

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**



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

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**ACORN MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Representative for EDEN (Exeter Diocesan Education Network) Representative for SDBE (Diocese of Salisbury Education Trust) Representative for Diocese of Bath & Wells (appointed 1 February 2021) Chair of Directors, Mr B Impey
<b>Trustees</b>	Mr B Impey, Chair Ms A Rice, Chief Executive Mr P Middlemast Ms L Adams Ms S Miller Mr T Thexton (appointed 1 October 2020) Mr J Bearman (resigned 7 September 2021) Mrs V Singer (appointed 9 December 2020) Mr R Toms (appointed 1 December 2020)
<b>Company registered number</b>	09253218
<b>Company name</b>	Acorn Multi-Academy Trust
<b>Principal and registered office</b>	The Old Tool Office Chard Street Axminster Devon EX13 5EB
<b>Company secretary</b>	V Dower
<b>Chief executive officer</b>	A Rice
<b>Senior management team</b>	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 (from 1 September 2021) Miss K Lyons, Head of Mrs Ethelston's CE Primary Academy & Membury Community Primary Academy (from 1 September 2021) Mrs D Butler, Acting Head of St Andrews CE Primary Academy (from 1 January 2021) Ms C Pooley, Head of Loders CE Primary Academy Ms E Smith, Head of Thorncombe, St Marys CE VC Primary School (from 1 February 2021) Mrs C Porter*, Chief Financial Officer Mrs S Elliott*, Business Operations Manager (appointed 7 December 2020) Mr K Pratt, Head of Axminster Community Primary Academy (resigned 28 July 2021) Mrs T Leganski, Head of St Andrews CE Primary Academy (resigned 31 December 2020) * Deemed to be key management personnel for the purposes of disclosure in the financial statements
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

**ACORN MULTI ACADEMY TRUST  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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
- EDEN shall appoint no fewer than two directors
- SDBE shall appoint no fewer than one director
- 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
- The total number of Directors, including the Chief Executive Officer, who are employees of the Company shall not exceed one third of the total number of Directors

**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.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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Training has been provided by the Babcock Learning and Development Partnership Governance Support Team for all Trustees. Trustees also have access to further general 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 and the Heads of each school.

All Directors give their time freely and no Director received remuneration in the year.

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

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

Headteachers pay increase is in accordance with School Teachers' Pay and Conditions Document (STPCD)

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2020/21 were:

- To develop a Recovery Phase strategy that includes a mental health strategy for pupils and staff
- To develop a consistent approach to phonics and reading across the MAT
- To ensure that SEN and PP children make expected progress in all schools in the Trust
- To establish Curriculum planning in all subjects including sex and relationships, that identifies the key knowledge skills and concepts that need to be developed in a clear progression from year 1 to 6.
- To ensure pupil numbers are consistently strong and schools marketing strategies attract new pupils and maximise funding. Pupil numbers in all schools increase by 5% School
- To ensure that all schools have sufficient hardware to enable effective teaching and learning.
- To ensure a 5 year planned maintenance programme is in place for each school.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 is protected and developed in each school and is 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 strategic work of the Trust has continued to be severely impacted by the Covid 19 pandemic. Schools were closed from January until mid-March for most children, although all schools remained open for disadvantaged and SEN children. Attendance at this time was approximately 40-60%.

We have continued to carry out formative assessments in all subject areas to ensure that gaps in knowledge are identified and planning is amended to reflect this. Some units of work have needed to be retaught because it was challenging to deliver them remotely and curriculum plans reflect these adaptations. The Trust has focussed on developing a mental health strategy following a staff and child survey. Child mental health ambassadors are in place in each school and there is a focus group to develop the strategy further next year. We will continue to develop strategies to support staff wellbeing in addition to the support provided by our counselling service

The pandemic has resulted in a lack of socialisation for our youngest children and the Trust has developed a range of strategies to support children to develop speech and language skills. We have used additional funding from Catch up Premium and recovery premium to invest in speech and language programmes to assess children and provide appropriate interventions. All schools have seen the benefit of Lexia to support children with language difficulties. We have begun to implement



**TRUSTEES' REPORT (CONTINUED)  
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Read, Write Inc in all schools across the Trust with the support of Cornerstone English Hub. This will give use consistency of approach across the Trust to ensure children are able to apply their phonic skills effectively in their reading.

Curriculum planning has been reviewed for all subjects. Subject leads have met to establish a core progression of knowledge, skills and vocabulary in each subject to ensure the build up of knowledge leads to progress. These curriculum plans have then been adapted by each school to ensure they meet the needs of the children and build on prior learning. The reading and writing curriculum has been developed further so they are intertwined and complement each other.

The Trust has invested in training for Metacognition with the Education Endowment Fund and specific language and vocabulary training with Alex Quigley to improve quality first teaching. These are a particular focus with our pupil premium and disadvantaged children. Systems have been reviewed to ensure that individual plans for these children are clearly focussed on their barriers to learning and are regularly reviewed and evaluated.

The investment in IT infrastructure and hardware enabled us to continue to provide a blended learning approach for children both in school and online. Schools became efficient at providing learning through Google classrooms and were able to offer a broad and balanced curriculum with some adaptations for areas that could not be covered with this approach. Schools became efficient at providing a wide range of activities to involve parents and children including parental consultations, school assemblies, virtual tours, end of term events etc

There has been growth in various areas of the Trust. St Mary's Thorncombe joined the trust in February 2021 following a management partnership. The Trust is now made up of schools from three different Diocese - Exeter, Salisbury and Bath and Wells. Pupil numbers have increased significantly at Axminster Community Primary with both in year admissions and admissions for September 2021. The Local Authority has requested the school increase PAN to 60 for September 2021 to accommodate the increase in first choices for the school. The Trust is now working with the Local Authority and the ESFA to look at the long term solution for accommodation for the increase in pupil numbers. Mrs Ethelston's has also seen an increase of in year admissions by 14%. Most year groups are full and there are waiting lists for some year groups. There is no further space to expand the building and Trustees continue to investigate a long term solution to this.

The Trust Board and local governing bodies continued to meet remotely throughout 2020-21 to support the wellbeing of children and staff, and to ensure the quality of the risk assessments so that our children were kept safe.

**ACHIEVEMENTS AND PERFORMANCE**

There were two inspections from Ofsted at St Andrews Chardstock during this year. The first was a remote inspection looking at the quality of education provided during the pandemic. The summary judgement stated that "leaders and those responsible for governance are taking effective action to provide education in the current circumstances". The second inspection was in May 2021 and was a full monitoring visit following the inspection from February 2020 when the school was judged to be 'requires improvement'. There was a review of action taken since the last inspection and the summary judgement found that "leaders are taking effective action in order for the school to become a good school".

National Testing through SATs did not take place again this year. However children were teacher assessed using a combination of old SATs tests and formative assessments.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

2021	Yr 1 phonics	KS1 reading	writing	maths	KS2 reading	writing	maths
<b>Mrs Ethelstons ARE</b>	70%	85%	69%	77%	86%	77%	86%
GD		31%	19%	27%	32%	22%	41%
<b>Axminster ARE</b>		35%	12%	32%	31%	37%	45%
GD		2%	0%	10%	18%	11%	13%
<b>St Andrews ARE</b>	83%	42%	57%	14%	80%	73%	73%
GD		14%	14%	0%	27%	20%	0%
<b>Loders ARE</b>	89%	80%	60%	60%	67%	33%	67%
GD		30%	0%	10%	33%	33%	33%
<b>Marshwood ARE</b>	80%	56%	33%	67%	75%	67%	67%
GD		0%	0%	11%	50%	17%	42%
<b>Membury ARE</b>	0	0	0	0	0	50%	
GD	0	0	0	0	0	0	
<b>Thorncombe ARE</b>	100%	0	33%	0	71%	42%	57%
GD		33%	0%	33%	28%	14%	0%

The results for this year were affected by school closures as a result of the Covid 19 pandemic. We were unable to carry out moderation across the MAT and therefore results may not be as accurate. Key stage one results were affected the most with children affected in year one and year two. Maths was the least affected but reading and writing in particular were affected by lack of consistent teaching. At key stage two, results were more in line with previous years but writing proved more challenging as children lacked writing stamina and ability to persevere with a writing task for a longer period. Axminster results are lower than expected due to staffing challenges during the summer term. Pupil premium and SEN children were particularly affected by the lack of consistent teaching at school and this is reflected in the results. Thorncombe and Membury results relate to very small numbers of children and do not relate to the progress these children made from their starting points. The results for each child have been carefully analysed to ensure that children are able to close any gaps from previous years.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 have grown to 702 (64 nursery) in the October 2021 census. Axminster increased PAN to 45 with the support of the LA for the Reception intake due to the high number of first choice applicants. The school has attracted a growth grant as there has been an increase of 26 children in one year. Mrs Ethelston's is also expecting a growth grant and has seen an increase of 16 children to a total of 191. Most year groups are full and there are waiting lists for some year groups. St Mary's Primary, Thorncombe also joined the trust in February 2021 with 41 pupils in the October 2021 census.

Another key performance indicator is payroll costs as a % of total expense. This is currently 78% and has remained stable between 76% and 78% for the previous three years. The Trust will aim to keep salary costs at 80% or below of total expense through sharing staff and expertise, and reducing overheads as the Trust grows. This continues to be a challenge due to statutory obligations such as NI increases, pension contribution increases and introduction of the national living wage.

**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:

- Reasonable pupil number growth (increase to 708 pupils in 21/22, 717 in 22/23 and 711 in 23/24)
- 2% pay increase for teachers and 2% pay increase for support staff each year
- 2% inflationary increase for resources and services each year
- 1% GAG funding increase has been applied from 22/23
- Pupil number driven grants assumed to be the same rate as 21/22. This includes UIFSM, DCF, Pupil Premium
- PE Sports grant removed from 22/23 onwards

Based on the assumptions above, the trust will have unrestricted and restricted funds of £598,400 at the financial year ending 31<sup>st</sup> August 2024.

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 2021, funding was based on October 2019 pupil numbers of 634. Pupil numbers are currently 702 as per the October 2021 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.

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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 2 CIF projects ongoing at the beginning of the financial year. The roof was replaced at Membury primary costing £172,690 at year end. The project to re-build the retaining wall at Mrs Ethelston's primary remains ongoing. This project has had to go out to tender again as the contractor awarded the contract is no longer able to deliver the program of works. The total amount spent to date is £28,334 of a project value of £195,947. The income for both projects was recognised in the 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 recognised to individual employees. In the LGPS however, the assets and liabilities are subject to an actuarial valuation and are attributable to individual employers. The balance sheet contains the net pension deficit in respect of current employees. Although a deficit does not indicate the liability will become payable, it does indicate that the current employer contributions may not meet the liabilities and assets of the scheme in the long term.

This is the second consecutive year in which COVID has had a significant impact on the running of the trust and its schools. Schools were closed except for key worker and disadvantaged children between January and March. Home learning continued during this period, although the uptake at school was much higher than the previous lockdown. During this period, no staff were furloughed and the catering service continued to serve meals to both children in school and FSM meals to those home learning. The vigorous cleaning program at the schools has continued with regular fumigation and deep cleans where necessary. Schools continued to operate in bubbles until the end of the academic year to keep children safe in school.

On 1st February 2021, St Marys Thorncombe were welcomed to the trust and the management partnership ceased. A surplus balance of £55,565 was brought across from Dorset County Council. This consisted of £35,595 unrestricted funds and £19,970 which was transferred into the fixed asset fund.

The trust have continued to invest in IT this year with a further purchase of chromebooks for pupils costing £49,054. £18,001 was spent on smart TVs with chromecasts, which were installed in every classroom in every school and a VOIP system costing £6,065 was implemented at all schools within the trust. A further 72 chromebooks were also donated from the DFE for children. This is shown in the accounts as a donation of £13,308.

The final close position for the trust at 31st August 2021 was a surplus of £433,591 (restricted and unrestricted funds). This was an improvement to budget and depicts a familiar picture to the previous year. The higher costs for PPE and cleaning were projected in the budget but another lock down was not. When the schools are locked down, running costs are generally lower which has resulted in an improved financial position. The trust has also benefited from the St Marys Thorncombe joining the trust in February 2021 which was also not in the budget.

In summary, for the year ending 31st August 2021, the total incoming resources (unrestricted and restricted general funds) of £4,382,170 for the trust has exceeded total expenditure (unrestricted and restricted general funds) of £4,073,799 resulting in an in-year surplus of £308,371 before transfers. After a £66,315 transfer to and £191,535 transfer from restricted fixed asset funds the trust has a net

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surplus of £433,591. The reserves balance carried forward at 31st August 2021 is £293,418 unrestricted and £622,259 restricted general funds. Within this fund there is 1 project which is not yet complete. Revenue of £195,947 has been recognised in 2018-2019 however only £28,334 has been spent. The balance of the Fixed Asset Fund is £2,598,662.

**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 current reserve policy requires that a capital reserve be created to fund future capital expenditure and that a revenue reserve be created to fund future expenditure related to the Academy's strategic long term aims and development. Trustees have considered the current level of reserves alongside the future projections for the trust and are comfortable that the requirements of the reserve policy have been met.

The trust is currently holding £293,418 in unrestricted reserves, this equates to the academy's free reserves. In addition, the trust holds £622,259 in restricted general reserves. The balance of the Fixed Asset Fund is £2,598,662.

Within the restricted and unrestricted reserve balance of £915,677, the following funds have been ring fenced to be spent in 2021/22. £176,211 CIF projects, £48,940 pupil premium, £30,131 catch up premium, £107,108 Sports premium. During the financial year and due to unprecedented COVID circumstances, it was difficult to deploy some planned expenditures which resulted in the reserves balance being higher than expected. These deferred expenditures such as premises, training and curriculum are committed to financial year 2021/22.

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

**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.

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**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 that we continue to invest in supporting the wellbeing of staff.

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

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to financial and economic, strategic and reputational, legal and regulatory, political, environmental and infrastructure and operational. The Trustees have implemented a number of systems to assess and 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 2021/22 our agreed priorities to support our strategy are:

To continue to ensure Chardstock and St Mary's Thorncombe are "good" at their 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 gaps in language and vocabulary development early to enable children to access the full curriculum

To Increase pupil numbers by 5%

To develop a succession plan for senior staff

To develop the long term sustainability of the Trust

To establish an expanded school at Axminster to accommodate 2 form entry

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 5 year asset management plan to refurbish classrooms and other rooms including furniture

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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To make the Trust digital so that processes are more easily accessible to staff and automated as far as possible

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

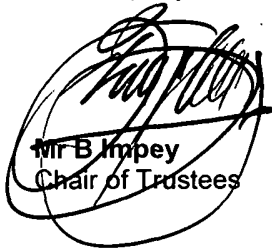
None of the Acorn multi academy trust academies hold funds on behalf of others.

**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 2nd December 2021 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 2021**

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**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 9 times during the year. Due to the coronavirus pandemic, 8 of the meetings were virtual meetings, held via Zoom. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
B Impey (Chair)	9	9
A Rice (CEO and accounting officer)	8	9
P Middlemast	9	9
C Sedgewick	0	1
L Adams	8	9
S Miller	9	9
T Thexton	7	8
R Toms	5	5
V Singer	4	5
J Bearman	0	5

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

Mr Brian Impey was elected Chair of the board of trustees on 9th September 2021.

Revd Clive Sedgewick resigned as a foundation director on 21st September 2020.

Mr Timothy Thexton was appointed by EDEN as a foundation director on 1st October 2020.

Mr Russell Toms was appointed by SDBE as a foundation director on 1st December 2020

Ms Lesley Adams was reappointed by the Trust Board as a director on 1st December 2020

Mrs Veronique Singer was appointed by EDEN as a foundation director on 9th December 2020

Mr John Bearman was appointed by EDEN as a foundation director on 9th December 2020

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

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

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

- The revised Articles, adopted in July 2020 have been brought into line with DfE guidance around the appointment and composition of the Board and Members.



**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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- Delegated powers were reviewed and updated, followed by a revision of the Scheme of Delegation and governance documents in September 2020 to reflect the new Articles of Association, the operation of the Board and its committees.
- Changes to the Articles were communicated to all levels of governance and senior leaders to ensure continuous monitoring in school delivers positive educational impact.
- The recruitment and induction of three new Trustees was progressed remotely, giving sufficient numbers on the Trust Board to reach full capacity, assure succession and provide full challenge to the Trust's leadership across the organisation.
- Effective relationships and communication between members of the Board were built over the year during the prolonged period of virtual meetings, with meeting frequency increased to allow for regular discussions by Board members.
- Half termly meetings of Chairs of LGBs with Chair of Directors and CEO continued remotely.
- All levels of governance continued to meet virtually via Zoom from October 2020, including the meetings of local governing bodies, to ensure effective governance arrangements during the COVID -19 pandemic. Governance ensured a continued focus on the monitoring of pupil and staff welfare and well-being, safeguarding, the quality and provision of remote education and the effective oversight of funds.
- Members' meetings were increased to two, 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 developed and agreed to strengthen the links between the Church Members and the Trust.

Priorities and challenges for the next academic year include:

- Continue to build and consolidate effective relationships and communication between members of the Board despite the continuing restrictions of virtual and blended physical meetings, to balance the associated risks.
- 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.
- Increasing the number of Members' meetings to three over the academic year to provide effective strategic oversight
- Recruiting an additional Member to represent community schools, to reach the 5 Members required under the articles.

**Governance Reviews:**

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

The trust board and local governing bodies carried out skills audits in the spring and summer of 2021 to assess the skills, knowledge and experience contained within the trustees and the local governors. The skills and competencies audit evaluated the Board's expertise, identified gaps in skills or knowledge and proactively sought to appoint to the key areas.

The trust board and local governing bodies undertook self-evaluations in the summer of 2021.

The trust board met remotely to complete the NGA MAT Board online appraisal tool. An analysis of the appraisal report was followed by the creation of a governance action plan. The follow up meeting with an NGA consultant provided external oversight of the process and helped the board identify the board's strengths and key areas for development. It is intended to re-run the appraisal towards the end of the year to provide evidence for progress made. The appraisal process has enabled all trust board members to be actively engaged in developing more effective governance for the trust.

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

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

It is intended that directors will complete the new National Governors Association skills audit in the autumn of 2021, to ensure new directors are recruited to fill any skills gap and to identify suitable learning opportunities.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees and meets six times a year. During the 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, 5 of the 6 meetings were virtual meetings, held via Zoom.

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	6	6
L Adams	5	6
R Toms	1	1
A Rice (CEO and Accounting Officer)	5	6
T Thexton	0	1

**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 cloud based IT strategy implemented in 19/20 has continued this year. All classroom teachers have been provisioned with smart TV's to allow them to deliver learning in school and home learning via google classrooms. The TVs are reliable and cost effective. The trust has invested further in chromebooks to enhance this learning experience. VOIP is fully embedded in the trust. This has improved communication as classrooms/offices can be contacted directly and has saved time for administration staff diverting calls or passing on messages. Cost of calls between schools are free.

**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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- Effective use of Teaching Assistants (TA'S). During the year Teaching Assistants have provided invaluable support to the educational provision as follows: HLTA support to teachers to release for PPA time, deliver pupil premium interventions and cover staff absences. This has saved money on agency and supply staff.
- Curriculum subscriptions are purchased at trust level wherever possible to maximise savings. Examples are Accelerated reader, Lexia, Read Write Ink. This also allows the smaller schools to benefit from the service which they would be unable to afford as a stand alone academy.
- A formal re-tender for an external auditor was completed in 2019/20. Francis Clark have been the trust's external auditor since conversion in 2014 and the board decided it would be good practice to re-tender the service. Bishop Fleming was the chosen auditor and was formally appointed at the AGM in January 2021.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Acorn Multi Academy Trust for the period 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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 (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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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.

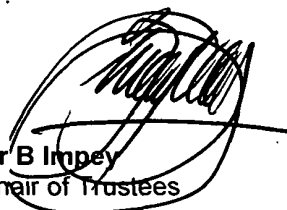
**REVIEW OF EFFECTIVENESS**


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 *2nd December 21* and signed on their behalf by:

  
**Mr B Impey**  
Chair of Trustees

  
**Mrs A Rice**  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 2020.

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 2020.

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: *2nd December 2021*

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2021**

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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:

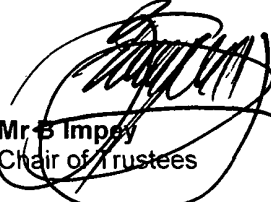
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 2/12/2021 and signed on its behalf by:

  
Mr B Impney  
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**

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**Opinion**

We have audited the financial statements of Acorn Multi Academy Trust (the 'academy') for the year ended 31 August 2021 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 2015 and the Academies Accounts Direction 2020 to 2021 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 2021 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 2020 to 2021 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)**

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**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.



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

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**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)**

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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](http://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 2021

**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**

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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 2020 to 2021, 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 2020 to 31 August 2021 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 Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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)**

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**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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors

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

Date:

15 December 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	3	8,894	277,960	12,821	299,675	332,105
Other trading activities		13,340	-	367	13,707	81,730
Investments	6	222	-	-	222	1,408
Charitable activities		336,892	3,744,862	-	4,081,754	3,644,336
<b>Total income</b>		<b>359,348</b>	<b>4,022,822</b>	<b>13,188</b>	<b>4,395,358</b>	<b>4,059,579</b>
<b>Expenditure on:</b>						
Charitable activities		416,852	4,019,542	72,520	4,508,914	4,059,911
Transfer from Local Authority on Conversion		(35,595)	96,000	(19,970)	40,435	-
<b>Total expenditure</b>		<b>381,257</b>	<b>4,115,542</b>	<b>52,550</b>	<b>4,549,349</b>	<b>4,059,911</b>
<b>Net income / (expenditure)</b>		<b>(21,909)</b>	<b>(92,720)</b>	<b>(39,362)</b>	<b>(153,991)</b>	<b>(332)</b>
Transfers between funds	20	-	125,220	(125,220)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(21,909)</b>	<b>32,500</b>	<b>(164,582)</b>	<b>(153,991)</b>	<b>(332)</b>
<b>Other recognised (losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(218,000)	-	(218,000)	(499,000)
<b>Net movement in funds</b>		<b>(21,909)</b>	<b>(185,500)</b>	<b>(164,582)</b>	<b>(371,991)</b>	<b>(499,332)</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	315,327	(2,046,241)	2,763,244	1,032,330	1,531,662
Net movement in funds	(21,909)	(185,500)	(164,582)	(371,991)	(499,332)
<b>Total funds carried forward</b>	<b>293,418</b>	<b>(2,231,741)</b>	<b>2,598,662</b>	<b>660,339</b>	<b>1,032,330</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

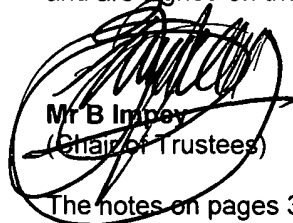
The notes on pages 31 to 61 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Tangible assets	15	2,553,815	2,343,216
<b>Current assets</b>			
Debtors	16	121,504	450,706
Cash at bank and in hand		1,103,505	888,816
		<u>1,225,009</u>	<u>1,339,522</u>
Creditors: amounts falling due within one year	17	(264,485)	(437,408)
<b>Net current assets</b>		<u>960,524</u>	<u>902,114</u>
<b>Total assets less current liabilities</b>		<u>3,514,339</u>	<u>3,245,330</u>
<b>Net assets excluding pension liability</b>		<u>3,514,339</u>	<u>3,245,330</u>
Defined benefit pension scheme liability	27	(2,854,000)	(2,213,000)
<b>Total net assets</b>		<u><u>660,339</u></u>	<u><u>1,032,330</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	2,598,662	2,763,244
Restricted income funds	20	622,259	166,759
		<u>3,220,921</u>	<u>2,930,003</u>
Restricted funds excluding pension asset	20	3,220,921	2,930,003
Pension reserve	20	(2,854,000)	(2,213,000)
<b>Total restricted funds</b>	20	<u>366,921</u>	<u>717,003</u>
<b>Unrestricted income funds</b>	20	<u>293,418</u>	<u>315,327</u>
<b>Total funds</b>		<u><u>660,339</u></u>	<u><u>1,032,330</u></u>

The financial statements on pages 27 to 61 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

  
**Mr B Impney**  
 (Chair of Trustees)

*2nd December 2021*

The notes on pages 31 to 61 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 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<b>493,737</b>	317,994
<b>Cash flows from investing activities</b>	23	<b>(279,048)</b>	(154,050)
<b>Change in cash and cash equivalents in the year</b>		<b>214,689</b>	163,944
Cash and cash equivalents at the beginning of the year		<b>888,816</b>	724,872
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<b><u>1,103,505</u></b>	<b><u>888,816</u></b>

The notes on pages 31 to 61 form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 2020 to 2021 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (continued)**

**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.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE (CONTINUED)**

• **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:

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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (continued)**

**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 17. 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.

**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 2021**

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**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 27, 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 2021. 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 2021**

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	8,894	242,363	-	<b>251,257</b>	168,322
Capital Grants	-	35,597	12,821	<b>48,418</b>	163,783
<b>TOTAL 2021</b>	<u>8,894</u>	<u>277,960</u>	<u>12,821</u>	<u><b>299,675</b></u>	<u>332,105</u>
<b>TOTAL 2020</b>	<u>3,072</u>	<u>165,250</u>	<u>163,783</u>	<u>332,105</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**4. FUNDING FOR THE ACADEMY'S EDUCATION**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	3,067,729	<b>3,067,729</b>	2,857,357
Start up Grants	-	25,000	<b>25,000</b>	-
Other DfE/EFSA grants	-	278,934	<b>278,934</b>	269,709
Pupil Premium	-	163,154	<b>163,154</b>	156,713
UIFSM	-	104,465	<b>104,465</b>	90,036
	-	3,639,282	<b>3,639,282</b>	3,373,815
<b>OTHER GOVERNMENT GRANTS</b>				
High Needs	-	36,001	<b>36,001</b>	14,626
Growth grant	-	17,199	<b>17,199</b>	-
	-	53,200	<b>53,200</b>	14,626
<b>Other income from the Academy's educational operations</b>	336,892	-	<b>336,892</b>	255,896
<b>COVID-19 ADDITIONAL FUNDING (DFE/ESFA)</b>				
Catch-up Premium	-	52,380	<b>52,380</b>	-
	-	52,380	<b>52,380</b>	-
<b>TOTAL 2021</b>	<b>336,892</b>	<b>3,744,862</b>	<b>4,081,754</b>	<b>3,644,337</b>
<b>TOTAL 2020</b>	<b>162,682</b>	<b>3,481,655</b>	<b>3,644,337</b>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

Other income from the Academy's educational operations includes catering income of £91k (2021: £80k) and nursery income of £245k (2020: £176k).

The academy received £52k of funding for catch-up premium and costs incurred in respect of this funding totalled £52k.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	1,900	-	1,900	490
Other income	11,440	367	11,807	81,240
<b>TOTAL 2021</b>	<b>13,340</b>	<b>367</b>	<b>13,707</b>	<b>81,730</b>
<b>TOTAL 2020</b>	<b>81,730</b>	<b>-</b>	<b>81,730</b>	

**6. INVESTMENT INCOME**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	222	222	1,408
<b>TOTAL 2020</b>	<b>1,408</b>	<b>1,408</b>	

**7. EXPENDITURE**

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
<b>EDUCATION:</b>					
Direct costs	2,474,304	87,017	268,974	2,830,295	2,443,673
Allocated support costs	867,116	270,536	525,643	1,663,295	1,588,535
Transfer from Local Authority on conversion	-	-	40,435	40,435	-
<b>TOTAL 2021</b>	<b>3,341,420</b>	<b>357,553</b>	<b>835,052</b>	<b>4,534,025</b>	<b>4,032,208</b>
<b>TOTAL 2020</b>	<b>3,012,246</b>	<b>493,436</b>	<b>526,526</b>	<b>4,032,208</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**8. ANALYSIS OF GRANTS**

	<b>Grants to Institutions 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Grant to diocese	15,324	<b>15,324</b>	42,200
TOTAL 2020	42,200	<b>42,200</b>	

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2021 £</b>	<b>Grant funding of activities 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Education	2,830,295	15,324	1,663,295	<b>4,508,914</b>	4,059,911
TOTAL 2020	2,429,176	42,200	1,588,535	<b>4,059,911</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	<b>Education 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Staff costs	867,316	<b>867,316</b>	844,133
Depreciation	31,061	<b>31,061</b>	-
Staff development	10,261	<b>10,261</b>	7,718
Other costs	23,142	<b>23,142</b>	20,931
Supply teachers	-	-	37,180
Maintenance of premises and equipment	64,160	<b>64,160</b>	84,540
Cleaning	74,172	<b>74,172</b>	58,504
Rent and rates	263,564	<b>263,564</b>	228,356
Energy costs	56,868	<b>56,868</b>	50,512
Insurance	13,324	<b>13,324</b>	11,964
Security and transport	6,970	<b>6,970</b>	7,057
Catering	80,409	<b>80,409</b>	69,802
Technology costs	79,954	<b>79,954</b>	71,969
Office overheads	25,835	<b>25,835</b>	20,181
Legal and professional	29,640	<b>29,640</b>	13,227
Bank interest and charges	1,068	<b>1,068</b>	749
Educational consultancy	15,620	<b>15,620</b>	39,281
Governance costs	19,931	<b>19,931</b>	22,431
<b>TOTAL 2021</b>	<b>1,663,295</b>	<b>1,663,295</b>	<b>1,588,535</b>
<b>TOTAL 2020</b>	<b>1,588,535</b>	<b>1,588,535</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**10. NET EXPENDITURE**

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	4,963	5,518
Depreciation of tangible fixed assets	72,520	52,076
Gain on disposal of fixed assets	(3,849)	(2,974)
Fees paid to auditors for:		
- audit	9,750	7,500
- other services	2,250	2,750
	<u>          </u>	<u>          </u>

**11. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,338,641	2,137,023
Social security costs	185,078	170,555
Pension costs	813,555	704,668
	<u>3,337,274</u>	<u>3,012,246</u>
Staff restructuring costs	4,146	-
	<u>3,341,420</u>	<u>3,012,246</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	4,146	-
	<u>4,146</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. STAFF (CONTINUED)**

**b. STAFF NUMBERS**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>46</b>	44
Administration and support	<b>90</b>	83
Management	<b>1</b>	1
	<b>137</b>	128

**c. HIGHER PAID STAFF**

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
In the band £100,001 - £110,000	<b>1</b>	1

**d. 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 £223,916 (2020 - £179,425). Costs are higher in 2021 due to the inclusion of a newly appointed Business Operation manager for that year. Key management remuneration was previously reported as £484,379 in 2020. Due to the restructuring of the SLT, the Trustees have reviewed who meets the definition of key management personnel and have restated the compensation figure accordingly.

**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.

**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 Trustees' remuneration and other benefits was as follows:

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**13. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)**

		2021 £	2020 £
Ms A Rice, Chief Executive	Remuneration	105,000 - 110,000	100,000 - 105,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000

During the year ended 31 August 2021, expenses totalling £888 were reimbursed or paid directly to 8 Trustees (2020 - £255 to 2 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 2021 was £11,965 (2020: £11,808). The cost of this insurance is included in the total insurance cost.

**15. TANGIBLE FIXED ASSETS**

	Leasehold land and buildings As restated £	Leasehold Improvements £	Furniture and equipment £	Computer equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2020	2,013,000	314,989	12,398	112,182	2,452,569
Additions	-	178,566	7,694	96,859	283,119
Disposals	-	-	-	(3,849)	(3,849)
At 31 August 2021	2,013,000	493,555	20,092	205,192	2,731,839
<b>DEPRECIATION</b>					
At 1 September 2020	57,744	15,231	11,085	25,293	109,353
Charge for the year	10,008	15,273	1,954	45,285	72,520
On disposals	-	-	-	(3,849)	(3,849)
At 31 August 2021	67,752	30,504	13,039	66,729	178,024
<b>NET BOOK VALUE</b>					
At 31 August 2021	1,945,248	463,051	7,053	138,463	2,553,815
At 31 August 2020	1,955,256	299,758	1,313	86,889	2,343,216

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**16. DEBTORS**

	2021 £	2020 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	3,111	8,820
Other debtors	-	165,249
Prepayments and accrued income	101,604	252,157
VAT recoverable	16,789	24,480
	<u>121,504</u>	<u>450,706</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	39,509	67,103
Other creditors	102,987	251,973
Accruals and deferred income	121,989	118,332
	<u>264,485</u>	<u>437,408</u>

**18. FINANCIAL INSTRUMENTS**

	2021 £	2020 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	1,103,505	888,816
Financial assets that are debt instruments measured at amortised cost	70,697	234,925
	<u>1,174,202</u>	<u>1,123,741</u>

	2021 £	2020 £
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>194,593</u>	<u>375,100</u>

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.

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**19. PRIOR YEAR ADJUSTMENTS**

The Academy Trust has been granted use of the school buildings from the Diocese of Exeter under a Supplemental Agreement that does not require rent to be paid. The agreement includes a two year notice period. In accordance with the Academies Accounts Direction ("AAD"), the value of diocesan school buildings would not normally be included in the accounts.

In the previous period, the value of the school buildings for one school, Mrs Ethelston's CofE Primary Academy, was recognised in the accounts on the basis that no Supplemental Agreement was in place. During this year to 31 August 2021, a Supplemental Agreement has been put in place.

The comparative balance sheet and statement of financial activities have been restated to remove the buildings, as if they had never been included since the academisation of the school. The financial impact of this change of policy is to have decreased the net book value of the land and buildings included in the balance sheet by £1,912,635 as at 31 August 2020 and to decrease depreciation in the statement of financial activities by £14,497 in the comparative year to that date.

As with the other diocesan schools, the Academy Trust's occupation for the period is recognisable as a notional donation (since it pays 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 £14,497 has been recognised in the statement of financial activities for the period ending 31 August 2020 as both the notional donation and notional rent.

Furthermore, and to be consistent with the non-recognition of diocesan buildings, capital expenditure thereon has been recognised as grant expenditure to church trustees, in accordance with the AAD. As a result, grant expenditure of £42,200 has been recognised in the statement of financial activities in the year to 31 August 2020.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>UNRESTRICTED FUNDS</b>						
General funds	315,327	359,348	(381,257)	-	-	293,418
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	3,067,729	(2,734,542)	(51,932)	-	281,255
Start up grant	-	25,000	(25,000)	-	-	-
PE & Sport grant	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 Premium	-	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	-	-	(15,324)	191,535	-	176,211
Pension reserve	(2,213,000)	-	(423,000)	-	(218,000)	(2,854,000)
	(2,046,241)	4,022,822	(4,115,542)	125,220	(218,000)	(2,231,741)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Transferred on conversion	1,979,287	-	3,802	-	-	1,983,089
DfE / Capital grants	746,075	13,188	(56,352)	(125,220)	-	577,691

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Capital from predecessor school	37,882	-	-	-	-	37,882
	<u>2,763,244</u>	<u>13,188</u>	<u>(52,550)</u>	<u>(125,220)</u>	<u>-</u>	<u>2,598,662</u>
<b>TOTAL RESTRICTED FUNDS</b>	<b>717,003</b>	<b>4,036,010</b>	<b>(4,168,092)</b>	<b>-</b>	<b>(218,000)</b>	<b>366,921</b>
	<u>1,032,330</u>	<u>4,395,358</u>	<u>(4,549,349)</u>	<u>-</u>	<u>(218,000)</u>	<u>660,339</u>
<b>TOTAL FUNDS</b>	<b>1,032,330</b>	<b>4,395,358</b>	<b>(4,549,349)</b>	<b>-</b>	<b>(218,000)</b>	<b>660,339</b>

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 use for the normal running costs of the Academy, including education and support costs.

Start up Grant – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

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 premium - funding to support children and young people to catch up on missed learning caused by coronavirus (COVID19).

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

Trips - Contributions from parents towards educational visits.

Restricted Donations - Donations received for specific purposes.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. STATEMENT OF FUNDS (CONTINUED)**

**Fixed Asset Funds**

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

DfE Capital Grants - This represent funding from the ESFA to spend specifically on the Capital improvements of the school and includes an element of any assets included as a Fixed Asset purchased from GAG.

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

Transfers - £66,315 has been transferred from restricted general funds to the fixed asset fund, representing assets purchased with those grants. £191,535 has been transferred from fixed asset funds into restricted funds, representing unspent CIF funds available.

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 2021.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
<b>UNRESTRICTED FUNDS</b>					
General funds	302,014	453,414	(385,031)	(55,070)	315,327
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	-	2,838,423	(2,794,354)	(44,069)	-
Other DfE/ESFA grants	118,574	427,879	(400,600)	-	145,853
Trips	-	18,200	(14,944)	-	3,256
Restricted donation	-	1,168	(3,279)	2,111	-
Pupil Premium	-	156,713	(139,063)	-	17,650
Pension reserve	(1,477,000)	-	(237,000)	-	(2,213,000)
	<u>(1,358,426)</u>	<u>3,442,383</u>	<u>(3,589,240)</u>	<u>(41,958)</u>	<u>(2,046,241)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Transferred on conversion	1,995,455	-	(16,168)	-	1,979,287
DfE / Capital grants	527,033	163,783	(41,769)	97,028	746,075
Capital from predecessor school	37,882	-	-	-	37,882
	<u>2,560,370</u>	<u>163,783</u>	<u>(57,937)</u>	<u>97,028</u>	<u>2,763,244</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>1,201,944</u>	<u>3,606,166</u>	<u>(3,647,177)</u>	<u>55,070</u>	<u>717,003</u>
<b>TOTAL FUNDS</b>	<u><u>1,503,958</u></u>	<u><u>4,059,580</u></u>	<u><u>(4,032,208)</u></u>	<u><u>-</u></u>	<u><u>1,032,330</u></u>

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**20. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021 £</b>	<b>2020 £</b>
Axminster Community Primary Academy	<b>115,091</b>	213,624
Marshwood CofE Primary Academy	<b>13,482</b>	172,103
Mrs Ethelston's CofE Primary Academy	<b>184,719</b>	341,328
St Andrew's CofE Primary Academy	<b>24,505</b>	219,934
Membury Primary Academy	<b>7,891</b>	113,140
Loders CofE VC Primary Academy	<b>64,480</b>	(30,717)
St Mary's CofE VC Primary School	<b>2,120</b>	-
Central services	<b>503,389</b>	(547,326)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>915,677</b>	482,086
Restricted fixed asset fund	<b>2,598,662</b>	2,763,244
Pension reserve	<b>(2,854,000)</b>	(2,213,000)
	<hr/>	<hr/>
<b>TOTAL</b>	<b>660,339</b>	1,032,330
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 2021 £	Total 2020 £
Axminster Community Primary Academy	569,173	174,937	23,665	47,519	<b>815,294</b>	947,548
Marshwood CofE Primary Academy	262,622	24,971	7,002	7,238	<b>301,833</b>	428,508
Mrs Ethelston's CofE Primary Academy	519,629	44,767	5,315	42,510	<b>612,221</b>	662,114
St Andrew's CofE Primary Academy	342,604	82,336	12,029	40,329	<b>477,298</b>	702,628
Membury Primary Academy	91,765	10,490	3,276	9,860	<b>115,391</b>	177,539
Loders CofE VC Primary Academy	296,122	40,799	4,932	28,331	<b>370,184</b>	447,575
St Mary's CofE VC Primary School	81,493	15,837	3,045	8,224	<b>108,599</b>	-
Central services	201,724	377,389	291	699,349	<b>1,278,753</b>	614,220
<b>ACADEMY</b>	<b>2,365,132</b>	<b>771,526</b>	<b>59,555</b>	<b>883,360</b>	<b>4,079,573</b>	<b>3,980,132</b>

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	2,553,815	<b>2,553,815</b>
Current assets	557,903	622,259	44,847	<b>1,225,009</b>
Creditors due within one year	(264,485)	-	-	<b>(264,485)</b>
Provisions for liabilities and charges	-	(2,854,000)	-	<b>(2,854,000)</b>
<b>TOTAL</b>	<b>293,418</b>	<b>(2,231,741)</b>	<b>2,598,662</b>	<b>660,339</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	(28,800)	-	2,372,016	<b>2,343,216</b>
Current assets	317,853	601,643	420,027	<b>1,339,523</b>
Creditors due within one year	(2,524)	(434,884)	-	<b>(437,408)</b>
Provisions for liabilities and charges	-	(2,213,000)	-	<b>(2,213,000)</b>
<b>TOTAL</b>	<b>286,529</b>	<b>(2,046,241)</b>	<b>2,792,043</b>	<b>1,032,331</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(153,991)	(332)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	68,671	37,579
Capital grants from DfE and other capital income	-	(163,783)
Interest receivable	(222)	(1,408)
Defined benefit pension scheme cost less contributions payable	387,000	211,000
Defined benefit pension scheme finance cost	36,000	26,000
Decrease in debtors	329,202	263,935
Decrease in creditors	(172,923)	(60,861)
Impairments	-	2,890
Loss on disposal of tangible fixed assets	-	2,974
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>493,737</b>	<b>317,994</b>

**23. CASH FLOWS FROM INVESTING ACTIVITIES**

	2021 £	2020 £
Dividends, interest and rents from investments	222	1,408
Purchase of tangible fixed assets	(279,270)	(322,041)
Proceeds from the sale of tangible fixed assets	-	2,800
Capital grants from DfE Group	-	163,783
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(279,048)</b>	<b>(154,050)</b>

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash in hand and at bank	1,103,505	888,816
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>1,103,505</b>	<b>888,816</b>



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**25. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	888,816	214,689	1,103,505
	<u>888,816</u>	<u>214,689</u>	<u>1,103,505</u>

**26. CONVERSION TO AN ACADEMY TRUST**

On 1 February 2021 St Mary's CofE Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Acorn Multi Academy Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Expenditure on Charitable activities - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>TANGIBLE FIXED ASSETS</b>				
Other tangible fixed assets	-	-	19,970	19,970
<b>CURRENT ASSETS</b>				
Cash - representing budget surplus on LA funds	35,595	-	-	35,595
<b>NON-CURRENT LIABILITIES</b>				
Pension liability	-	(96,000)	-	(96,000)
<b>NET ASSETS/(LIABILITIES)</b>	<u>35,595</u>	<u>(96,000)</u>	<u>19,970</u>	<u>(40,435)</u>

**27. 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 2019 and of the LGPS 31 March 2019.

**NOTES TO THE FINANCIAL STATEMENTS  
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**27. PENSION COMMITMENTS (CONTINUED)**

Contributions amounting to £43,030 were payable to the schemes at 31 August 2021 (2020 - £49,747) 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.

**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 £337,626 (2020 - £318,327).

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**27. PENSION COMMITMENTS (CONTINUED)**

**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 2021 was £239,000 (2020 - £190,000), of which employer's contributions totalled £187,000 (2020 - £146,000) and employees' contributions totalled £ 52,000 (2020 - £44,000). 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.

**PRINCIPAL ACTUARIAL ASSUMPTIONS**

**Dorset**

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.90</b>	3.30
Rate of increase for pensions in payment/inflation	<b>2.90</b>	2.30
Discount rate for scheme liabilities	<b>1.65</b>	1.60
Inflation assumption (CPI)	<b>2.60</b>	2.30

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

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
<b>RETIRING TODAY</b>		
Males	<b>23.1</b>	22.70
Females	<b>24.6</b>	24.70
<b>RETIRING IN 20 YEARS</b>		
Males	<b>24.4</b>	24.40
Females	<b>26.1</b>	26.40

**Devon**

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.90</b>	3.25
Rate of increase for pensions in payment/inflation	<b>2.90</b>	2.25
Discount rate for scheme liabilities	<b>1.65</b>	1.60
Inflation assumption (CPI)	<b>2.60</b>	2.30

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

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**27. PENSION COMMITMENTS (CONTINUED)**

	<b>2021 Years</b>	<b>2020 Years</b>
<b>RETIRING TODAY</b>		
Males	<b>22.7</b>	22.9
Females	<b>24.0</b>	24.1
<b>RETIRING IN 20 YEARS</b>		
Males	<b>24.0</b>	24.3
Females	<b>25.4</b>	25.5

**SENSITIVITY ANALYSIS**

**Dorset**

	<b>2021 £000</b>	<b>2020 £000</b>
Discount rate +0.1%	<b>(25)</b>	(18)
Discount rate -0.1%	<b>26</b>	19
Mortality assumption - 1 year increase	<b>49</b>	32
Mortality assumption - 1 year decrease	<b>(47)</b>	(31)
CPI rate +0.1%	<b>23</b>	16
CPI rate -0.1%	<b>(22)</b>	(16)

**Devon**

	<b>2021 £000</b>	<b>2020 £000</b>
Discount rate +0.1%	<b>(103)</b>	(78)
Discount rate -0.1%	<b>106</b>	80
Mortality assumption - 1 year increase	<b>149</b>	103
Mortality assumption - 1 year decrease	<b>(143)</b>	(100)
CPI rate +0.1%	<b>100</b>	76
CPI rate -0.1%	<b>(98)</b>	(74)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**27. PENSION COMMITMENTS (CONTINUED)**

**SHARE OF SCHEME ASSETS**

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

	2021 £	2020 £
Equities	1,342,000	950,000
Gilts	218,000	42,000
Corporate bonds	60,000	86,000
Property	180,000	132,000
Cash and other liquid assets	18,000	18,000
Liability Driven Investment	60,000	-
Investment funds	34,000	-
Infrastructure	114,000	-
Multi Asset Credit	24,000	-
Target Return Portfolio	157,000	-
Other	-	343,000
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>2,207,000</b>	<b>1,571,000</b>

The actual return on scheme assets was £349,000 (2020 - £21,000).

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

	2021 £	2020 £
Current service cost	(478,000)	(356,000)
Interest income	26,000	-
Interest cost	(62,000)	(26,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(96,000)	-
Administrative expenses	-	(1,000)
<b>TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(610,000)</b>	<b>(383,000)</b>

**ACORN MULTI ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**27. PENSION COMMITMENTS (CONTINUED)**

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

	2021 £	2020 £
<b>AT 1 SEPTEMBER</b>	<b>3,784,000</b>	2,717,000
Current service cost	478,000	356,000
Interest cost	62,000	27,000
Employee contributions	52,000	44,000
Actuarial losses	540,000	631,000
Benefits paid	3,000	9,000
<b>AT 31 AUGUST</b>	<b>4,919,000</b>	3,784,000

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

	2021 £	2020 £
<b>AT 1 SEPTEMBER</b>	<b>1,571,000</b>	1,240,000
Expected return on assets	-	(36,000)
Interest income	-	25,000
Actuarial gains	322,000	132,000
Employer contributions	187,000	146,000
Employee contributions	52,000	44,000
Benefits paid plus unfunded net of transfers in	-	21,000
Administration expenses	-	(1,000)
<b>AT 31 AUGUST</b>	<b>2,132,000</b>	1,571,000

**28. OPERATING LEASE COMMITMENTS**

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	4,951	4,584
Later than 1 year and not later than 5 years	42	5,372
	<b>4,993</b>	9,956

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**NOTES TO THE FINANCIAL STATEMENTS  
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**29. 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.

**30. 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 Academies Financial 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 12.