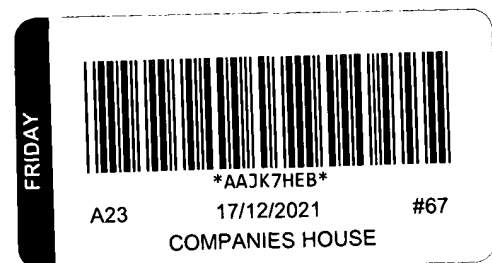


Company Registration Number: 07654902 (United Kingdom)

ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Armstrong H Cowan T Morgan - Foundation Member D Middleton - Chair & Foundation Member
Trustees	J Cowan ^{1,3} A Edwards ² S Edwards, Chief Executive ^{1,2} G Gosling ¹ R Hendrickse ² D Johnson ³ D Middleton, Chair & Foundation Member ¹ A Sedgley ¹ Finance Committee ² Risk and Audit Committee ³ Remuneration Committee
Company registered number	07654902
Company name	Acorn Education Trust
Principal and registered office	Kingdown School Woodcock Road Warminster Wiltshire BA12 9DR
Company secretary	F Simpson
Chief executive officer	S Edwards
Senior management team	S Edwards, CEO C Robinson, Executive Headteacher R Price, Executive Headteacher S Porter, Executive Headteacher A Williams, Head of HR J Evans, Head of School Services M Burr, Executive Headteacher F Simpson, Head of Finance S Fullbrook, Head of SEND J Ronxin, Head of Marketing & Communication R Knott, Head of IT
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 10 primary and 2 secondary academies in Wiltshire. Its academies have a combined pupil capacity of 4,701 and had a roll of 3882 in the school census on 1st October 2021.

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 Education Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Acorn Education Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10 million.

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 £10 million on any one loss and any one membership year.

Method of recruitment and appointment or election of Trustees

The Board of Trustees comprises the Chief Executive Officer, up to 5 directors appointed by the Members and up to six foundation members approved by the Diocesan Board of Education. The number of Trustees who are employees of the Company, including the Chief Executive Officer, must not exceed one third of the total number of Trustees.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets twice each term. The Board establishes an overall framework for the governance of the Academy and determines *Trusteeship, 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.

There are four committees as follows:

- Finance Committee - this meets at least nine times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, and drafting the annual budget including setting staffing levels.
- Audit Committee – this meets at least six times a year and is responsible for compliance with reporting and regulatory requirements and reporting, and receiving reports from the internal and external audit.
- Remuneration Committee - The Trust, through the Remuneration Committee, ensures its decisions about levels of executive pay follow a robust, evidence-based process and are reflective of roles and responsibilities. Good quality pay award decisions are dependent on good quality strategic planning for the Trust and well executed appraisal processes.
- Standards and School Improvement Committee - this meets at least eight times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Chief Executive Officer (CEO) and Senior Executive Team. The Senior Executive Team comprises the CEO, Executive Headteachers, HR Director and Heads of Departments. The Senior Executive Team implement the policies laid down by the Trustees and report back to them on performance.

Each Academy has a leadership structure which consists of the Academy Council and Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. Academy Councils are responsible for the day to day operations and management of the school including standards, attendance, behaviour and rewards, safeguarding, school development, parental and community engagement, culture, vision and ethos.

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior executive team comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees, with the exception of the CEO, give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees benchmark against pay levels in other Academies of a similar size. The responsibility of the post, size of the Trust and staff retention are all considered when determining pay levels. Advice is sought from external stakeholders, such as external auditors, and value for money principals are observed at all times. Roles are also compared for parity against other roles within the Trust, comparing levels of responsibility of the posts.

Trade union facility time

There were no relevant union officials for the year ended 31 August 2021.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of Acorn Education Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Regular updates and newsletters, plus a dedicated staff portal with latest news and policies
- Employee HR portal to put staff in control of their own personal details, additional hours claims and absence requests
- Line managers regularly meet with staff, even with those working from home, to enable staff to communicate regularly and check on their colleague's well-being

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust fosters business relationships with its students by acting on feedback, ensuring safeguarding and by maintaining a continuous commitment to school improvement. The Trust fosters business relationships with its suppliers by supporting a number of local suppliers, ensuring relationships are mutually beneficial and paying invoices within agreed payment terms.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad range of curriculum for pupils of different abilities from nursery to age 19.

About Acorn Education Trust

The overall aim of the Charitable Group is to promote excellent education, providing strong schools which enable all young people to make a success of their lives. Our strength as a group of schools lies in our collaboration, our dedication to continuous improvement, to developing each pupils' whole character and our pursuit of excellence. Aligned structures and systems ensures high expectations, rigour, energy and breadth in all that we do.

As of 31st August 2021, Acorn Education Trust comprises 4 nurseries, 10 primary schools, 2 secondary schools and a central office team that serves all our settings.

Acorn Education Trust's vision is:

To prepare young people for their world in their time, by ensuring the following foundations of excellence are embedded in all our schools and nurseries:

- Active and visible leadership
- Care, support and challenge
- Opportunities for all
- A readiness to reach out
- The needs of all are paramount

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

Objectives, Strategies and Activities

Covid-19 Pandemic

The 2020/21 academic year has continued to be overshadowed by the Covid-19 pandemic.

Key priorities for the year, in light of the Covid-19 pandemic and the return to school, have been:

- Schools/nurseries stay open and safe
- Staff and children feel happy and safe
- Teachers are teaching and children/students are learning at school/home

Our schools remained open throughout term 1 and 2, until the Government announced the closure of all schools on January 4th 2021. During the Lockdown period, our schools offered extensive remote learning programmes so pupils could continue to learn from home. Our schools remained open for key worker families and those deemed to be vulnerable, with up to 630 pupils attending our schools each day.

The key strategy to achieve the above has been to maintain a culture across Acorn of trust and care. The trust in and between the senior executive, our heads, our leaders, our staff as well as making sure everyone matters, and, they know they matter, and, we all stay safe and well, both physically and mentally.

Because this has been our focus we have dealt with the urgent, day in day out, calmly, effectively, nimbly and also found time to improve and develop.

Foundations of excellence

The foundations of excellence demonstrate the principles we follow as a group to ensure we achieve our aims.

1. Active and visible leadership

Our success as a group is dependent on excellent leadership at all levels across all schools/nurseries and centrally. The quality of leadership was reflected in the very positive internal audit report which focused on Acorn's leadership and management throughout the pandemic and the lessons learnt.

We have never deviated from the 3 key priorities mentioned above, ensuring all meetings focused on the latter, the Senior Executive adopted a 24/7 approach to all matters and aligned all communication, and health and safety. This enabled Headteachers to focus on the teaching and learning and key business improvements could continue, for example the installation of a new finance, payroll and HR system.

2. Care, Support and Challenge

The mental and physical welfare of all pupils and staff as mentioned earlier, has been our top priority. Our staff have been amazing and truly inspirational throughout the year. They adapted well to returning to work in September, the second lock down and the re-opening of schools in March. The resilience, dedication, care and support has been immense.

Adapting to lockdown life provided us with an opportunity to re-think our CPD and the on-line National College programme has been well received.

Attendance in September was significantly higher in all schools (97% plus in primary, over 95% in secondary) and remained so throughout term 1 and 2, although a number of year groups and primary bubbles had to isolate. From January to March the attendance at remote lessons and the completion of work at home remained high and in secondary schools, students who didn't engage in the latter physically attended their school. From March onwards attendance has been good apart from a few disadvantaged families. The latter remains a key focus.

Our schools continued to offer excellent pastoral care and sought to look after the physical and mental wellbeing of pupils in whichever ways they could. Hundreds of phone calls were made, alongside "driveway" visits to check on the wellbeing of pupils, and, vouchers, hampers and school uniform were given to many families.

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

3. Opportunities for all

Projects to improve school estates and IT were completed during lockdown 2 and the summer holidays. This included the start of a major refurbishment at Dilton Marsh, science laboratories and new switches in both secondary schools, health and safety improvements at Clarendon, New Close and West Ashton, new IT infrastructure at Great Wishford, and school hall and classroom redecoration in many primary schools. Section 106 funding has been confirmed for Clarendon and Kingdown so new projects will begin in 2022.

Across the Trust, The Great Teaching Toolkit, supported by Walkthrus in primary schools are being used to underpin all work in teaching and learning, to support personal development, continuous professional development, lesson observation and leadership. The toolkit is based on research on how the brain acquires and uses new information as well as successful classroom practice.

From September to December, the vast majority of our pupils thrived at school and made good progress in all subjects. The bubble system kept Covid cases to a minimum, cameras were installed in all classrooms to allow students who were isolating to join lessons and everyone was enjoying being back.

Whilst the majority of pupils could not physically attend schools during the Lockdown, their learning continued remotely and our schools sought to deliver a full curriculum through live online lessons, recorded lessons and work packs. To ensure every pupil could access remote learning, 500 laptops were distributed to homes, with training delivered by our IT team in front gardens. Pupils engaged well; all primary school children and 90% of secondary students.

The curriculum recovery is going well. All schools offer a deep education in inclusive schools. Over the past three years we have developed an aligned curriculum, reflecting the unique identity of each school. These curricula are sequenced in such a way as to develop subject mastery and to encourage regular, deliberate practice from students.

4. Readiness to reach out

The pandemic has certainly heightened the importance and value of being in a Trust. Headteachers have been able to focus on remote and face to face teaching and learning, alongside the development of the curriculum. This was highlighted by Ofsted in the summer summary of visits to schools and has also been mentioned by Amanda Spielman in various speeches...recognising "the heavy lifting" being carried by central Trust Teams.

An area of growth in the last year has been the development of our networking both regionally and nationally. Working with local trusts through the RSC Learning Set structure and membership of the Confederation of School Trusts has helped us enormously; it has given us confidence in our own planning, subsequent actions and developments but also, allowed us, perhaps made us, look outwards and learn from colleagues on a regular basis.

Becoming a local provider for the new Teaching School Hub is a significant step for the Trust and we are delighted to be involved. We hope this will be the start of a long and successful partnership.

5. Outcomes for all are paramount

Thanks to superb teamwork between Directors, the Acorn Executive and senior secondary colleagues the Year 11 and 13 teacher assessments went very well, with very few issues.

	Clarendon	Kingdown
Ofqual - Grades Changed*	0	0
Appeals Received	20	11
Appeal – Grades Changed	0	1
Appeals Outstanding	0	0

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

Headline Summary - GCSE

Results at Kingdown have shown remarkable consistency with 2019 data. Clarendon's results have shown an improving trajectory in almost all areas.

1. Progress

Measure*	Clarendon	Kingdown	Change from 2019	
			C	KD
Progress 8	+0.27	+0.13	+0.58	0
Progress – English	+0.10	-0.09	+0.60	-0.08
Progress – Maths	-0.10	-0.01	+0.10	+0.02
Progress – EBacc Bucket	+0.30	+0.18	+0.70	-0.12
Progress – Open Bucket	+0.60	+0.32	+1.40	+0.27

* Progress figures calculated using 2019 final national coefficients. These values are not a comparison to other schools' 2021 results

2. FFT National Comparators – 2021 Data

Measure	Clarendon	Kingdown
Progress Overall	-0.2	-0.1
Progress – English	-0.2	-0.2
Progress – Maths	-0.3	-0.3
Progress – EBacc Bucket	-0.1	-0.5
Progress – Open Bucket	-0.5	-0.1

3. Attainment

Measure	Clarendon	Kingdown	Change from 2019 (where available)	
			C	KD
Attainment 8	44.0	50.9	+6.00	+2.4
Attainment – English	9.20	10.33	+1.00	+0.08
Attainment – Maths	7.80	9.69	0.00	+0.43
Attainment - EBacc Bucket	12.60	14.86	+1.50	+0.10
Attainment – Open Bucket	14.70	16.01	+4.20	+1.19

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

4. Basics

Measure	Clarendon	Kingdown	Change from 2019 (where available)	
			C	KD
Basics 4+	56.4	75.2	+7.1	+1.7
Basics 5+	34.4	49.6	+6.3	+2.6
English 4+	73.0	81.9	+14.1	+1.9
English 5+	52.8	65.0	+13.8	+6.1
Maths 4+	60.7	78.7	+2.5	-0.2
Maths 5+	37.4	55.9	+5.2	+6.8

5. SplGs

Measure	Ever FSM		LAC		SEND (E / K)		Gender Gap*	
	C (38)	KD (41)	C (3)	KD (1)	C (12)	KD (27)	C	KD
Progress 8	-0.57	-0.39	-1.00	-4.00	-1.40	-0.35	-0.1	-0.3
English Progress	-0.5	-0.5	-1.3	-3.6	-1.3	-0.8	-0.5	-0.7
Maths Progress	-0.6	-0.2	-0.6	-4.1	-1.4	0.0	+0.1	+0.3
Basics 4+	23.7	50.0	100.0	0.0	8.3	33.3	-0.3	-11.9
Basics 5+	15.8	22.2	0.0	0.0	8.3	14.8	-1.1	0

* Calculated from Boys - Girls

Headline Summary – A Level / Level 3

A Level results at Clarendon have shown a significant jump in comparison with 2019 data – an increase of +0.4 grades per student per entry, taking the mean grade from C- (2019) to B (2021). Applied results have shown a more modest increase in the same period.

Kingdown's results have shown an increase in most areas (with a regression at A*-C), with a significant increase in Applied results of +0.35 grades per student per entry.

1. Progress

Measure*	Clarendon	Kingdown	Change from 2019	
			C	KD
Progress – A Level	0.31	0.13	+0.41	+0.11
Progress – Applied	0.37	0.35	+0.13	+0.35

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

* Progress figures calculated using 2019 final national coefficients. These values are not a comparison to other schools' 2021 results

2. APS per Entry

Measure	Clarendon	Kingdown	Change from 2019	
			C	KD
APS per Entry – A Level	38.9	38.0	+11.5	+2.7
Mean Grade	B	B-	+1½ grade	No change
APS per Entry – Applied	30.0	30.4	+0.9	+2.9
Mean Grade	Di-	Di-	+½ grade	+½ grade

3. Threshold Measures

Measure		Clarendon	Kingdown	Change from 2019	
				C	KD
A Level	A* - B	59.0	61.3	+19.3	+7.7
	A* - C	82.0	78.9	+17.9	-5.5
	A* - E	99.0	97.7	+8.5	+0.1
Applied	Di* - Di	58.6	40.0	+	+13.4
	Di* - Me	75.8	81.1	+	+5.6

+ No comparative figure available

4. SplGs

Measure	Ever FSM Gap		SEND (E/K) Gap		Gender Gap*	
	C	KD	C (12)	KD (27)	C	KD
L3VA – A Level	+0.39	+0.17	-	-0.72	+0.25	-0.34
L3VA – Applied	-0.29	-1.08	-0.21	-	-0.35	-0.65

The Year 6 to 7 transition process went very well and was supported by two excellent Summer Schools in both Secondary schools.

In summary

Acorn Education Trust is stronger because of all that we have been through this last year. We trust, we care and we believe in all that we do. We are clear where we are going; we will focus on teachers and teaching like we have never done before, using the best training and the best research.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Public Benefit

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.

The Academy aims to advance for the public benefit, education in Wiltshire and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development of schools and offering a broad curriculum for pupils of all abilities.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £nil was carried forward representing 0% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2020/21 were 3,882, an increase of 23 over 2019/20. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of restricted revenue income. For 2020/21 this was 88%, compared to 89% in 2019/20.

A set of non-financial KPIs have been written by the Directors which are being piloted from September 2021. The key indicators are:

1. All schools to improve their academic performance within the year
2. All schools to be removed from categories within appropriate Ofsted timeframe
3. All schools to provide a broad and balanced curriculum
4. High quality teaching staff and business staff in all schools

Going Concern

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

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2021, the Academy received total income of £27,218,882 and incurred total expenditure of £26,788,650. The excess of income over expenditure for the year was £430,232.

At 31 August 2021 the net book value of fixed assets was £44,527,355 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Key financial policies reviewed during the year include the Finance Regulations Policy, which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff. Other policies reviewed and updated include the Scheme of Delegation, which sets out the delegated authority for spending, Risk Register and Charges and Remissions.

Reserves Policy

The Trustees have determined that the minimum level of cash reserves should equate to one month's expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. This currently gives rise to a figure of approximately £2,500,000 million, based on peak expenditure months.

The Trust's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £3,059,536, which includes £183,817 ring-fenced for use by Wansdyke School and represents the remaining balance of reserves brought into the Trust on joining in 2019. Historically, the Trust has grown its reserves in anticipation of new schools joining without bringing a reserve contribution. Whilst this remains a factor, this year the decision was made to retain the 2020-21 in-year surplus within the operating budget for 2021-22. The reason for this is that anticipated pandemic related financial impacts did not manifest in 2020-21, but are assessed as very likely to impact in 2021-22. At this stage the Trust also anticipates a need to draw further upon reserves in order to maintain the quality of education and support staff and student welfare.

The Trust's current level of reserves are prudent in the current circumstances and remain balanced in line with future plans. An example of the impact of reserves was the Trust's ability to provide large quantities of IT equipment and support to disadvantaged pupils during homeschooling during the pandemic. This took place well ahead of the DfE and LA programmes for the same. Along with the balance sheet, the reserves are a key indicator of the financial resilience of the Trust. This will be a critical factor as the Trust is likely to need new financial partnerships on the road to improved digitalisation, mitigating the symptoms and effects of climate change and in implementing further improvements to the quality of education offered by the Trust.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature of funding, the Trust may at times hold cash balances surplus to its short-term requirements.

The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses may be placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Chief Executive Officer and Chief Finance Officer within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

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

IT security - IT risks include hardware and software failure, human error, spam, viruses and malicious

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

attacks, as well as natural disasters such as fires, cyclones or floods. The IT disaster recovery plan is reviewed annually to ensure it is fit for purpose. The increase in the threat of malicious cyber-attacks has been mitigated by additional training for staff.

COVID 19 – the Trust has taken measures to mitigate the impact educationally and financially. There is a continued risk of further disruption to education and strain on financial resources remains. The Trust's continues to work to ensure all pupils and staff remain as safe as possible and pupils are provided the best possible education.

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 96% of the Trust's incoming resources was ultimately Government funded and 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 - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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

Staffing - the success of the Trust is reliant on 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 there is clear succession planning.

Fraud and mismanagement of funds - the Trust has appointed an independent internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout 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 its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover. Whilst the risks to revenue funding from a falling roll are small, the reduction in post 16 funding levels, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments. At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity. The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	4,727,116	3,752,735
Energy consumption break down (kWh) (optional)		
• gas,	3,216,112	2,330,192
• electricity,	1,430,528	1,352,065
• transport fuel	80,477	70,478
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	589.06	428.45
Owned transport – mini-buses	11.56	9.37
<u>Total scope 1</u>	600.62	437.82
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	303.74	315.22
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	8.89	5.45
Total gross emissions in metric tonnes CO2e	913.26	758.49
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.24	0.19

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings which reduces the need for travel between sites.

We have initiated a project to replace lighting at Clarendon Academy (1000 new LED fittings) and Kingdown School (20 new LED fittings) which will enhance energy efficiency. New boilers have been fitted at Clarendon (replacing an oil-fired boiler), Kingdown and New Close. The new Resource Base build at Avenue School and Children's Centre will have an air source heat pump installed.

PLANS FOR FUTURE PERIODS

The Trust continues to work closely with the Regional Schools Commissioner, with regard to the integration of the Salisbury Plains Academies Trust. The protracted and still unconfirmed nature of this activity reflects the significant level of risk mitigation required by the Board. A process of formal due diligence will begin in the Autumn of 2021, with a prospective decision point for the Board in December 2021. The significant growth

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

potential offers a unique opportunity for the Trust to establish itself on a scale to implement more significant and rapid change for the improvement of education and student opportunity; but this can only be achieved in the right context of risk management and strategic aims. Therefore, the due diligence period will also include a review of the Trust's broader strategy and structures to ensure that a coherent and balanced decision is taken. This will result in a revised set of aims, plans and objectives for the Trust, for 2022 and beyond. Not least, the requirement for moving the Trust to a carbon net zero operating model, will feature in and influence plans across the spectrum of trust development for many years to come.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITOR

In so far as the Trustees are aware:

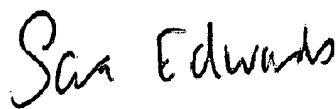
- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 3 December 2021 and signed on the board's behalf by:



**D Middleton
Chair of Trustees**



**S Edwards
Accounting Officer**

**ACORN EDUCATION TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Education 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 seven 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
David Middleton	7	7
Sara Edwards	7	7
John Cowan	7	7
Richard Hendrickse	6	7
David Johnson	5	7
Alan Sedgley	7	7
Gill Gosling	7	7
Rev Prof Allen Edwards	7	7

Whilst the composition of the Board has remained unchanged in the period, the ways of working have continued to be severely modified by the impact of the pandemic. The Board recognises the increased opportunity to bring and retain relevant experience to Board proceedings that is provided by blended or fully online meetings. However, the ability for trustees to directly access schools and provision remain constrained. Despite this, the steady progress of improved digitisation, particularly with regard to financial and business data, has allowed the Board to remain confident in the information presented. The Board continues to operate a structure of sub committees that allow the detailed interrogation of data and information presented to governors. More detail on this activity can be found, below.

Governance Review

The Board operates a process of continuous review of governance practice across the trust. Examples of this in the period include the review and adjustment of Academy Council structures and roles; accompanying revision of the scheme of delegation; and the embedding of the Standards sub-committee into the trust assurance model. This process of ongoing review will continue into the Autumn and Winter of 2020 with analysis and adjustment of the structures and policy supporting Safeguarding and Estates Management in particular. This is likely to be subsumed into a broader examination and revision of trust strategy and board operating procedures, culminating in an external review of Governance in 2022. Of note, the Board will adopt the Confederation of School Trust's model's for internal surveys of Trustee opinion and awareness from the start of the 2021/22 academic year.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Assess implications of the indicative funding from DfE for each Academy in advance of the financial year, drawing any matters of significance/concern to The Board.
- Ensure key spending links to the Trust Development plan and the School Development Plans.
- Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year.
- Liaise with and receive reports from appropriate committees and make recommendations to those committees about the financial aspects of matters being considered by them.

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

- Consider requests for supplementary expenditure and make appropriate recommendations to the Trust Board.
- Review financial policy
- Monitor and review expenditure on a regular basis, ensure compliance with the overall financial plans and DfE regulations, and draw matters of concern to the attention of the Board.
- Monitor and review procedures for ensuring effective implementation and operation of financial procedures.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Middleton	9	9
Sara Edwards	9	9
John Cowan	8	9
Gill Gosling	9	9

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds
- Advise the Board on the appointment and remuneration of external auditors and internal audit arrangements
- Review the external financial statements including the external auditor's opinion, advising the Board on audit aspects and monitoring management action in response to issues raised by external audits
- Promote a climate of financial discipline and control
- Receive the financial statement to form part of the annual report of the Trust Board to stakeholders and for filing as per the Companies Act, Charity Commission and Funding Agreement
- Review the report and recommendations made through the internal audit programme
- Oversee the Trust policies on Fraud, data protection, health and safety, freedom of information and whistle blowing
- Receive reports on the outcomes of investigations of suspected or alleged impropriety
- Review the effectiveness of internal controls, governance and risk management systems
- Identify key risks in the Trust and agree actions to reduce each risk

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Hendrickse	7	7
Rev Prof Allen Edwards	7	7

The Remuneration Committee is a sub-committee of the main Board of Trustees. Its purpose is to annually review the salary of the CEO.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
John Cowan	1	1
David Johnson	1	1

The Standards and School Improvement Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Benchmark the performance of all schools and nurseries against national expectations and targets
- Agree the framework for target setting at school and nursery level
- Monitor and evaluate the educational aspects of the Trust Development Plan
- Monitor improvements in schools and nurseries with key performance risks, as identified on the risk

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

universe and register.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Alan Sedgley	9	9
Gill Gosling	9	9

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management
- Value for money purchasing
- Reviewing controls and managing risk
- Challenging proposals and examining their effectiveness and efficiency
- Deploying staff effectively
- Reviewing quality of curriculum provision and quality of teaching
- Reviewing quality of children's learning to enable children to achieve nationally expected progress

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 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 Education Trust for the period from 1st September 2020 to 31st 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1st September 2020 to 31st 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:

- Ensuring compliance with the Academies Financial Handbook
- 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 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

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

- Clearly defined purchasing 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 decided to appoint TSO Education as internal auditor for academic year 2020/21. In prior years, Bishop Fleming have carried out both our internal and external audit, this change is due to the new requirement of the AFH 2020 for internal and external audit to be carried out by separate entities.

The internal auditor'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 included:

- Payroll
- Personnel
- Financial planning
- Governance
- VAT
- Impact of Covid-19 on education and student engagement

On an annual basis the auditor reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor delivered their schedule of work as planned and report confirmed no risks were identified which required immediate remedial action and the testing undertaken did not indicate any imminent risk to the Trust.

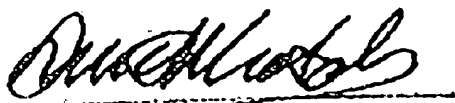
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the 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 Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Trustees of the Board of Trustees on 3 December 2021 and signed on its behalf by:



D Middleton
Chair of Trustees



S Edwards
Accounting Officer

**ACORN EDUCATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Acorn Education Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2020.

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



S Edwards
Accounting Officer
Date: 3 December 2021

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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 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 . 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

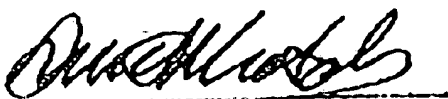
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group'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 and signed on its behalf by:



D Middleton
Chair of Trustees
Date: 3 December 2021



S Edwards
Accounting Officer

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACORN
EDUCATION TRUST**

OPINION

We have audited the financial statements of Acorn Education Trust (the 'parent Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the trust balance sheet, the consolidated 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Trust's affairs as at 31 August 2021 and of the Group's 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 Education and Skills Funding Agency.

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 Group 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 Group's or the parent Trust'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 EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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 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 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 Group and the parent Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report 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:

- the parent Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Trust 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 Trust 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 Group's and the parent Trust'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 Group or the parent Trust or to cease operations, or have no realistic alternative but to do so.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- the nature of the Academy sector, control environment and the Group's and of the parent Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Group's and of the parent Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's and of the parent Trust'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 noncompliance with laws and regulations;
- how the Group and the parent Trust 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 Group and the parent Trust 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 Group and the parent Trust 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 Group and the parent Trust 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 and tax legislation.

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 Group's and of the parent Trust'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 EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Our procedures to respond to risks identified included the following:

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

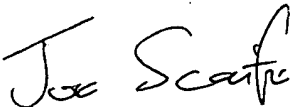
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

USE OF OUR REPORT

This report is made solely to the charitable Trust'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 charitable Trust'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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 16 December 2021

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACORN
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 October 2020 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 Education 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 Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Acorn Education 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 Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ACORN EDUCATION TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Acorn Education Trust's funding agreement with the Secretary of State for Education dated 22 December 2014 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

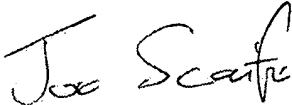
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACORN
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



Joseph Scaife FCA DChA (Senior statutory auditor)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 16 December 2021

ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED 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 £
Income from:						
Donations and capital grants	3	58,395	17,803	2,836,217	2,912,415	4,263,031
Other trading activities		757,707	-	-	757,707	615,130
Investments	6	476	-	-	476	1,564
Charitable activities		342,297	23,203,487	-	23,545,784	21,738,130
Teaching schools	31	-	2,500	-	2,500	-
Total income		1,158,875	23,223,790	2,836,217	27,218,882	26,617,855
Expenditure on:						
Raising funds		744,544	-	-	744,544	563,961
Charitable activities		320,353	24,423,986	1,296,329	26,040,668	24,601,115
Teaching schools		-	3,438	-	3,438	-
Total expenditure		1,064,897	24,427,424	1,296,329	26,788,650	25,165,076
Net income/(expenditure)		93,978	(1,203,634)	1,539,888	430,232	1,452,779
Transfers between funds	18	-	277,514	(277,514)	-	-
Net movement in funds before other recognised gains/(losses)		93,978	(926,120)	1,262,374	430,232	1,452,779
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(2,410,000)	-	(2,410,000)	126,000
Net movement in funds		93,978	(3,336,120)	1,262,374	(1,979,768)	1,578,779
Reconciliation of funds:						
Total funds brought forward		2,899,009	(5,597,328)	45,898,237	43,199,918	41,621,139
Net movement in funds		93,978	(3,336,120)	1,262,374	(1,979,768)	1,578,779
Total funds carried forward		2,992,987	(8,933,448)	47,160,611	41,220,150	43,199,918

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

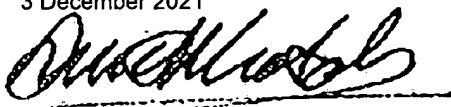
The notes on pages 33 to 64 form part of these financial statements.

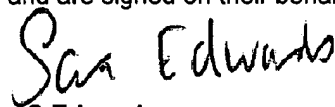
ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07654902

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	44,527,355	44,748,190
		<u>44,527,355</u>	<u>44,748,190</u>
Current assets			
Debtors	16	3,002,393	1,165,599
Cash at bank and in hand		4,861,281	4,520,825
		<u>7,863,674</u>	<u>5,686,424</u>
Creditors: amounts falling due within one year	17	(2,170,879)	(1,595,696)
Net current assets		<u>5,692,795</u>	<u>4,090,728</u>
Total assets less current liabilities		<u>50,220,150</u>	<u>48,838,918</u>
Defined benefit pension scheme liability	25	(9,000,000)	(5,639,000)
Total net assets		<u><u>41,220,150</u></u>	<u><u>43,199,918</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	47,160,611	45,898,237
Restricted income funds	18	66,552	41,672
		<u>47,227,163</u>	<u>45,939,909</u>
Restricted funds excluding pension asset	18	47,227,163	45,939,909
Pension reserve	18	(9,000,000)	(5,639,000)
Total restricted funds	18	<u>38,227,163</u>	<u>40,300,909</u>
Unrestricted income funds	18	<u>2,992,987</u>	<u>2,899,009</u>
Total funds		<u><u>41,220,150</u></u>	<u><u>43,199,918</u></u>

The financial statements on pages 27 to 64 were approved by the Trustees, and authorised for issue on 3 December 2021 and are signed on their behalf, by:


D Middleton
Chair of Trustees


S Edwards
Accounting Officer

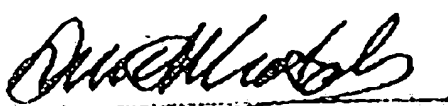
The notes on pages 33 to 64 form part of these financial statements.

ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07654902

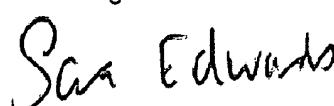
TRUST STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	44,527,355	44,748,190
Investments	15	1	1
		<u>44,527,356</u>	<u>44,748,191</u>
Current assets			
Debtors	16	3,761,826	1,162,208
Cash at bank and in hand		3,997,996	4,520,588
		<u>7,759,822</u>	<u>5,682,796</u>
Creditors: amounts falling due within one year	17	(2,159,811)	(1,684,852)
Net current assets		<u>5,600,011</u>	<u>3,997,944</u>
Total assets less current liabilities		<u>50,127,367</u>	<u>48,746,135</u>
Defined benefit pension scheme liability	25	(9,000,000)	(5,639,000)
Total net assets		<u><u>41,127,367</u></u>	<u><u>43,107,135</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	47,160,611	45,898,237
Restricted income funds	18	66,522	41,672
Pension reserve	18	(9,000,000)	(5,639,000)
Total restricted funds	18	<u>38,227,133</u>	<u>40,300,909</u>
Unrestricted funds	18	2,900,234	2,806,226
Total unrestricted income funds	18	<u>2,900,234</u>	<u>2,806,226</u>
Total funds		<u><u>41,127,367</u></u>	<u><u>43,107,135</u></u>

The financial statements on pages 27 to 64 were approved by the Trustees, and authorised for issue on 3 December 2021 and are signed on their behalf, by:



D Middleton
Chair of Trustee



S Edwards
Accounting Officer

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07654902**

**TRUST STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2021**

The notes on pages 33 to 64 form part of these financial statements.

ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	786,324	(600,021)
Cash flows from investing activities	22	(445,868)	943,477
Cash flows from financing activities	21	-	472,511
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		340,456	815,967
Cash and cash equivalents at the beginning of the year		4,520,825	3,704,858
Cash and cash equivalents at the end of the year	23, 24	4,861,281	4,520,825
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 33 to 64 form part of these financial statements

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

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 Trust 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.

Acorn Education trust meets the definition of a public benefit entity under FRS 102.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

- **Grants**

Grants are included in the Consolidated 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 Consolidated 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 Group has provided the goods or services.

- **Transfer of existing academies into the Group**

Where assets and liabilities are received on the transfer of an existing academy into the Group, 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 Group. An equal amount of income is recognised for the transfer of an existing academy into the Group within 'Income from Donations and Capital Grants' to the net assets acquired.

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.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE (CONTINUED)

- **Charitable activities**

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

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 Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.7 TANGIBLE FIXED ASSETS

Assets costing £1,000 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 consolidated 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 consolidated statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Land and buildings occupied under a Church Supplemental Agreement are not recognised as assets in the balance sheet. These land and buildings are occupied free of charge under a rolling two-year licence from the landowner. Due to the specialised nature of these land and buildings it is not considered practical to place a value on the notional rent donated by the landowner.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

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 basis over its expected useful life, as follows:

Long-term leasehold property	- 50 years straight line
Long-term leasehold land	- 125 years straight line
Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 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 consolidated statement of financial activities.

1.8 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 DEBTORS

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

1.10 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 and cash on deposit that has a notice period of less than 30 days.

1.11 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 Group 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.

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

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

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

Retirement benefits to employees of the Group 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 Group 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 Group 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 consolidated 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.

1.14 AGENCY ARRANGEMENTS

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at year end are disclosed in note 29.

1.15 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Group 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires 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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Transferred with existing academy	-	-	-	-	2,693,707
Donations	58,395	17,803	-	76,198	230,924
Capital Grants	-	-	2,836,217	2,836,217	1,338,400
SUBTOTAL	58,395	17,803	2,836,217	2,912,415	1,569,324
	58,395	17,803	2,836,217	2,912,415	4,263,031
TOTAL 2020	378,514	(189,454)	4,073,971	4,263,031	

ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grants	-	18,956,175	18,956,175	17,525,804
Pupil Premium	-	843,963	843,963	830,803
Other Dfe/ESFA grants	-	225,902	225,902	315,548
Teacher Pay Grant	-	661,044	661,044	664,331
Teacher Pension Grant	-	257,960	257,960	258,691
PE Grant	-	172,470	172,470	172,771
UFSM	-	166,424	166,424	218,625
Rates	-	92,899	92,899	83,650
	-	-	21,376,837	20,070,223
OTHER GOVERNMENT GRANTS				
Enhanced Learning Provision	-	272,121	272,121	215,516
Named Pupil Allowance	-	411,155	411,155	353,431
Resource Base Funding	-	230,704	230,704	146,284
Nursery	197,597	-	197,597	232,542
Young People's Support Service	-	312,768	312,768	319,092
Other LA Grant	-	270,094	270,094	62,147
	197,597	1,496,842	1,694,439	1,329,012
OTHER INCOME FROM EDUCATIONAL OPERATIONS				
	144,700	45,088	189,788	338,895
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	284,720	284,720	-
	-	284,720	284,720	-
	342,297	23,203,487	23,545,784	21,738,130
TOTAL 2020	571,437	21,166,693	21,738,130	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the group'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.

**ACORN EDUCATION 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 £	Total funds 2021 £	Total funds 2020 £
Lettings	26,074	26,074	35,863
Trading subsidiary activities	731,633	731,633	579,267
	<u>757,707</u>	<u>757,707</u>	<u>615,130</u>
TOTAL 2020	<u>615,130</u>	<u>615,130</u>	

Included within Trading subsidiary activities is £33,294 of furlough income as Academy Collaborative Services Limited took advantages of the UK Governments Coronavirus Job Retention Scheme.

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	476	476	1,564
TOTAL 2020	<u>1,564</u>	<u>1,564</u>	

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising funds:					
Direct costs	523,622	-	220,922	744,544	563,961
Education:					
Direct costs	17,362,583	961,210	957,219	19,281,012	18,231,282
Allocated support costs	2,974,461	2,276,818	1,508,377	6,759,656	6,369,833
Teaching school	3,438	-	-	3,438	-
	<u>20,864,104</u>	<u>3,238,028</u>	<u>2,686,518</u>	<u>26,788,650</u>	<u>25,165,076</u>
TOTAL 2020	<u>19,592,605</u>	<u>2,650,571</u>	<u>2,921,900</u>	<u>25,165,076</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	<u>19,281,012</u>	<u>6,759,656</u>	<u>26,040,668</u>	<u>24,601,115</u>
TOTAL 2020	<u>18,231,282</u>	<u>6,369,833</u>	<u>24,601,115</u>	

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance cost	49,440	42,680
Staff costs	17,227,473	16,002,055
Depreciation	961,210	965,360
Educational supplies	390,672	510,980
Examination fees	234,598	203,530
Staff development	1,197	25,407
Other costs	281,312	410,018
Supply teachers	135,110	71,252
	<u>19,281,012</u>	<u>18,231,282</u>

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance cost	53,560	54,320
Staff costs	2,971,678	2,975,626
Depreciation	335,119	319,140
Staff development	42,607	51,493
Other costs	82,420	95,337
Recruitment and support	61,958	37,751
Maintenance of premises and equipment	920,473	800,464
Cleaning	317,963	301,043
Rent and rates	186,782	161,718
Energy costs	373,956	276,613
Insurance	74,771	72,194
Security and transport	42,714	73,179
Catering	390,781	297,477
Technology costs	253,689	277,601
Office overheads	245,144	145,775
Legal and professional	380,120	397,493
Bank interest and charges	921	3,762
Governance	25,000	28,847
	<u>6,759,656</u>	<u>6,369,833</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	57,538	3,572
Depreciation of tangible fixed assets	1,296,329	1,284,500
Fees paid to auditors for:		
- audit	22,150	20,200
- other services	2,600	4,950
	<u>1,326,517</u>	<u>1,313,222</u>

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Wages and salaries	15,024,362	14,224,461	14,567,098	13,769,667
Social security costs	1,464,724	1,283,979	1,437,944	1,263,165
Pension costs	4,222,944	3,933,361	4,180,583	3,891,045
	20,712,030	19,441,801	20,185,625	18,923,877
Agency staff costs	135,110	71,252	135,110	71,252
Staff restructuring costs	16,964	53,804	16,964	53,804
	20,864,104	19,566,857	20,337,699	19,048,933

Staff restructuring costs comprise:

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Redundancy payments	1,500	40,997	1,500	40,997
Settlement payments	15,464	12,807	15,464	12,807
	16,964	53,804	16,964	53,804

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

The staff restructuring costs above relate to costs incurred for 1 non-statutory/non-contractual settlement and 1 redundancy payment in the year. Individually the payments were £1,500 redundancy and £15,464 which was non-contractual. All payments were made in year at November 2020 and June 2021.

c. STAFF NUMBERS

The average number of persons employed by the Group and the Trust during the year was as follows:

	Group 2021 No.	Group 2020 No.	Trust 2021 No.	Trust 2020 No.
Teachers	252	275	252	275
Administration and support	310	269	281	240
Managers	11	11	11	11
	573	555	544	526

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

10. STAFF (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.	Trust 2021 No.	Trust 2020 No.
Teachers	204	224	204	202
Administration and support	205	199	154	156
Managers	11	11	57	59
	420	434	415	417

d. HIGHER PAID STAFF

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	10	5
In the band £70,001 - £80,000	8	8
In the band £80,001 - £90,000	2	1
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise the Trustees and the senior management team as listed 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 Trust was £1,224,540 (11 staff) (2020: £1,063,872, 11 staff).

11. CENTRAL SERVICES

During the prior year the Trust moved to a pooled reserves policy held in a central fund. As a result no central recharges were made in 2020 or 2021.

No central services were provided by the Group to its academies during the year and no central charges arose.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

12. TRUSTEES' REMUNERATION AND EXPENSES

The Executive Head and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Trust in respect of their role as Trustees. The value of Trustee' remuneration and other benefits was as follows: S Edwards: Remuneration £140,000 - £145,000 (2020: £125,000 - £130,000), Employer's pension contributions £30,000 - £35,000 (2020: £30,000 - £35,000). Other related party transactions involving Trustees are set out in note 28.

During the year, retirement benefits were accruing to no Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £3,887). Expenses paid were for travel costs and mobile phone allowances..

13. TRUSTEES' AND OFFICERS' INSURANCE

The Group has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

14. TANGIBLE FIXED ASSETS

GROUP AND TRUST

	Long-term leasehold property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2020	47,838,183	-	1,025,698	2,121,194	96,950	51,082,025
Additions	184,753	155,978	456,700	236,140	41,923	1,075,494
Disposals	-	-	(3,811)	(766,703)	-	(770,514)
At 31 August 2021	48,022,936	155,978	1,478,587	1,590,631	138,873	51,387,005
DEPRECIATION						
At 1 September 2020	3,881,025	-	687,897	1,698,304	66,609	6,333,835
Charge for the year	883,233	-	141,199	257,661	14,236	1,296,329
On disposals	-	-	(3,811)	(766,703)	-	(770,514)
At 31 August 2021	4,764,258	-	825,285	1,189,262	80,845	6,859,650
NET BOOK VALUE						
At 31 August 2021	43,258,678	155,978	653,302	401,369	58,028	44,527,355
At 31 August 2020	43,957,158	-	337,801	422,890	30,341	44,748,190

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

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
TRUST	
COST OR VALUATION	
At 1 September 2020	1
	<hr/>
AT 31 AUGUST 2021	1
	<hr/> <hr/>
NET BOOK VALUE	
	<hr/>
AT 31 AUGUST 2021	1
	<hr/>
AT 31 AUGUST 2020	1
	<hr/> <hr/>

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Trust:

Name	Company number	Holding	Included in consolidation
Academy Collaborative Services Limited	09360756	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Academy Collaborative Services Limited	731,648	743,419	(11,771)	92,784

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. DEBTORS

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
DUE WITHIN ONE YEAR				
Trade debtors	21,404	11,569	21,404	6,115
Amounts owed by group undertakings	-	-	759,433	-
Other debtors	3,188	23,739	3,188	23,739
Prepayments and accrued income	2,673,292	936,021	2,673,292	936,021
Tax recoverable	304,509	194,270	304,509	196,333
	3,002,393	1,165,599	3,761,826	1,162,208

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Trade creditors	559,038	245,834	559,038	243,828
Amounts owed to group undertakings	-	-	-	96,811
Other taxation and social security	340,841	346,464	334,950	342,648
Other creditors	485,509	474,324	480,332	472,491
Accruals and deferred income	785,491	529,074	785,491	529,074
	2,170,879	1,595,696	2,159,811	1,684,852

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Deferred income				
Deferred income at 1 September 2020	243,403	249,768	243,403	249,768
Resources deferred during the year	350,476	243,403	350,476	243,403
Amounts released from previous periods	(243,403)	(249,768)	(243,403)	(249,768)
	350,476	243,403	350,476	243,403

At the balance sheet date the Trust was holding funds received in advance for high needs, rates and Universal Infant Free School Meals relating to 20/21 academic year.

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	<u>2,899,009</u>	<u>1,158,875</u>	<u>(1,064,897)</u>	-	-	<u>2,992,987</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	18,956,175	(18,615,709)	(340,466)	-	-
Pupil Premium	-	843,963	(843,963)	-	-	-
Teacher Pension Grant	-	661,044	(661,044)	-	-	-
Teacher Pay Grant	-	257,960	(257,960)	-	-	-
PE Grant	41,672	172,470	(147,590)	-	-	66,552
Other ESFA Grants	-	166,424	(166,424)	-	-	-
Rates Relief	-	92,899	(92,899)	-	-	-
Other EFSA Grants	-	225,902	(225,902)	-	-	-
Enhanced Learning Provision	-	272,121	(272,121)	-	-	-
Named Pupil Allowance	-	411,155	(411,155)	-	-	-
Young People's Support Service	-	312,768	(312,768)	-	-	-
Resource Base	-	230,704	(230,704)	-	-	-
Other Local Authority Funding	-	270,094	(270,094)	-	-	-
COVID 19 Catch Up Premium	-	284,720	(284,720)	-	-	-
Other Restricted Income	-	65,391	(65,391)	-	-	-
SCA Revenue Spend	-	-	(613,665)	613,665	-	-
DFC Revenue Spend	-	-	(4,315)	4,315	-	-
Pension reserve	(5,639,000)	-	(951,000)	-	(2,410,000)	(9,000,000)
	<u>(5,597,328)</u>	<u>23,223,790</u>	<u>(24,427,424)</u>	<u>277,514</u>	<u>(2,410,000)</u>	<u>(8,933,448)</u>

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

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets - Transferred In	42,713,992	-	(907,477)	-	-	41,806,515
Fixed Assets - Grant funded	2,034,198	-	(388,852)	1,075,496	-	2,720,842
Devolved formula capital	-	108,352	-	(80,772)	-	27,580
Schools Condition Allocation	960,047	637,735	-	(1,125,241)	-	472,541
Other capital grants	190,000	75,000	-	(86,587)	-	178,413
Section 106	-	2,015,130	-	(60,410)	-	1,954,720
	<u>45,898,237</u>	<u>2,836,217</u>	<u>(1,296,329)</u>	<u>(277,514)</u>	<u>-</u>	<u>47,160,611</u>
TOTAL RESTRICTED FUNDS	<u>40,300,909</u>	<u>26,060,007</u>	<u>(25,723,753)</u>	<u>-</u>	<u>(2,410,000)</u>	<u>38,227,163</u>
TOTAL FUNDS	<u>43,199,918</u>	<u>27,218,882</u>	<u>(26,788,650)</u>	<u>-</u>	<u>(2,410,000)</u>	<u>41,220,150</u>

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

The General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Trust, 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 - This represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the underlying inequalities between those children and their wealthier peers.

Universal Infant Free School Meals (UIFSM) - This represents funding received from the ESFA to support the Trust in delivering the legal requirement to offer free school meals to all their reception, year 1 and year 2 pupils.

Other ESFA grants - This represents funding received from the ESFA, including COVID 19 test centre funding, Summer school and supplement FSM grant.

Named Pupil Allowance - This represents funding received from Wiltshire County Council in addition to the funding received for high needs.

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

18. STATEMENT OF FUNDS (CONTINUED)

Young Peoples Support Services - This represents funding from Wiltshire County Council as an alternative provision trial for children who have been or are at risk of being excluded.

Enhanced Learning Provision - This represents funding received from Wiltshire County Council in addition to the funding received for high needs and learning difficulties.

Resource Base - This represents funding received from Wiltshire County Council in addition to the funding received for high needs and learning difficulties.

Other local authority funding - This represents other funding from Wiltshire County Council including Pupil Premium and Resource Base funding.

Other donations - This represents contributions received from the parents towards school trips as well as other funding received for specific purposes.

Rates relief grants are received from the ESFA to contribute towards the Trust's rate expenditure.

Teacher Pay Grant - Grant received from the ESFA to fund the increase in the costs of teachers' pay.

Teacher Pension Grant - Grant received from the ESFA to fund the increase in the costs of teachers' pensions.

PE Grant represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of pupils, so that they develop healthy lifestyles.

COVID-19 Catch-up Premium – funding from the ESFA to support children and young people to catch up on missed learning caused by COVID-19.

Pension reserve represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion represents the land, buildings and equipment donated to the Trust on conversion from the local authority.

Fixed assets purchased from GAG and other restricted funds represents amounts spent on fixed assets from the GAG funding received from the ESFA and other specific capital grants.

School Condition Allocation (SCA) funding represents amounts awarded by the ESFA for significant works in order to keep the Trust buildings safe and in good working order.

Devolved Formula Capital - represents funding received from the ESFA to cover the maintenance and purchase of the Federation's assets.

Section 106 Funding - represents funding received from Wiltshire County Council towards the costs of providing community and developing social infrastructure.

Other capital grants - Resource Base Funding - This is funding from Wiltshire County Council and is to be spend on increasing specialist provision/placements. This money will be utilised to expand the existing footprint of the current resource base enabling an increased capacity of pupils for the Trust as such it has been included as a Restricted Fixed Asset Fund.

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

18. STATEMENT OF FUNDS (CONTINUED)

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. 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 £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	2,497,366	1,566,645	(1,165,002)	-	-	2,899,009
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	111,884	17,804,290	(17,713,989)	(202,185)	-	-
Start Up Grant	-	70,000	(70,000)	-	-	-
Pupil Premium	-	830,803	(830,803)	-	-	-
Teacher Pension Grant	-	218,625	(218,625)	-	-	-
UIFSM	-	242,129	(242,129)	-	-	-
Rates Relief	-	353,431	(353,431)	-	-	-
Enhanced Learning Provision	-	319,092	(319,092)	-	-	-
Named Pupil Allowance	-	215,516	(215,516)	-	-	-
Young People's Support Service	-	208,431	(208,431)	-	-	-
Resource Base	-	12,640	(12,640)	-	-	-
Other Local Authority Funding	-	83,650	(83,650)	-	-	-
COVID 19 Catch Up Premium	-	258,691	(258,691)	-	-	-
Other Restricted Income	-	664,331	(664,331)	-	-	-
Year 7 Catch Up Grant	-	39,839	(39,839)	-	-	-
SCA Revenue Spend	-	172,771	(131,099)	-	-	41,672
DFC Revenue Spend	-	-	(483,308)	483,308	-	-
Pension reserve	(4,378,000)	(517,000)	(870,000)	-	126,000	(5,639,000)
	(4,266,116)	20,977,239	(22,715,574)	281,123	126,000	(5,597,328)

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets - Transferred In	40,926,541	2,724,193	(936,742)	-	-	42,713,992
Fixed Assets - Grant funded	1,974,091	-	(347,758)	407,865	-	2,034,198
Devolved formula capital	-	107,910	-	(107,910)	-	-
Schools Condition Allocation	489,257	938,372	-	(467,582)	-	960,047
Other capital grants	-	303,496	-	(113,496)	-	190,000
	<u>43,389,889</u>	<u>4,073,971</u>	<u>(1,284,500)</u>	<u>(281,123)</u>	<u>-</u>	<u>45,898,237</u>
TOTAL RESTRICTED FUNDS	<u>39,123,773</u>	<u>25,051,210</u>	<u>(24,000,074)</u>	<u>-</u>	<u>126,000</u>	<u>40,300,909</u>
TOTAL FUNDS	<u>41,621,139</u>	<u>26,617,855</u>	<u>(25,165,076)</u>	<u>-</u>	<u>126,000</u>	<u>43,199,918</u>

Total funds analysis by academy

Fund balances for each academy at 31 August 2021 and 31 August 2020 were zero as funds are pooled centrally, hence a breakdown by academy is not included in these accounts.

**ACORN EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

18. 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 £
Kingdown School	6,688,523	725,880	151,677	2,331,250	9,897,330	8,330,280
Dilton Marsh C of E Primary School	591,844	64,231	13,421	206,284	875,780	858,563
The Avenue Primary School	1,280,246	138,940	29,032	446,223	1,894,441	1,878,365
Keevil C of E Primary School	348,874	37,862	7,912	121,598	516,246	537,893
West Ashton C of E Primary School	342,612	37,182	7,770	119,416	506,980	453,264
Heytesbury C of E Primary School	261,535	28,383	5,931	91,157	387,006	326,786
St John's C of E Primary School	442,820	48,058	10,042	154,342	655,262	662,281
Great Wishford C of E Primary School	341,211	37,030	7,738	118,927	504,906	527,973
New Close Primary School	364,652	39,574	8,269	127,098	539,593	540,698
The Clarendon Academy	4,464,994	484,569	101,254	1,556,250	6,607,067	5,327,941
Rowde	525,563	57,037	11,918	183,182	777,700	771,463
Wansdyke	913,791	99,170	20,722	318,497	1,352,180	1,047,333
Central Services (including Trading subsidiary)	660,808	71,715	14,985	230,322	977,830	1,747,736
TRUST	17,227,473	1,869,631	390,671	6,004,546	25,492,321	23,010,576

ACORN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. 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	-	-	44,527,355	44,527,355
Current assets	3,001,292	2,229,126	2,633,256	7,863,674
Creditors due within one year	(8,305)	(2,162,574)	-	(2,170,879)
Provisions for liabilities and charges	-	(9,000,000)	-	(9,000,000)
TOTAL	2,992,987	(8,933,448)	47,160,611	41,220,150

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	-	-	44,748,190	44,748,190
Current assets	2,899,009	1,637,368	1,150,047	5,686,424
Creditors due within one year	-	(1,595,696)	-	(1,595,696)
Provisions for liabilities and charges	-	(5,639,000)	-	(5,639,000)
TOTAL	2,899,009	(5,597,328)	45,898,237	43,199,918

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20. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per statement of financial activities)	430,232	1,452,779
ADJUSTMENTS FOR:		
Depreciation	1,296,329	1,284,500
Capital grants from DfE and other capital income	(2,836,217)	(1,349,778)
Interest receivable	(12,247)	(1,564)
Defined benefit pension scheme obligation inherited	-	(517,000)
Defined benefit pension scheme cost less contributions payable	848,000	1,290,000
Defined benefit pension scheme finance cost	103,000	97,000
Decrease in debtors	382,044	228,543
Increase/(decrease) in creditors	575,183	(404,797)
Assets and liabilities on transfer in of existing academy other than cash	-	(2,679,704)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	786,324	(600,021)

21. CASH FLOWS FROM FINANCING ACTIVITIES

	Group 2021 £	Group 2020 £
Cash transferred on conversion to an Academy Trust	-	472,511
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	472,511

22. CASH FLOWS FROM INVESTING ACTIVITIES

	Group 2021 £	Group 2020 £
Interest receivable	12,247	1,564
Purchase of tangible fixed assets	(1,075,494)	(407,865)
Capital grants from DfE Group	617,379	1,349,778
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(445,868)	943,477

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

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand and at bank	4,861,281	4,520,825
TOTAL CASH AND CASH EQUIVALENTS	4,861,281	4,520,825

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	4,520,825	340,456	4,861,281
	4,520,825	340,456	4,861,281

25. PENSION COMMITMENTS

The 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 Wiltshire Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £374,155 were payable to the schemes at 31 August 2021 (2020 - £361,792) 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.

25. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,552,613 (2020 - £2,345,774).

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 Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,023,000 (2020 - £973,271), of which employer's contributions totalled £816,000 (2020 - £772,271) and employees' contributions totalled £ 207,000 (2020 - £201,000). The agreed contribution rates for future years are 23 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the 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 year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the 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 EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salary	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021	2020
	Years	Years
Retiring today		
Males	21.9	21.7
Females	24.4	24
Retiring in 20 years		
Males	22.9	22.5
Females	26.2	25.5

SENSITIVITY ANALYSIS

	2021	2020
	£000	£000
Discount rate +0.5%	2,945	2,329
Salary increase rate +0.5%	235	197
Pension increase rate +0.5%	2,665	2,094

SHARE OF SCHEME ASSETS

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

	2021	2020
	£	£
Equities	8,781,000	7,490,000
Bonds	5,269,000	4,280,000
Property	1,756,000	1,605,000
Cash and other liquid assets	160,000	-
Total market value of assets	15,966,000	13,375,000

The actual return on scheme assets was £1,752,000 (2020 - £224,000).

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Consolidated statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(1,664,000)	(1,648,000)
Interest income	234,000	228,000
Interest cost	(337,000)	(325,000)
Total amount recognised in the consolidated statement of financial activities	(1,767,000)	(1,745,000)

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

	2021 £	2020 £
At 1 September	19,014,000	15,035,000
Settlements	-	(23,000)
Current service cost	1,664,000	1,648,000
Interest cost	337,000	325,000
Employee contributions	207,000	201,000
Actuarial (gains)/losses	3,982,000	(15,000)
Benefits paid	(238,000)	(328,000)
Effects of business combinations	-	2,171,000
At 31 August	24,966,000	19,014,000

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

	2021 £	2020 £
At 1 September	13,375,000	10,657,000
Settlements	-	(23,000)
Interest income	234,000	228,000
Actuarial gains	1,572,000	111,000
Employer contributions	816,000	875,000
Employee contributions	207,000	201,000
Benefits paid	(238,000)	(328,000)
Effects of business combinations	-	1,654,000
At 31 August	15,966,000	13,375,000

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

26. OPERATING LEASE COMMITMENTS

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

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Not later than 1 year	36,221	19,912	36,221	19,912
Later than 1 year and not later than 5 years	39,404	8,956	39,404	8,956
Later than 5 years	13,496	-	13,496	-
	89,121	28,868	89,121	28,868

27. 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.

28. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

Owing to the nature of the Trust 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

29. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the Academy Trust received £27,718 and disbursed £23,173. An amount of £4,545 is included in other creditors relating to undistributed funds that is repayable to ESFA.

30. CONTROLLING PARTY

There is no controlling party.

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

31. TEACHING SCHOOL TRADING ACCOUNT

	2021	2021	2020	2020
	£	£	£	£
Income				
DIRECT INCOME				
Sales of other goods and services	2,500		-	
TOTAL INCOME		2,500		-
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	3,438		-	
TOTAL EXPENDITURE		3,438		-
		<hr/>		<hr/>
(Deficit)/surplus from all sources		(938)		-
Teaching school balances at 1 September 2020		-		-
		<hr/>		<hr/>
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		(938)		-
		<hr/> <hr/>		<hr/> <hr/>