	557,903	454,647	212,459	1,225,009
Creditors due within one year	(264,485)	-	-	(264,485)
Defined benefit pension scheme liability	-	(2,854,000)	-	(2,854,000)
TOTAL	293,418	(2,399,353)	4,552,657	2,446,722

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	As restated 2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(368,497)	(150,975)
ADJUSTMENTS FOR:		
Depreciation	95,986	65,655
Interest receivable	(277)	(222)
Defined benefit pension scheme cost less contributions payable	408,000	387,000
Defined benefit pension scheme finance cost	46,000	36,000
(Increase)/decrease in debtors	(96,882)	329,202
Decrease in creditors	(950)	(172,923)
NET CASH PROVIDED BY OPERATING ACTIVITIES	83,380	493,737

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £	2021 £
Dividends, interest and rents from investments	277	222
Purchase of tangible fixed assets	(192,113)	(279,270)
NET CASH USED IN INVESTING ACTIVITIES	(191,836)	(279,048)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand and at bank	995,049	1,103,505
TOTAL CASH AND CASH EQUIVALENTS	995,049	1,103,505

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,103,505	(108,456)	995,049
	<u>1,103,505</u>	<u>(108,456)</u>	<u>995,049</u>

26. PENSION COMMITMENTS

The Academy'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 Dorset and Devon County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 1 September 2022 and of the LGPS 31 March 2019.

Contributions amounting to £60,954 were payable to the schemes at 31 August 2022 (2021 - £43,030) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 1 September 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £347,175 (2021 - £337,626).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £262,000 (2021 - £239,000), of which employer's contributions totalled £206,000 (2021 - £187,000) and employees' contributions totalled £ 56,000 (2021 - £52,000). The agreed contribution rates for future years are 21% & 17.60% per cent for employers and 5.50% - 12.50% 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
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

Dorset

	2022	2021
	%	%
Rate of increase in salaries	4.00	3.90
Rate of increase for pensions in payment/inflation	3.00	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.00	2.60

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

	2022	2021
	Years	Years
RETIRING TODAY		
Males	22.1	23.1
Females	24.2	24.6
RETIRING IN 20 YEARS		
Males	23.4	24.4
Females	25.6	26.1

Devon

	2022	2021
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.90	2.60

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

	2022	2021
	Years	Years
RETIRING TODAY		
Males	21.7	22.7
Females	22.9	24.0
RETIRING IN 20 YEARS		
Males	23.0	24.0
Females	24.3	25.4

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

Dorset

	2022	2021
	£000	£000
Discount rate +0.1%	(16)	(25)
Discount rate -0.1%	16	26
Mortality assumption - 1 year increase	23	49
Mortality assumption - 1 year decrease	(15)	(47)
CPI rate +0.1%	15	23
CPI rate -0.1%	(15)	(22)

Devon

	2022	2021
	£000	£000
Discount rate +0.1%	(58)	(103)
Discount rate -0.1%	59	106
Mortality assumption - 1 year increase	64	149
Mortality assumption - 1 year decrease	(62)	(143)
CPI rate +0.1%	58	100
CPI rate -0.1%	(57)	(98)

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,248,000	1,342,000
Gilts	-	218,000
Corporate bonds	388,000	60,000
Property	236,000	180,000
Cash and other liquid assets	34,000	18,000
Liability Driven Investment	56,000	60,000
Investment funds	-	34,000
Infrastructure	174,000	114,000
Multi Asset Credit	23,000	24,000
Target Return Portfolio	152,000	157,000
Diversity Growth Fund	34,000	-
TOTAL MARKET VALUE OF ASSETS	2,345,000	2,207,000

The actual return on scheme assets was £(65,000) (2021 - £349,000).

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

	2022 £	2021 £
Current service cost	(614,000)	(478,000)
Interest income	38,000	26,000
Interest cost	(84,000)	(62,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(96,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(660,000)	(610,000)

ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. PENSION COMMITMENTS (CONTINUED)

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

	2022 £	2021 £
AT 1 SEPTEMBER	5,061,000	3,784,000
Current service cost	614,000	478,000
Interest cost	84,000	62,000
Employee contributions	56,000	52,000
Actuarial (gains)/losses	(2,779,000)	540,000
Benefits paid net of transfers in	(36,000)	(3,000)
Settlements	-	148,000
AT 31 AUGUST	3,000,000	5,061,000

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

	2022 £	2021 £
AT 1 SEPTEMBER	2,207,000	1,571,000
Interest income	38,000	26,000
Actuarial (losses)/gains	(126,000)	322,000
Employer contributions	206,000	187,000
Employee contributions	56,000	52,000
Benefits paid net of transfers in	(36,000)	(3,000)
Settlements	-	52,000
AT 31 AUGUST	2,345,000	2,207,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	5,362	4,951
Later than 1 year and not later than 5 years	21,447	42
	26,809	4,993

**ACORN MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

28. 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.

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 13.