

Acorn Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 7 October 2014 to 31 August 2015

Registration number: 09253218

Acorn Multi Academy Trust

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Acorn Multi Academy Trust

Reference and Administrative Details

Members	Mr P Mantell (appointed 7 October 2014) Mr B Allsop (appointed 7 October 2014) Mrs C Humphreys (appointed 20 October 2015) Ms J Rockett (appointed 7 November 2014 and resigned 20 October 2015)
Trustees (Directors)	Ms J Rockett (appointed 7 October 2014) Mr N Whitaker (appointed 7 October 2014) Mrs A Rice (appointed 7 October 2014) Mr P Bailey (appointed 1 November 2014) Mrs K Mansi (appointed 17 March 2015) Mrs C Humphreys (appointed 13 April 2015) Mr B Allsop (appointed 7 October 2014) Mr A Harvell (appointed 1 November 2014 and resigned 31 July 2015) Ms M D'Albertanson (appointed 10 November 2014 and resigned 1 March 2015) Mr C Tipping (appointed 10 November 2014 and resigned 1 March 2015)
Company Secretary	Ms V Dower
Senior Management Team	Mrs A Rice, Executive Head and Chief Executive Officer Mrs I Edginton, (Acting) Head of Axminster Community Primary Academy Mr L Owen, Head of Marshwood CE Primary Academy Ms M Kite, Head of Mrs Ethelston's CE Primary Academy Mr G Rourke, Head of St Andrew's CE Primary Academy Miss S Miller, Academy Business Manager
Principal and Registered Office	Mrs Ethelston's CE Primary Academy Pound Lane Uplyme Lyme Regis DT7 3TT
Company Registration Number	09253218
Auditors	Francis Clark LLP Vantage Point Woodwater Park Pynes Hill Exeter EX2 5FD

Acorn Multi Academy Trust

Trustees' Report for the period from 7 October 2014 to 31 August 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 7 October 2014 to 31 August 2015. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates a multi academy trust for pupils aged 4 to 11 serving a catchment area in East Devon and West Dorset. It has a pupil capacity of 618 and had a roll of 506 in the school census on 15 January 2015.

Discussion on conversion to Academy Trust

On 1 November 2014, Marshwood CE Primary School, Axminster Community Primary School, Mrs Ethelston's CE Primary School and St Andrew's CE Primary School converted to academy status and all their operations, assets and liabilities were transferred to Acorn Multi Academy Trust.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 7 October 2014. The Governors act as the Trustees for the charitable activities of Acorn Multi Academy Trust and are also the Directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

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

Acorn Multi Academy Trust

Trustees' Report for the period from 7 October 2014 to 31 August 2015 (continued)

Method of recruitment and appointment or election of Trustees

The Acorn Multi Academy Trust Articles of Association state that the number of directors shall not be less than 9, but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum (article 45).

In addition, the Articles of Association state that the composition of the Board of Directors is as follows

- One director appointed by the directors (article 50),
- Up to two directors appointed by Axminster local governing body (article 50a),
- Up to two directors appointed by Mrs Ethelstons local governing body (article 50b),
- Up to two directors appointed by St Andrews local governing body (article 50c),
- Up to two directors appointed by Marshwood local governing body (article 50d),
- The Head teacher of Axminster Primary Academy as long as he remains in office (article 51),
- The chief executive officer for as long as she remains in office (article 57),
- Foundation directors as needed to ensure that the total number of Foundation directors represent at least a simple majority of all directors (article 52),
- The directors may appoint co-opted directors as they shall think fit.

Term of office

The term of office for any director shall be 4 years, save that this limit shall not apply to the Chief Executive Officer or the Headteacher of Axminster Primary Academy.

When appointing new directors, the Board will give consideration to the skills and experience mix of existing directors in order to ensure that the Board has the necessary skills to contribute fully to the academy's development. New directors will be appointed by the Members.

Policies and procedures adopted for the induction and training of Trustees

All of the directors appointed in the period to 31 August 2015 already had knowledge and experience of the primary education system and were involved in the setting up of the Trust, and were therefore aware of the governance structures put in place.

Training was provided for all directors about the role of portfolio leads. Directors also have access to general training and support provided by Babcock Learning and Development Partnership governor support, the Exeter Diocesan Board of Education, Diocese of Salisbury Education, as well as the National Governors Association and the Devon Association of governance. Details of all courses and events are circulated to all directors by the Clerk and directors are encouraged to attend. Relevant newsletters, publications and guidance are circulated by the clerk to keep the directors informed of statutory requirements and changes in legislation.

Organisational structure

The directors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academies by the use of the budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments. Each director has an area of responsibility and these include finance, staffing, premises, health and safety, safeguarding, data, ethos and community.

The finance/audit committee are a separate committee who approve the Trust budget and monitor the spending of these budgets to support the school improvement plan.

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

Acorn Multi Academy Trust

Trustees' Report for the period from 7 October 2014 to 31 August 2015 (continued)

Related Parties and other Connected Charities and Organisations

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

The Acorn Multi Academy Trust works with the universities of Exeter and St Mark and St John. Plymouth.

Andrea Rice, Executive Head teacher, is a National Leader of Education and works with other staff from the Trust to provide school to school support beyond the Trust.

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 clearly defined in the Acorn Trust Development 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 2014/15 were:

- To raise the standard of educational attainment and achievement of all groups of learners.
- To provide a broad and balanced curriculum that provides inspiring and motivating learning experiences.
- To develop children as autonomous and resilient learners who are lifelong learners.
- To continue to develop the expertise of all staff so that they can deliver the best learning experiences to our children.
- To develop effective and coherent school systems that are applied consistently across the Trust.
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structures under review.

The Trust Improvement Plan gives further detail of how these aims will be achieved.

Acorn Multi Academy Trust

Trustees' Report for the period from 7 October 2014 to 31 August 2015 (continued)

Collaboration to improve outcomes for children

The Trust academies have a shared commitment to formal collaborative working to share best practice. 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 Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Strategic Report

Achievements and performance

Key stage 2 results 2015 -

Standards at Mrs Ethelston's, St Andrew's and Marshwood continued on an upward trend of results significantly above the national average in all subjects.

Level 4b and above:

	National average	Mrs Ethelston's	St Andrew's	Marshwood
No. of pupils		25	8	9
Reading	80%	88%	100%	88%
Writing	-	88%	100%	77%
Grammar spelling	73%	96%	88%	77%
Maths	77%	84%	100%	77%

The attainment of children in three of the schools is outstanding. St Andrews was the top performing school in Devon in 2014, and Marshwood was the top performing school in Dorset. This continues a record of high achievement over three years.

A discrepancy in the results at Axminster caused all their results to be annulled by the standards and testing agency and a complete review of the assessment and moderation processes has followed. Trustees quickly put rigorous procedures in place to ensure this cannot happen again.

Marshwood received a SIAMS inspection in March 2015 and was rated Good with Outstanding Leadership.

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Trustees' Report for the period from 7 October 2014 to 31 August 2015 (continued)

Key financial performance indicators

The number of children on roll at the schools is a key performance indicator as funding is based on pupil numbers. Pupil numbers have been consistent over the last 3 years at all the schools except for St Andrew's where there has been a significant increase in numbers, although this is expected to slow down as the school reaches capacity. Numbers at Axminster Primary are expected to rise due to the rapid expansion of the town and the spare capacity within the school.

School	Oct 13	Oct 14	Oct 15
Axminster	169	168	166
Mrs Ethelston's	176	175	180
St Andrew's	86	95	112
Marshwood	60	58	61
Total	491	496	519

Another key performance indicator is salary costs which are currently 80% of GAG. The Trust will aim to keep salary costs at 80% or below of GAG through sharing staff and expertise, and reducing overheads as the Trust grows. However significant increases in employers NI and Pension Costs are due to be implemented next year, along with pay rises and the new minimum wage. No additional funding has been allocated to schools to cover these costs so this will cause significant pressure on the wages bill.

Going concern

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

Financial review

The Directors are confident that the Trust is in a sound financial position after its first year as a multi academy trust. The costs of running very small schools are high and the Trust will need a larger school to join the Trust in the future to reduce the impact of this.

Restricted funds:

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

The Trust also received substantial grant income in this financial year in the form of start up grants, a primary chain grant, and a sponsor capacity grant. These grants are ring fenced for the specific purpose of establishing the academies and have specific requirements and time limits on their expenditure.

Acorn Multi Academy Trust

Trustees' Report for the period from 7 October 2014 to 31 August 2015 (continued)

Unrestricted funds:

The Trust also receives income from other sources such as the sale of meals and paid fees from the nursery, as well as the carry forwards from the predecessor schools. 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.

Financial policies implemented during the year were the Finance Policy and the Discretions Policy.

Reserves policy

At present the level of reserves is reviewed regularly by the Finance and Audit Committee, and recommendations are put forward to the Full Governing Board annually. The review incorporates detailed analysis into the nature of income and expenditure streams and the request to match specific income to commitments. In determining the level of reserves, the Trustees consider future plans of the academy trust, the uncertainty over future income streams and other key risks identified during the risk review. At present, the level of reserves are not considered to be significant to allow investment into specific projects, they are therefore set aside to cover unforeseen education and maintenance expenses. Free reserves at 31 August 2015 amounted to £312,154.

Investment policy

As a new Multi Academy Trust the Trustees are waiting until the Trust is more established before they develop their investment policy. This will be reviewed annually and an investment policy would be expected to be in place within the next six months with a view to maximising the returns on surplus deposits.

Principal risks and uncertainties

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

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

Financial: The majority of Trust income relies on continued government funding through the EFA, with a small amount being generated by the Trust's own activities. Whilst this level is expected to continue, there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management: Failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - The Trust needs to continue to attract new pupils by maintaining higher educational standards and establishing a good reputation within the community. Trustees regularly monitor pupil numbers, marketing and websites. Where there has been damage to a school's reputation the Trustees have responded swiftly to minimise the damage and to ensure that there is no repeat of the situation in the future.

Safeguarding and child protection - The Trustees maintain high standards of implementation of CP policies and procedures including staff selection and monitoring procedures. All staff receive regular training and updates with regards to safeguarding.

Fraud and mismanagement of funds - The Trustees review and monitor the finances of the Trust closely as mentioned elsewhere in the statement.

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Trustees' Report for the period from 7 October 2014 to 31 August 2015 (continued)

Plans for future periods

Our vision is that all the schools become outstanding when inspected by Ofsted or SIAMS. We are reviewing the way that we track and monitor progress using a new assessment system to plan the next steps in children's learning by providing appropriate challenge.

We expect the Trust to continue to grow with a mixture of Church and Community schools joining the academy, as well as through sponsorship. This will need to be carefully managed as the Trust builds capacity and one of the new schools will need to be in excess of 300 pupils. We anticipate one sponsored and two converter academies joining in 2015/16. We would also consider another Federation or Trust joining our Trust.

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 members of the Governing Body, as the company directors, on and signed on its behalf by:

.....
Mrs C Humphreys
Trustee

Acorn Multi Academy Trust

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Mrs A Rice, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Acorn Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Jane Rockett (Chair)	6	6
Andrea Rice (CEO and accounting officer)	5	6
Barry Allsop (Vice Chair)	6	6
Katherine Mansi	6	6
Carol Humphreys	6	6
Nigel Whittaker	5	6
Paul Bailey	5	6
Tony Harvell (Resigned 31/7/15)	4	6
Maureen D'Albertson (Resigned 1/3/15)	-	2
Chris Tipping (Resigned 1/3/15)	-	2

The Board was established from existing local governing bodies to ensure equal representation across the Trust. Some of these Trustees have resigned to return to their roles in the local governing body. Trustees are keen to fill any vacancies from outside the Trust and are currently implementing a recruitment policy to attract members of the local community with the right skill sets.

Governance reviews:

During the period governance reviews have been performed in conjunction with the local governing bodies and also a Multi Academy Trust self evaluation for the Regional Schools Commissioner. It is intended that a fuller governance review be performed by the Trustees in the current 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 and reporting,
- reviewing and monitoring reports from the Responsible Officer,
- drafting the annual budget including setting staffing levels,
- performing the role of an audit committee,
- Authorising spending within agreed budgets.

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Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Nigel Whitaker (Chair)	2	3
Carol Humphreys (Vice Chair)	3	3
Paul Bailey	2	3
Chris Tipping (Resigned 1/3/15)	-	1
Andrea Rice (CEO and Accounting Officer)	3	3
Jane Rockett (Appointed 1/3/15)	2	2

Review of value for money

As accounting officer the trustee has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Consolidating the central administrative functions of the Trust to achieve staff savings and efficiencies, and to allow Heads of Schools to concentrate on Teaching and Learning.
- Negotiating and implementing Trust contracts for Insurance, ICT support, and discounts from resources suppliers to achieve economies and savings in all schools.
- Carefully benchmarking the schools in the Trust against each other to identify areas where costs can be reduced and challenging where a school's spending is comparatively high.

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 ongoing 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 ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;

Acorn Multi Academy Trust

Governance Statement (continued)

- regular reviews by the Finance and General Purposes 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 Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed R Willcocks as responsible officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of payment systems
- testing of bank reconciliations
- testing of income collections systems

On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

One area of concern was highlighted regarding income collection at one of the schools which has since been addressed by the purchase of a safe and the implementation of online payments.

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Governance Statement (continued)

Review of effectiveness

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

- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on and signed on its behalf by:

.....
Mrs A Rice
Accounting officer
Trustee

.....
Mrs C Humphreys
Trustee

Acorn Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Acorn Multi Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 Governing Body and EFA.

.....
Mrs A Rice
Accounting officer

Date:

Acorn Multi Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 Governing Body on and signed on its behalf by:

.....
Mrs C Humphreys
Trustee

Acorn Multi Academy Trust

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

We have audited the financial statements of Acorn Multi Academy Trust for the period from 7 October 2014 to 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 14), the Trustees (who are also the directors of the charitable company 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

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

.....
Christopher Bush (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Date:.....

Acorn Multi Academy Trust

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

In accordance with the terms of our engagement letter dated 20 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Acorn Multi Academy Trust during the period 7 October 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2012, 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 2014 to 2015. 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 period from 7 October 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

Acorn Multi Academy Trust

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 7 October 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Christopher Bush
For and on behalf of Francis Clark LLP, Chartered Accountants

Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Date:.....

Acorn Multi Academy Trust

Statement of Financial Activities for the Period from 7 October 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Transfer on conversion	2	211,194	(321,000)	5,995,706	5,885,900
Other voluntary income	2	1,550	4,577	-	6,127
Activities for generating funds	3	136,323	44,541	-	180,864
Investment income	4	404	-	-	404
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy Trust's educational operations	5	-	2,202,853	21,580	2,224,433
Total incoming resources		<u>349,471</u>	<u>1,930,971</u>	<u>6,017,286</u>	<u>8,297,728</u>
Resources expended					
<i>Charitable activities:</i>					
Academy's educational operations	7	34,791	2,011,501	30,600	2,076,892
Governance costs	8	-	8,500	-	8,500
Total resources expended	6	<u>34,791</u>	<u>2,020,001</u>	<u>30,600</u>	<u>2,085,392</u>
Net incoming/(outgoing) resources before transfers		314,680	(89,030)	5,986,686	6,212,336
Gross transfers between funds		<u>(2,326)</u>	<u>2,326</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the period		312,354	(86,704)	5,986,686	6,212,336
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	25	-	(10,000)	-	(10,000)
Net movement in funds/(deficit)		<u>312,354</u>	<u>(96,704)</u>	<u>5,986,686</u>	<u>6,202,336</u>

Acorn Multi Academy Trust

Statement of Financial Activities for the Period from 7 October 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Reconciliation of funds				
Total Funds/(deficit) carried forward at 31 August 2015	<u>312,354</u>	<u>(96,704)</u>	<u>5,986,686</u>	<u>6,202,336</u>

All of the Academy Trust's activities derive from acquisitions in the current financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Acorn Multi Academy Trust

(Registration number: 09253218) Balance Sheet as at 31 August 2015

	Note	31 August 2015 £
Fixed assets		
Tangible assets	13	5,963,699
Current assets		
Debtors	14	144,302
Cash at bank and in hand		<u>776,255</u>
		920,557
Creditors: Amounts falling due within one year	15	<u>(320,920)</u>
Net current assets		<u>599,637</u>
Total assets less current liabilities		<u>6,563,336</u>
Net assets excluding pension liability		6,563,336
Pension scheme liability	25	<u>(361,000)</u>
Net assets including pension liability		<u><u>6,202,336</u></u>
Funds of the Academy Trust:		
Restricted funds		
Restricted general fund	16	(96,704)
Restricted fixed asset fund	16	<u>5,986,686</u>
		5,889,982
Unrestricted funds		
Unrestricted general fund	16	<u>312,354</u>
Total funds		<u><u>6,202,336</u></u>

The financial statements on pages 19 to 45 were approved by the Trustees, and authorised for issue on and signed on their behalf by:

.....
Mrs C Humphreys
Trustee

Acorn Multi Academy Trust

Cash Flow Statement for the Period from 7 October 2014 to 31 August 2015

	Note	31 August 2015 £
Net cash inflow from operating activities	20	804,150
Returns on investments and servicing of finance	21	404
Capital expenditure and financial investment	22	<u>(28,299)</u>
Increase in cash in the period	23	<u><u>776,255</u></u>
Reconciliation of net cash flow to movement in net funds		
Increase in cash in the period		776,255
Net funds at 7 October 2014		<u>-</u>
Net funds at 31 August 2015		<u><u>776,255</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Acorn Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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

Leased assets

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Transfer on conversion	211,194	(321,000)	5,995,706	5,885,900
Other voluntary income				
Other donations	<u>1,550</u>	<u>4,577</u>	-	<u>6,127</u>
Total voluntary income	<u><u>212,744</u></u>	<u><u>(316,423)</u></u>	<u><u>5,995,706</u></u>	<u><u>5,892,027</u></u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £
Hire of facilities	23,259	-	23,259
Catering income	33,224	-	33,224
Recharges and reimbursements	36,298	8,753	45,051
Other income	<u>43,542</u>	<u>35,788</u>	<u>79,330</u>
	<u><u>136,323</u></u>	<u><u>44,541</u></u>	<u><u>180,864</u></u>

4 Investment income

	Unrestricted funds £	Total 2015 £
Short term deposits	<u><u>404</u></u>	<u><u>404</u></u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	1,755,198	-	1,755,198
Other government grants			
Other DfE/EFA Grants	277,655	21,580	299,235
Non-government grants and other income			
Other bodies	<u>170,000</u>	<u>-</u>	<u>170,000</u>
Total grants	<u><u>2,202,853</u></u>	<u><u>21,580</u></u>	<u><u>2,224,433</u></u>

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £
Academy's educational operations				
Direct costs	1,152,340	-	116,866	1,269,206
Allocated support costs	<u>306,529</u>	<u>198,720</u>	<u>302,437</u>	<u>807,686</u>
	1,458,869	198,720	419,303	2,076,892
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>
	<u><u>1,458,869</u></u>	<u><u>198,720</u></u>	<u><u>427,803</u></u>	<u><u>2,085,392</u></u>

Net incoming/outgoing resources for the period include:

	31 August 2015 £
Fees payable to auditor - audit	6,000
- other audit services	<u><u>2,500</u></u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Direct costs - educational operations				
Teaching and educational support staff costs	-	1,152,340	-	1,152,340
Educational supplies	18	79,643	-	79,661
Staff development	-	16,417	-	16,417
Other direct costs	-	20,788	-	20,788
	<u>18</u>	<u>1,269,188</u>	<u>-</u>	<u>1,269,206</u>
Support costs - educational operations				
Support staff costs	-	282,529	-	282,529
FRS 17 service cost adjustment	-	24,000	-	24,000
Depreciation	-	-	30,600	30,600
Recruitment and support	-	1,960	-	1,960
Maintenance of premises and equipment	-	44,443	-	44,443
Cleaning	-	36,876	-	36,876
Rent and rates	-	21,837	-	21,837
Energy costs	-	44,568	-	44,568
Insurance	-	20,396	-	20,396
Security and transport	-	10,736	-	10,736
Catering	27,260	78,830	-	106,090
Bank interest and charges	-	106	-	106
Interest on defined benefit pension scheme	-	6,000	-	6,000
Other support costs	7,513	170,032	-	177,545
	<u>34,773</u>	<u>742,313</u>	<u>30,600</u>	<u>807,686</u>
Total direct and support costs	<u>34,791</u>	<u>2,011,501</u>	<u>30,600</u>	<u>2,076,892</u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

8 Governance costs

	Total 2015 £
Auditors' remuneration	
Audit of financial statements	6,000
Other audit services	2,500
	<u>8,500</u>

9 Staff

Staff costs

	2015 £
Staff costs during the period were:	
Wages and salaries	1,173,382
Social security costs	142,207
Pension costs	113,575
Supply teacher costs	29,705
	<u>1,458,869</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	31 August 2015 No
Charitable Activities	
Teachers	25
Administration and support	48
Management	2
	<u>75</u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

9 Staff (continued)

Higher paid staff

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

	31 August 2015 No
£70,001 - £80,000	<u>1</u>

1 of the above employees participated in the Teachers' Pension Scheme.

10 Central services

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

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

SLA recharges

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

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

- Central Charges
- % of total recharge based on % of GAG based on pupil numbers
- SLA Recharges
- Flat amount of £13803 per school plus ESG Grant

The actual amounts charged during the year were as follows:

	31 August 2015 £
Axminster Community Primary Academy	82,682
Marshwood CE Primary Academy	41,713
Mrs Ethelston's CE Primary Academy	75,748
St Andrew's CE Primary Academy	<u>46,741</u>
	<u>246,884</u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

11 Related party transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

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

Remuneration: £75,000 - £80,000

Employer's pension contributions: £10,000 - £15,000

During the period ended 31 August 2015, travel and subsistence expenses totalling £1,416 were reimbursed or paid directly to 3 Trustees.

Other related party transactions involving the Trustees are set out in note 26.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,260.

The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Total £
Cost			
On conversion	5,966,000	-	5,966,000
Additions	17,876	10,423	28,299
At 31 August 2015	<u>5,983,876</u>	<u>10,423</u>	<u>5,994,299</u>
Depreciation			
Charge for the year	29,731	869	30,600
At 31 August 2015	<u>29,731</u>	<u>869</u>	<u>30,600</u>
Net book value			
At 31 August 2015	<u>5,954,145</u>	<u>9,554</u>	<u>5,963,699</u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

14 Debtors

	31 August 2015 £
Trade debtors	555
Prepayments	45,067
Accrued grant and other income	19,971
VAT recoverable	78,709
	<u>144,302</u>

15 Creditors: amounts falling due within one year

	31 August 2015 £
Trade creditors	101,348
Other taxation and social security	23,447
Other creditors	9,863
Pension scheme creditor	25,364
Accruals	8,500
Deferred income	152,398
	<u>320,920</u>

	31 August 2015 £
Deferred income	
Resources deferred in the period	<u>152,398</u>

At the balance sheet date the Academy Trust was holding funds received in advance for: Start up grant - £95,000, UIFSM - £49,000, Trips - £7,000, Catering - £1,000, Donations - £500.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

16 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds				
General Annual Grant (GAG)	1,755,199	(1,620,685)	(12,642)	121,872
Primary Development/Start up Grant	253,048	(120,053)	-	132,995
Other DfE/EFA Grants	203,860	(214,685)	14,968	4,143
Trips	35,788	(32,342)	-	3,446
Restricted donation	4,076	(2,236)	-	1,840
Defined Benefit Pension Scheme	<u>(321,000)</u>	<u>(30,000)</u>	<u>(10,000)</u>	<u>(361,000)</u>
	<u>1,930,971</u>	<u>(2,020,001)</u>	<u>(7,674)</u>	<u>(96,704)</u>
Restricted fixed asset funds				
Assets transferred on conversion	5,966,000	(30,600)	-	5,935,400
DfE / Capital grants	21,580	-	-	21,580
Capital from predecessor school	<u>29,706</u>	<u>-</u>	<u>-</u>	<u>29,706</u>
	<u>6,017,286</u>	<u>(30,600)</u>	<u>-</u>	<u>5,986,686</u>
Total restricted funds	7,948,257	(2,050,601)	(7,674)	5,889,982
Unrestricted funds				
Unrestricted general funds	<u>349,471</u>	<u>(34,791)</u>	<u>(2,326)</u>	<u>312,354</u>
Total funds	<u><u>8,297,728</u></u>	<u><u>(2,085,392)</u></u>	<u><u>(10,000)</u></u>	<u><u>6,202,336</u></u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

16 Funds (continued)

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

General Annual Grant:

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

Primary Chain Development Fund:

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

Start-Up Grants:

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

Other LA/EFA Grants:

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

Pupil Premium:

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

Early Years:

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

Trips:

Contributions from parents towards educational visits.

Restricted Donations:

Donations received for specific purposes.

Pension Scheme Reserve:

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

Restricted Fixed Asset Fund:

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Axminster Community Primary Academy	58,694
Marshwood CE Primary Academy	82,075
Mrs Ethelston's CE Primary Academy	115,902
St Andrew's CE Primary Academy	129,322
Central services	<u>190,657</u>
Total before fixed assets and pension reserve	576,650
Pension Scheme Reserve	(361,000)
Assets transferred on conversion	<u>5,986,686</u>
Total	<u><u>6,202,336</u></u>

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Axminster Community Primary Academy	407,138	70,483	20,628	110,401	608,650
Marshwood CE Primary Academy	167,741	23,760	10,287	47,441	249,229
Mrs Ethelston's CE Primary Academy	303,205	46,177	10,548	133,082	493,012
St Andrew's CE Primary Academy	178,181	69,765	14,993	121,573	384,512
Central services	<u>96,075</u>	<u>72,345</u>	<u>23,189</u>	<u>89,279</u>	<u>280,888</u>
Academy Trust	<u><u>1,152,340</u></u>	<u><u>282,530</u></u>	<u><u>79,645</u></u>	<u><u>501,776</u></u>	<u><u>2,016,291</u></u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	5,963,699	5,963,699
Current assets	313,825	583,747	22,985	920,557
Current liabilities	(1,471)	(319,449)	-	(320,920)
Pension scheme liability	-	(361,000)	-	(361,000)
Total net assets	<u>312,354</u>	<u>(96,702)</u>	<u>5,986,684</u>	<u>6,202,336</u>

18 Capital commitments

	31 August 2015 £
Contracted for, but not provided in the financial statements	<u>22,306</u>

19 Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	31 August 2015 £
Land and buildings	
Within two to five years	<u>500</u>
Other	
Within one year	1,841
Within two to five years	<u>2,062</u>
	<u>3,903</u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

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

	31 August 2015 £
Net income	6,212,336
Depreciation	30,600
Interest receivable	(404)
FRS 17 interest on defined benefit pension scheme	6,000
FRS17 service cost adjustment	24,000
Increase in debtors	(144,302)
Increase in creditors	320,920
Net assets transferred on conversion	<u>(5,645,000)</u>
Net cash inflow from operating activities	<u><u>804,150</u></u>

21 Returns on investments and servicing of finance

	31 August 2015 £
Interest received	<u>404</u>
Net cash inflow from returns on investments and servicing of finance	<u><u>404</u></u>

22 Capital expenditure and financial investment

	31 August 2015 £
Purchase of tangible fixed assets	<u><u>(28,299)</u></u>

23 Analysis of changes in net funds

	At 7 October 2014	Cash flows	At 31 August 2015
	£	£	£
Cash at bank and in hand	<u>-</u>	<u>776,255</u>	<u><u>776,255</u></u>

24 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.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

25 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £(25,364) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

25 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £110,596.

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local government pension scheme

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

Rate of increase in salaries: 4.20% - 4.60%

Females retiring today: 25.20- 26.10

Females retiring in 20 years: 27.60 - 28.40

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £94,000, of which employer's contributions totalled £70,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 14.8 per cent for employers and 5.5-12.5 per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2015
	%
Rate of increase in salaries	4.20
Rate of increase for pensions in payment/inflation	2.70
Discount rate for scheme liabilities	4.00
Inflation assumptions (CPI)	2.70
RPI increases	<u>3.60</u>

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

	At 31 August 2015
Retiring today	
Males retiring today	22.80
Females retiring today	25.80
Retiring in 20 years	
Males retiring in 20 years	25.10
Females retiring in 20 years	<u>28.40</u>

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

	At 31 August 2015
	£
Equities	203,000
Gilts	24,000
Other bonds	26,000
Property	38,000
Cash	10,000
Other	<u>58,000</u>
Total market value of assets	359,000
Present value of scheme liabilities - funded	<u>(720,000)</u>
Deficit in the scheme	<u>(361,000)</u>

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

25 Pension and similar obligations (continued)

The expected rate of return on scheme assets were 6%.

The actual return on scheme assets was £6,000.

The expected rates of return for 2015 are set equal to the discount rate (as per forthcoming FRS102 disclosure requirements).

Amounts recognised in the statement of financial activities

	31 August 2015 £
Current service cost	(94,000)
Total operating charge	<u>(94,000)</u>

Analysis of pension finance income/(costs)

	31 August 2015 £
Expected return on pension scheme assets	15,000
Interest on pension liabilities	<u>(21,000)</u>
Pension finance costs	<u>(6,000)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£8,000).

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

25 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	31 August 2015 £
At 7 October	(580,000)
Current service cost	(94,000)
Interest cost	(21,000)
Employee contributions	(24,000)
Actuarial gains	<u>(1,000)</u>
At 31 August	<u><u>(720,000)</u></u>

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

	31 August 2015 £
At 7 October	259,000
Expected return on assets	15,000
Actuarial losses	(9,000)
Employer contributions	70,000
Employee contributions	<u>24,000</u>
At 31 August	<u><u>359,000</u></u>

The estimated value of employer contributions for next period is £91,000.

History of experience adjustments

Amounts for the current period are as follows:

	31 August 2015 £
Present value of scheme liabilities	(720,000)
Fair value of scheme assets	<u>359,000</u>
Deficit in the scheme	<u><u>(361,000)</u></u>

Comparative figures have not been restated as permitted by FRS 17.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

26 Related party transactions

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

During the period the Academy Trust made the following related party transactions:

Axminster Printing Company Limited

(Ms J Rockett is a director of the company)

During the year general trading occurred amounting to £612.61. At the balance sheet date the amount due to Axminster Printing Company Limited was £Nil.

27 Conversion to an Academy Trust

On 1 November 2014 the Marshwood CE Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Acorn Multi Academy Trust from the Dorset County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£	£
Freehold land and buildings	-	-	975,000	975,000
On LA funds	52,206	-	5,806	58,012
LGPS pension surplus/(deficit)	-	(89,000)	-	(89,000)
Net assets	<u>52,206</u>	<u>(89,000)</u>	<u>980,806</u>	<u>944,012</u>

The above net assets include £58,012 that were transferred as cash.

Acorn Multi Academy Trust

Notes to the Financial Statements for the Period from 7 October 2014 to 31 August 2015 (continued)

27 Conversion to an Academy Trust (continued)

On 1 November 2014 the Axminster Community Primary School, Mrs Ethelstons CE Primary School & St Andrews CE Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Acorn Multi Academy Trust from the Devon County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£	£
Freehold land and buildings	-	-	4,991,000	4,991,000
On LA funds	158,988	-	23,900	182,888
LGPS pension surplus/(deficit)	-	(232,000)	-	(232,000)
Net assets	<u>158,988</u>	<u>(232,000)</u>	<u>5,014,900</u>	<u>4,941,888</u>

The above net assets include £182,888 that were transferred as cash.