

Company Registration Number: 07339625 (England & Wales)

CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**CORNERSTONE ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Whitmarsh C Bradley (Resigned 22 June 2021) A Leach A Hurren
Trustees	H Massey, Chair (until 8 September 2020) ³ J Bishop, CEO & Executive Headteacher ^{1,2,3,4} S Taylor, Vice Chair (Appointed 8 September 2020) ^{2,3} B Williams, Staff Trustee ⁴ S Noakes ^{1,3} R Billen ¹ M Pitts, Staff Trustee ⁴ M Gordon ^{1,2,3} J Waddingham ^{1,4} S Chapman, Chair (Appointed 14 September 2021) ⁴ P Whitmarsh, Chair (Appointed 8 September 2020, until 14 September 2021) (appointed 8 September 2020) ^{3,4} K Dyson ^{1,2,4} A Dyer (appointed 22 April 2021) H McBain (appointed 22 April 2021)
	¹ Personel Committee ² Admissions Committee ³ Finance and Premises Committee ⁴ Standards Committee
Company registered number	07339625
Company name	Cornerstone Academy Trust
Principal and Registered office	Broadclyst Community Primary School School Lane Exeter Devon EX5 3JG
Company secretary	A Partridge
Accounting Officer	J Bishop
Senior management team	J Bishop, CEO & Executive Headteacher D James, Deputy CEO & Head of Education N Rothery, Head of Schools C Hall, Head of Schools G Newbery, Trust Business Manager A Pulfer, Head of Curriculum T Cavallo, Head of Strategy and Children's Services

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers Lloyds Bank
234 High Street
Exeter
Devon
EX4 3NL

Solicitors Browne Jacobson
1 Manor Court
Dix's Field
Exeter
Devon
EX1 1UP

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEE REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES' REPORT

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 four primary academies in Devon. Its academies had a combined pupil capacity of 1050 in 2020/21 and had a roll of 914 in the school census on October 2020. Note that as growing free schools, Westclyst Primary School had pupils in year 4 and below in 2020/21, and Monkerton Primary School only had a reception year. Nursery pupils are not included in the above numbers.

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 Cornerstone Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as The Cornerstone Academy Trust which operates Broadclyst Community Primary School, Monkerton Community Primary School, Westclyst Community Primary School and Yeo Valley Primary School.

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

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 £2,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

Trustees are appointed for a four-year period, except that this time limit does not apply to the CEO/Executive Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be reappointed 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

During the financial year under review the Trustees held eleven full Trustees' meetings and over twenty Trustees' committee meetings. The training and induction provided for new Trustees will depend on their existing experience.

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

The Trust buys the services of Browne Jacobson Solicitors who provide regular training events and also will provide bespoke training for Trustees on request. Trustees are given access to an online resource where they can obtain copies of policies, improvement plans, minutes, and other documents that they will need to undertake their role as Trustees. All Trustees also have access to an online specialist information depository aimed solely at school Trustees.

There is at least one Trustees' away day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

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

There are 10 committees as follows:

- Finance and Premises Committee - this meets at least eleven times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Admissions Committee
- Personnel Committee
- Pay and Performance Management Committee
- Standards Committee
- Hub Governance Committee
- Individual Local Advisory Boards for Broadclyst, Monkerton, Westclyst and Yeo Valley

The following decisions are reserved to the Board of Trustees:

- To consider any proposals for changes to the status or constitution of the Trust and its committee structure.
- To appoint or remove the Chair and/or Vice Chair.
- To appoint the Executive Headteacher and Clerk to the Trustees.
- To approve the Trust Development Plan and budget.

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

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Trust to the Executive Headteacher and Leadership Team. The core Leadership Team comprises the Executive Headteacher/CEO, Deputy CEO, two Heads of Schools and the Trust Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Executive Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior leadership 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 give their time freely and no Trustee received remuneration in the year.

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

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

The pay of key management personnel is reviewed annually. The Executive Headteacher is reviewed by a subgroup of Trustees with delegated powers to make decisions in relation to the Executive Headteacher and Deputy CEO's pay. The other members of key management are reviewed by the Executive Headteacher. Reviews take into account performance and sector rates.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information in Schedule 2 of the Regulations.

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

Related Parties and other Connected Charities and Organisations

Heatree Activity Centre is a related party as Mr Bishop and Mr Pitts, Trustees of the Academy, are also Trustees of the Centre.

The transactions with Heatree Activity Centre are undertaken at arm's length and are disclosed in these financial statements.

Farms for City Children is a related party as Mr Bishop is also a Trustee of the charity.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's object is specifically restricted to establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age.

At The Cornerstone Academy Trust, we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academies are communities in which children, staff and parents are part of a happy and caring environment.

The Trust's mission is:

"Create and promote a challenging learning environment that inspires children to achieve high standards and become lifelong independent learners. To set consistently high expectations, build children's confidence and ensure engagement for all. To develop creative thinkers, inquisitive questioners and avid problem solvers with flexible skills who are successful communicators. Enable all children to learn to collaborate effectively at all levels, including working with our international partners, and be equipped to adapt to the needs of a diverse and ever-changing society."

The main objectives of the Trust during the year ended 31st August 2021 are summarised below:

- Manage the ongoing COVID pandemic, ensure all children, staff and parents are kept safe and continue to access their learning and the wider curriculum as far as possible.
- Sustain and grow Core Offering and services across The Cornerstone Academy Trust Schools
- Achieve position as a top performing Multi Academy Trust nationally
- Continue to ensure Yeo Valley Primary School has equitable delivery through development of the core offer and buildings

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

- Successfully open the new Monkerton Primary School
- Ensure readiness, sufficient expertise and capacity to provide school to school support
- Develop the Multi Academy Trust structures, services and back-office functions to prepare for the growth of its schools and to bring about economies and efficiencies that will help maintain the current excellent offer of high quality education across the breadth of the curriculum in a cost-effective way.
- Maintain a consistently high quality Trust wide approach to teaching and learning, by appropriate and timely investment in staff, resources and infrastructure.
- Continue to develop leadership structures to ensure there is the capacity to deliver the Trust priorities as the schools develop and new schools join the trust
- Build the capacity of the leadership team to maintain the quality delivery of Curriculum Hubs offer and meet the KPI's required.
- Maintain recognition as a UK/Global Leader in Digital Excellence in Schools
- Continue as a Microsoft partner and showcase MAT, promoting and disseminating best practice and remain an influential voice in innovative practice

Objectives, Strategies and Activities

Key activities and targets were identified in the Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The key strategic areas are:

The trust board and executive team have worked towards the Trust's priorities linked to

- The quality of education in all the Trust's schools and how this is achieved
- The wider curriculum, wraparound care and the broader offer that supports the day-to-day education of children attending the Trust's schools for example the dining service, libraries, bus service
- The development and value of the school-to-school Improvement delivery including curriculum hubs and EdTech approaches, how these support effective teaching in the Trust's schools as well as the moral purpose of improving teaching in all schools
- The development of the Trust to enable more schools to join and benefit from the unique educational experience that is provided to children who attend a Cornerstone school.

Strategic Priority	Area of Focus	Activities
Maintaining the quality of education in all the Trust's schools and how this is achieved	Maintaining access to education during COVID	Agile movement to remote learning with all children able to access online learning across the Trust's which as continued to support learners when they are isolating Sustain the focus on keeping all children, staff and parents safe through careful risk assessment based on the DfE guidance whilst enabling a full education offer where possible.
	Leadership	Continue to develop capacity and clarity of roles and responsibilities of the senior leadership team,
	Pupil Outcomes	Monitoring outcomes through internal assessments to ensure children's levels of attainment is sustained due to lack of national tests and data
	Catch up Offer	Introduction of 1:1 mentoring across all age groups to support catch up and keep up across all areas of the curriculum
	Curriculum	Introduction of the Faculty structure and development of the subject offer across all areas Development of the Local Advisory Board with a

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

		strong focus of triangulating curriculum policy, classroom practice and evidence from individual school meetings
	Quality of Teaching	Provide ongoing support and development opportunities through ongoing CPD
	SEND	Develop the children's services team to provide a SENDCo in all schools to support the operational delivery of support and interventions for all children with additional needs
The wider curriculum, wraparound care and the broader offer that supports the day-to-day education of children attending the Trust's schools for example the dining service, libraries, bus service	Focus on the development of the Core offer for all schools	<p>Preparing and developing the Yeo Valley site to enable family dining service to be delivered</p> <p>Recruit librarian for Monkerton and purchase books to develop the library for Monkerton when it opens in Sept 2021 and maintain the management of the library service across all four schools</p> <p>Review the bus routes and service to build in the Monkerton routes</p> <p>Embed the 50-week Nursery provision and wraparound offer for before and after schools</p>
Support the development and harness the value of the school-to-school Improvement delivery including curriculum hubs and EdTech approaches and how these support effective teaching in the trust's schools as well as the moral purpose of improving teaching in all schools	Leadership of Curriculum Hubs	<p>Clear structures are in place to enable the delivery of the curriculum hubs</p> <p>Admin support has been developed to ensure that staff are enabled to provide delivery of the programmes.</p> <p>Teams have been developed and trained to enable the effective delivery of each hub offer</p>
	English Hub	Supports schools that struggle to teach children to read by improving the teaching of early language and reading.
	Science Learning Partnership	Supports schools to provide an engaging and inspiring science education for their students. Catering for teachers, leaders and support staff, the hub offers bespoke and regional training.
	Computing Hub	A focal point for local computing training across Devon and East Dorset – providing high-quality support for the teaching of computing in primary schools.
	EdTech Demonstrator	Offers individual schools and MATs a peer-to-peer support plan which provides comprehensive guidance on the effective use of technology in education.
	Schools Direct ITT	Cornerstone has played a key role in training teachers for many years and have worked closely with partner universities to combine the best of their expertise with our own unique contribution.

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

The development of the Trust to enable more schools to join and benefit from the unique educational experience that is provided to children who attend a Cornerstone school	Leadership and operational structures and processes	Review and re-structuring of roles and responsibilities of the senior leadership team. Staffing structure is in place including: CEO/Executive Headteacher Deputy CEO and head of Education, Head of Schools x 2 Business Manager and Finance Manager Deputy Head of School x 4 Head of Curriculum Head of Children's Services Phase Leads across the Trust Teaching Lead supporting ITT and ECT programmes
Maintain and sustain compliance and operational system and process effectiveness	Policies and procedures	Cycle and process for review of all policies through the Trust Board has been revised
	Finance	Financial monitoring processes have been updated and implemented effectively Monthly cashflow monitoring introduced

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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust

During the year September 2020 to August 2021 the Trust has managed the impact of COVID effectively and moved towards as near normal delivery of education as was possible. All children have access to devices which enable a seamless provision of education either onsite or at home depending on the current expectation or infection/contact situation for children and staff.

The leadership team structure has embedded successfully supporting and delivering the high-quality education, wider offer and curriculum hub services effectively.

The Trust has continued to develop the curriculum offer with the embedding of the faculty structure, strong subject leadership of each subject led by Deputy CEO and Head of Curriculum. The Local Advisory Board structure has developed well with clear information about how the curriculum is planned and delivered and remote classroom observation approach to enable LAB members to triangulate the effectiveness of teaching and learning in each school.

The Trust has extended the mentor programme to every year group, in every school. All education focused staff (including the LT) are allocated a group of children, for which they are responsible for mentoring and supporting. The KS2 programme involves meeting weekly with individuals for 20mins, to offer pastoral support, and discuss progress and target setting in reading, writing and maths, addressing any issues or misconceptions within work. The KS1 programme focuses on Reading and Phonics. The EY meetings take

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

place in small groups rather than individual and offer opportunities for children to share experiences and completed activities. These meetings can happen in person, or via Teams call and are recorded for reference. The targets set are in a central area in the child's individual areas within the Class OneNote for review by the child and the class teachers. This process supported children hugely throughout the lockdowns and the pandemic period.

The Leadership Team maintain and improve the quality of teaching and learning across the Trust, through our process of Classroom Observations. These are an overview of a teachers' professional performance within and beyond everyday classroom practice. It is an embedded part of the Trust's monitoring systems, to implement performance management and drive school improvement. Observation outcomes will feed into performance management, ECT induction, whole school evaluation and the monitoring of the curriculum in the whole school context.

The observation cycle is over a 4-week period. The LT member will work with the teachers of a specific year group through a variety of focuses, including:

- observations of lessons
- review of teaching resources,
- classroom/behaviour management
- frequent feedback
- ongoing coaching

The Schools

Monkerton

The school has been run effectively from spare classrooms within Westclyst due to the delay in the building being completed. Staff and children have had the opportunity to begin to work as a school but there have been benefits for the small cohort of children being part of a larger school campus. Staff have also benefitted from the opportunities to engage with experienced staff who have been part of TCAT for a number of years to develop the skills and knowledge in relation to TCAT approaches to teaching and learning including the use of technology and project-based learning.

The delivery of the Monkerton new building ensuring it meets the specifications of a TCAT school has been achieved with the new school opening at the beginning of the September term and a successful opening event held with Michael Morpurgo and Regional RSC opening the school.

Yeo Valley

Standards of behaviour and attitudes to learning at Yeo Valley have continued to improve despite the challenges of COVID and lockdown which has impacted the Yeo Valley provision most significantly across the Trust.

Following a flood that severely damaged some areas of the school the Executive Headteacher supported by the head of school have ensured that there was no interruption to the education provision of the children, that repairs were made quickly, and this enabled the environment to be further developed. This was part of the development plan for this year, and this will enable the roll out of the dining service from Sept 2021. This is vital to ensure there is equity of provision for all schools in the Trust.

Westclyst

The school continues to grow with Nursery to Year 4 classes now open. As already stated in the Monkerton section, Westclyst has housed Monkerton Reception class, whilst their new building is completed. This has increased the number of pupils on site by 43. The children used the facilities, followed the same planning and had the same opportunities as the Reception classes in the other Cornerstone schools.

The final building issues have been followed up and progress towards a solution has been identified.

Broadclyst

The school has maintained its popularity filling all 60 places in its Reception class. The curriculum hubs have continued to run successfully, despite the limitations as a result of the pandemic. Hub leads have adapted

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**TRUSTEES REPORT (CONTINUED)
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and responded to the changing approaches and levels of demand for the support including moving to more online delivery. KPI's were met and exceeded in some areas and offers beyond the expected were provided. For example, the English Hub hosted a National English Conference and secured Michael Morpurgo as a guest speaker.

The EdTech demonstrator has provided significant support to schools across the local area to develop their online learning approach which has enabled more children to access remote learning in an effective way.

Key Performance Indicators

Ofsted Inspections:

Broadclyst and Westclyst have not been inspected so remain as Outstanding.

Yeo Valley has not been inspected. It was judged as inadequate before being closed and subsequently joining The Cornerstone Academy Trust. The school SEF now judges the school to be at least good in all areas.

Monkerton was inspected in the last period under the Independent Schools Inspection to review suitability to open. This was successful and positive feedback was received.

Throughout the last year, during the pandemic, we have continued to provide high quality education to all children. This has been through a blended learning approach, which has proven very successful, delivering lessons to children at school, and simultaneously to children at home. Where necessary, we provided children with devices to use at home and used the well embedded digital platform to continue with lessons, as if the child were in school.

The Standards Committee still met every half term, to monitor and review the quality of the education. Although statutory assessments in primary schools were cancelled and no performance data was published, we used the teacher assessment and internal testing to track and highlight areas of focus for the following year's 'catch up' programme.

Pupil Numbers:

To attract 60 children at each of Broadclyst, Monkerton and Westclyst each new intake, and 30 at Yeo Valley. In 2020/21, this was achieved at Broadclyst and Westclyst, but Monkerton only attracted 41 reception children, and Yeo Valley 27.

Attendance:

1. Percentages per year and per campus (Whole Year)

	BCPS	WCPS	YVPS	MCPS
Rec (Intake 20)	98.4%	98.7%	95.0%	97.6%
Y1 (Intake 19)	98.1%	98.5%	97.5%	No year group
Y2 (Intake 18)	98.2%	98.3%	95.6%	No year group
Y3 (Intake 17)	98%	97.3%	94.8%	No year group
Y4 (Intake 16)	97.5%	97.3%	95.9%	No year group
Y5 (Intake 15)	96.9%	No year group	94.5%	No year group
Y6	97.1%	No year group	95.3%	No year group

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

(Intake 14)				
Whole school	97.1%	97.2%	94.1%	97.6%

2. Percentages per year and per campus (Since March 8th)

	BCPS	WCPS	YVPS	MCPS
Rec (Intake 20)	97.9%	98.5%	95.4%	97.2%
Y1 (Intake 19)	97.1%	98.1%	97.9%	No year group
Y2 (Intake 18)	97.7%	97.6%	94.8%	No year group
Y3 (Intake 17)	97.6%	97.3%	95.8%	No year group
Y4 (Intake 16)	97.7%	96.8%	95.7%	No year group
Y5 (Intake 15)	96.9%	No year group	94.6%	No year group
Y6 (Intake 14)	97.1%	No year group	94.1%	No year group
Whole school	97.1%	97.3%	94.4%	97.2%

Curriculum Hub KPIs:

English Hub

- Engaged approximately 52 new schools (KPI: 35)
- Full quote of audits (35) achieved.
- Partner schools predicated improvement – 11% (KPI: 7.5%)
- Recruited 7 additional new partner school (35 partner schools recruited)
- Passported £168,000 to schools with a robust audit and assessment of need.
- Provided 6 medium level support network meetings and held a conference for school in our area and beyond – the virtual conference had 800+ sign ups and was headlined by Michael Morpurgo and Nick Gibb.
- Deliver 120 days of literacy specialist support
- Ran six showcases.
- Ran two national hubs meetings for the DfE online.

Computing Hub

	Target	Progress	Shortfall/Gain
Non-priority schools engaged	130	170	Exceeded by 30 with several events to go
Non-priority teachers engaged	64	170	Exceeded by 106 with several events to go
Non-priority teachers engaged with CAS community	34	193	Exceeded by 159
Impact in supported schools	60%		Cannot measure ourselves

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**TRUSTEES REPORT (CONTINUED)
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Reach and engagement events run	12	15	Exceeded by 3
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Science Learning Partnership

Engagement priorities	60% of annual contract	Autumn expectation	Autumn progress	Spring expectation	Spring progress	Progress YTD	Progress %
Total eligible CPD days contracted (including core and TSSP)	84	42	275	42	63	338	402%
Course fee Income (£)							
Total course fee income (Adjusted to reflect 70% expectation)	£2,851	£998	£5,925	£998	£175	6,100	214%
Primary Reach							
Total engaged primary schools	18	9	33	9	22	55	306%
Primary Teachers and support staff	33	17	34	17	23	57	173%
Secondary Reach							
Total engaged secondary schools	12	6	24	6	21	45	375%
Secondary teachers and support staff	53	27	125	27	73	198	374%
Secondary priority engaged	2	1	0	1	5	5	250%
Post 16 Reach							
Total engaged post-16 institutions	1	1	1	1	5	6	600%
Triple Science							
Total re-engaged Triple Science target schools	5	3	5	3	5	5	100%
Total engaged Triple Science Intensive	1	1	1	1	1	1	100%

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**TRUSTEES REPORT (CONTINUED)
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target schools							
Sustainability of SLP Network and Quality of provision							
Percentage of attendees completing satisfaction surveys	60%	0	16%	0	14%	0	50%

EdTech Demonstrator:

April 20 – Mar 21:

	Schools Supported	Webinars Attendees	Advice and guidance - reach	Webinars produced	Bespoke 1:1 Support
KPI	160	1,000	1,000		
Actuals to date (Mar)	293	10,075	2,100	167	144

April 21 – Present:

	Hours agreed as KPI	Number of Schools
	1920	185
Light touch support	720	120 (720/6hours)
Medium Touch Support	750	50 (=750/15hours)
Long Term Support	450	15 (=450/30hours)
Totals to date	259	56

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.

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During the year ended 31 August 2021, the Academy received total income (excluding fixed asset funding) of £6,678,827 and incurred total expenditure (excluding fixed asset funds and the pension fund) of £7,002,463. The excess of expenditure over income for the year was £323,637.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams; the need to match income with commitments; and the nature of the reserves. The Trustees policy within 2020/21 was to aim to set aside reserves of at least £100,000 to cover unexpected costs with possibly higher carry forward reserves for specific capital projects.

The free reserves at the period end that are monitored against the policy were £293,042. These are included in unrestricted free reserves. Additionally, there were £91,867 reserves carried forward included in funds restricted for specific purposes.

The Trustees have reviewed the future plans of the Academy and have agreed that there is no need to increase the level of reserve.

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

As the Trust grows, it will be further discussing with the Academy Bank Manager cash flow and investment opportunities and will make recommendations to Trustees on investment proposals.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Managing COVID – the Trust maintains risk assessments and adjust approaches based on current DfE guidance and PHE recommendations. The risk to health is mitigated through robust approaches to infection control and following of recommendations to close bubbles or isolate through the track and trace process. The risk to children's education and achievements are mitigated through remote learning approaches, monitoring of children's progress and appropriate strategies to support catch up i.e., mentoring. The risk to children wellbeing and safety have been of the highest importance with increased safeguarding and monitoring of attendance.

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year over 80% of the Academy's incoming resources were 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 Academy 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 Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

that pupil success and achievement are closely monitored and reviewed. This is increasingly important at a time of expansion in a close geographical area.

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 upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy Trust has an appointed 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 Academy 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 examine the financial health formally every half term, reviewing performance against budgets and overall expenditure. Regular update reports are also given at all Full Trustees' meeting and Finance & Premises Committee Meetings.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust's fundraising activities are based around traditional school occasions such as fetes and fayres. We do not work with professional fundraisers. There is occasional fundraising by parents. In the next period we will investigate Gift Aid.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Supporting the growth of Monkerton Community Primary School in the 2021/22 academic year and developing the new school building and the educational provision. The continued growth of Westclyst Community Primary School remains a strong focus as we introduce Year 5 pupils for the first time in September 2021

Continue supporting Yeo Valley Primary School in Barnstaple as it moves forwards as an integral part of the Trust. Improvement projects will continue to be implemented. A sustained focus on the improvement in children's outcomes will be a priority for this year as we monitor the impact of COVID on children's outcomes

The Trust aims to augment its links with other schools locally and nationally in order to continue to improve. We will continue to foster our partnerships with universities, including Exeter University, Plymouth University and Nottingham University and also with commercial companies including Microsoft.

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

We will continue to use our status as a Microsoft Showcase School to further enrich our provision, but equally as important to help develop the ICT provision in other like-minded schools. We will continue to promote the benefits of the Global Enterprise Challenge around the world.

The Trust will continue to build on its successful delivery of 4 curriculum hubs looking to take on any further opportunities to engage in the hub delivery model linked to the government proposals i.e., Behaviour Hub.

The Trust will engage with the RSC and Local authority to continue to explore opportunities for growth in relation to other schools joining the Trust

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

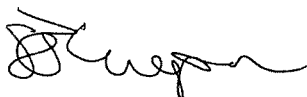
AUDITOR

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 22nd December 2021 and signed on the board's behalf by:



S Chapman
Chair of Trustees

**CORNERSTONE ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO/Executive Headteacher 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 The Cornerstone Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 11 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

P Whitmarsh	11	11
J Bishop	11	11
S Taylor	9	11
R Billen	10	11
S Chapman	10	11
A Dyer	5	5
K Dyson	11	11
M Gordon	9	11
H Massey	7	11
H McBain	5	5
S Noakes	10	11
M Pitts	10	11
J Waddingham	11	11
B Williams	11	11

Key Changes

The previous chair resigned, and a new chair was appointed at the first Trust Board meeting in September 2020.

This year we have recruited two new Trustees whose areas of expertise complement the current makeup of the board. They have received induction and are already strong contributors to the board.

Trustees continue to contribute to the range of committees and working groups that address current issues for example work around diversity and equality and developing strategy.

In addition to the Trust Board attendance the Trustees have ensured that despite COVID they have continued to play an active role in monitoring the day-to-day provision in all the schools. This has been facilitated using remote classroom observations and an appendix was added to the guidance around classroom observations to support Trustees with completing this activity.

The Trust as set up a new Local Advisory Board for Monkerton and this has successfully recruited 4 parents to support this. In addition, new parents have joined the other local advisory boards. The revised approach to a whole Trust input and on a particular curriculum area and then individual school meetings has been extremely successful.

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

The greatest challenge this year has been supporting the Trust and ensuring that the board manages all aspects of COVID including meeting the DfE and PHE guidance, updating risk assessments, supporting effective teaching and learning and ensuring access to the full curriculum.

The board has been satisfied with the data that has been shared, particularly in relation to the COVID management covering safeguarding, attendance, COVID cases, distribution of devices etc. The senior leadership team have also provided information and, where available, data in relation to children's outcomes including monitoring early reading, GL assessments and No More Marking assessments. This has meant that despite lack of national assessments the Trust board is confident that children are making good progress and gaps are being addressed swiftly.

The Trust is confident that the children are kept safe and there is a robust monitoring in relation to online safety and the board is updated regularly on this.

This year has been a particular challenge across the education sector, but the board are impressed by and confident in the way the school leadership have risen to challenges, maintained safety and supported the delivery of a broad and balanced curriculum both in school and remotely.

Governance Review

Due to COVID a reduced approach to review was in place – all Trustees completed the skills audit, completed safeguarding training. An external review has been commissioned for 2021/22.

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. It also acts as the Audit Committee. Its purpose is:

To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

To make appropriate comments and recommendations on such matters to the governing body on a regular basis.

Major issues will be referred to the full governing body for ratification.

The committee is authorised:

- To consider the Trust's indicative funding, notified annually by the EFA, and to assess its implications for the Academy Trust, in consultation with the executive headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the governing body.
- To consider and recommend acceptance/nonacceptance of the Trust's budget, at the start of each financial year.
- To contribute to the formulation of the Trust's development plan, through the consideration of financial priorities and proposals, in consultation with the executive headteacher, with the stated and agreed aims and objectives of the Academy Trust.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the staffing/remuneration and curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Board of Trustees.

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

- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the Board of Trustees to parents and for filing in accordance with Companies Act and Charity Commission requirements.
- To receive auditors' reports and to recommend to the full governing body action as appropriate in response to audit findings.
- To recommend to the full governing body the appointment or reappointment of the auditors of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Taylor	11	11
J Bishop	11	11
M Gordon	11	11
P Whitmarsh	8	11
H Massey	7	11
S Noakes	8	11

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO/Executive Headteacher 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:

- Value for money purchasing. There is a continuing emphasis placed upon obtaining an optimum mix of economy, efficiency and effectiveness to ensure that the goods and services purchased deliver the best possible educational outcomes for the resources invested.
- Our financial procedures require purchases to be considered in the light of best value. Wherever possible, and certainly above threshold limits, competitive quotations are sought to check what the market can offer. Purchases with an aggregate value of £50,000 or more, although few, are subject to a strict tender regime. Recent examples include the procurement of IT equipment.
- We have a system of regular risk review for each governor subcommittee. This process has enabled governors to assess any risks present within decisions made or about to be made, meaning that decisions are more informed and less likely to need revisiting.
- Decisions around staffing levels are made against the backdrop of a rolling financial plan which clearly demonstrates the impact of any proposed change. Although things can change significantly in a short timescale, having a snapshot picture at the time of an important decision gives Trustees and the leadership team more confidence whether the change can be sustained (or not) and that it will not adversely impact other areas of school business.

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 at The Cornerstone

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

Academy Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit Partnership as internal auditor

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:

- Testing of payroll systems, salary, wages and expenses
- Testing of purchasing and payment systems
- Testing of control of assets

On a semi-annual basis the auditor reports to the Board of Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

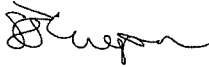
- the work of the internal auditor.
- the work of the external auditors.
- the financial management and governance self-assessment process.
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to ensure continuous improvement of the system is in place.

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

Approved by order of the members of the Board of Trustees on 22nd December 2021 and signed on their behalf, by:



S Chapman
Trustee



J Bishop
Accounting Officer

**CORNERSTONE ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cornerstone Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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



J Bishop
Accounting Officer

Date: 22nd December 2021

**CORNERSTONE ACADEMY TRUST
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**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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

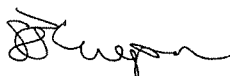
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



S Chapman
Chair of Trustees

Date: 22nd December 2021

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CORNERSTONE ACADEMY TRUST**

Opinion

We have audited the financial statements of Cornerstone Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the 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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy 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.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CORNERSTONE ACADEMY 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 Academy 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:

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy 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 Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy 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 Academy 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 Academy 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 Academy 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 Academy 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 Academy 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 Academy 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.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Our procedures to respond to risks identified included the following:

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

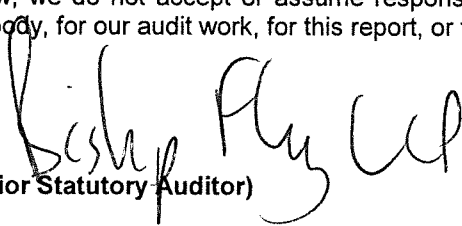
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

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


Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

23 December 2021

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 25 May 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cornerstone Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Cornerstone Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cornerstone Academy Trust's funding agreement with the Secretary of State for Education dated 26 August 2010 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

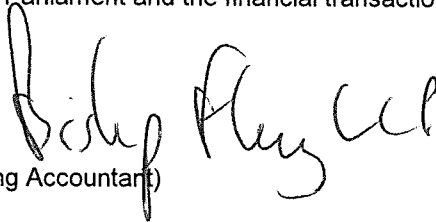
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

23 December 2021

CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		2,811	13,246	22,273	38,330	6,955,729
Other trading activities		149,794	-	-	149,794	148,654
Investments	6	79	-	-	79	212
Charitable activities		924,669	5,521,168	-	6,445,837	5,877,379
Teaching schools		28,560	38,500	-	67,060	58,102
Total income		1,105,913	5,572,914	22,273	6,701,100	13,040,076
Expenditure on:						
Raising funds		-	-	-	-	819
Charitable activities		991,128	5,827,360	682,484	7,500,972	6,272,655
Teaching schools		-	-	-	-	63,505
Total expenditure		991,128	5,827,360	682,484	7,500,972	6,336,979
Net income/(expenditure)		114,785	(254,446)	(660,211)	(799,872)	6,703,097
Transfers between funds	17	-	(690,227)	690,227	-	-
Net movement in funds before other recognised gains/(losses)		114,785	(944,673)	30,016	(799,872)	6,703,097
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(439,000)	-	(439,000)	(400,000)
Net movement in funds		114,785	(1,383,673)	30,016	(1,238,872)	6,303,097

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	260,762	(2,841,460)	15,381,579	12,800,881	6,497,784
Net movement in funds	114,785	(1,383,673)	30,016	(1,238,872)	6,303,097
Total funds carried forward	<u><u>375,547</u></u>	<u><u>(4,225,133)</u></u>	<u><u>15,411,595</u></u>	<u><u>11,562,009</u></u>	<u><u>12,800,881</u></u>

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

The notes on pages 34 to 65 form part of these financial statements.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07339625**

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	15,494,100	15,466,335
		<u>15,494,100</u>	<u>15,466,335</u>
Current assets			
Debtors	15	500,213	828,891
Cash at bank and in hand		857,198	534,739
		<u>1,357,411</u>	<u>1,363,630</u>
Creditors: amounts falling due within one year	16	(972,502)	(655,084)
Net current assets		<u>384,909</u>	<u>708,546</u>
Net assets excluding pension liability		<u>15,879,009</u>	<u>16,174,881</u>
Defined benefit pension scheme liability	23	(4,317,000)	(3,374,000)
Total net assets		<u><u>11,562,009</u></u>	<u><u>12,800,881</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	15,411,595	15,381,579
Restricted income funds	17	91,867	532,540
		<u>15,503,462</u>	<u>15,914,119</u>
Restricted funds excluding pension asset	17	15,503,462	15,914,119
Pension reserve	17	(4,317,000)	(3,374,000)
Total restricted funds	17	<u>11,186,462</u>	<u>12,540,119</u>
Unrestricted income funds	17	<u>375,547</u>	<u>260,762</u>
Total funds		<u><u>11,562,009</u></u>	<u><u>12,800,881</u></u>

The financial statements on pages 30 to 65 were approved by the Trustees, and authorised for issue on
2e December 2021 and are signed on their behalf, by:



S Chapman
Chair of Trustees

The notes on pages 34 to 65 form part of these financial statements.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	1,012,607	171,111
Cash flows from investing activities	20	(690,148)	(198,892)
Change in cash and cash equivalents in the year		322,459	(27,781)
Cash and cash equivalents at the beginning of the year		534,739	562,520
Cash and cash equivalents at the end of the year	21, 22	<u><u>857,198</u></u>	<u><u>534,739</u></u>

The notes on pages 34 to 65 form part of these financial statements

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

1.4 INTEREST RECEIVABLE

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

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

1. ACCOUNTING POLICIES (continued)

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

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 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 Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- 2% straight line/term of the lease
Furniture and fittings	- 20% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 25% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.11 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.12 PENSIONS

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

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

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

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

1.13 FUND ACCOUNTING

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

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

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

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

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Academy 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	2,811	13,246	-	16,057	6,896,483
Capital Grants	-	-	22,273	22,273	59,246
TOTAL 2021	2,811	13,246	22,273	38,330	6,955,729
TOTAL 2020	1,715	29,768	6,924,246	6,955,729	

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	3,768,001	3,768,001	3,046,433
OTHER DFE/ESFA GRANTS				
Start up Grants	-	185,989	185,989	698,800
Pupil Premium	-	223,558	223,558	238,359
Rates Income	-	28,694	28,694	24,690
UIFSM	-	158,615	158,615	136,805
Teachers' Pay and Pension Award	-	210,564	210,564	177,363
English Hub Grant	-	405,370	405,370	394,588
PE Grant	-	54,710	54,710	54,310
	-	5,035,501	5,035,501	4,771,348
OTHER GOVERNMENT GRANTS				
High Needs	-	78,340	78,340	52,965
	-	78,340	78,340	52,965
Other income from the Academy Trust's educational operations	924,669	327,096	1,251,765	982,027
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	73,120	73,120	-
	-	73,120	73,120	-
COVID-19 ADDITIONAL FUNDING (NON- DFE/ESFA)				
Coronavirus Job Retention Scheme grant	-	7,111	7,111	71,039
	-	7,111	7,111	71,039
TOTAL 2021	924,669	5,521,168	6,445,837	5,877,379
TOTAL 2020	782,681	5,094,698	5,877,379	

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

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (CONTINUED)

The academy received £73k of funding for catch-up premium and costs incurred in respect of this funding totalled £73k.

The academy furloughed some of its staff under the governments CJRS. The funding received of £7.1k relates to staff costs included within note 8 below as appropriate.

5. INCOME FROM OTHER TRADING

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	12,593	12,593	5,074
Fees received	103,717	103,717	79,245
Other	33,484	33,484	64,335
TOTAL 2021	149,794	149,794	148,654

All 2020 amounts relate to unrestricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	79	79	212

All 2020 amounts relate to unrestricted funds.

**CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**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 FUNDRAISING TRADING ACTIVITIES:					
Direct costs	-	-	-	-	819
EDUCATION:					
Direct costs	3,925,972	535,041	874,681	5,335,694	3,590,182
Allocated support costs	1,098,411	516,265	550,602	2,165,278	2,681,473
Teaching school	-	-	-	-	63,505
TOTAL 2021	<u>5,024,383</u>	<u>1,051,306</u>	<u>1,425,283</u>	<u>7,500,972</u>	<u>6,335,979</u>
TOTAL 2020	<u>4,132,737</u>	<u>418,615</u>	<u>1,784,627</u>	<u>6,335,979</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	<u>5,335,694</u>	<u>2,165,278</u>	<u>7,500,972</u>	<u>6,271,655</u>
TOTAL 2020	<u>3,590,182</u>	<u>2,681,473</u>	<u>6,271,655</u>	

Following clarification in the AAD, nursery activities which were previously separately identified as their own charitable activity have now been included with the Educational activities reported throughout the accounts.

CORNERSTONE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance cost	55,000	55,000	48,000
Staff costs	3,925,972	3,925,972	2,360,779
Depreciation	535,041	535,041	421,348
Educational supplies	348,604	348,604	258,651
Staff development	15,022	15,022	30,732
Other costs	3,730	3,730	48,400
Technology costs	452,325	452,325	422,272
TOTAL 2021	5,335,694	5,335,694	3,590,182

ANALYSIS OF SUPPORT COSTS

	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,098,411	1,098,411	1,715,670
Depreciation	149,694	149,694	85,818
Educational supplies	-	-	6,501
Recruitment and support	25,708	25,708	28,849
Maintenance of premises and equipment	42,211	42,211	121,985
Cleaning	114,488	114,488	92,047
Rent and rates	60,942	60,942	48,364
Energy costs	101,866	101,866	118,992
Insurance	25,818	25,818	21,979
Security and transport	47,064	47,064	51,215
Catering	245,873	245,873	217,637
Technology costs	12,766	12,766	10,533
Office overheads	55,642	55,642	35,630
Legal and professional	156,291	156,291	74,688
Bank interest and charges	5,509	5,509	3,901
Governance costs	22,995	22,995	47,664
TOTAL 2021	2,165,278	2,165,278	2,681,473

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9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	238,861	218,746
Auditors' remuneration - audit	8,400	7,025
Auditors' remuneration - other services	22,656	21,124
Depreciation of tangible fixed assets	<u>684,735</u>	<u>369,866</u>

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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:

	2021 £	2020 £
Wages and salaries	3,572,805	3,051,970
Social security costs	283,522	232,618
Pension costs	1,168,056	848,149
	<u>5,024,383</u>	<u>4,132,737</u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	48	41
Administration and support	113	126
Management	12	10
	<u>173</u>	<u>177</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	47	38
Administration and Support	89	81
Management	11	10
	<u>147</u>	<u>129</u>

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10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as 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 Academy Trust was £542,858 (2020: £506,861).

The increase is largely due to members of key management personnel taking on increased responsibility arising from the increasing complexity and breadth of the Trust's activities, including its various curriculum hubs, together with performance related reviews.

11. CENTRAL SERVICES

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

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of service they provide understaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their service as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their trole as Trustees. The value of trustees' remuneration and other benefits was as follows: J Bishop: Remuneration £90,000 - £95,000 (2020: £85,000 - £90,000), Employer pension contributions £20,000 - £25,000 (2020: £20,000 - £25,000), M Pitts: Remuneration £40,000 - £45,000 (2020: £40,000 - £45,000), Employer pension contributions £10,000 - £15,000 (2020: £5,000 - £10,000), B Williams: Remuneration £35,000 - £40,000 (2020: £35,000 - £40,000), Employer pension contributions £5,000 - £10,000 (2020: £5,000 - £10,000).

Other related party transactions involving the trustees are set out in the Related party transactions note.

During the year ended 31 August 2021, expenses totalling £394 were reimbursed or paid directly to 1 Trustee (2020 - £2,811 to 8 Trustees).

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13. TRUSTEES' AND OFFICERS' INSURANCE

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and fittings £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2020	15,977,151	592,200	1,059,396	26,155	17,654,902
Additions	65,614	160,014	486,872	-	712,500
At 31 August 2021	<u>16,042,765</u>	<u>752,214</u>	<u>1,546,268</u>	<u>26,155</u>	<u>18,367,402</u>
DEPRECIATION					
At 1 September 2020	971,958	339,197	858,092	19,320	2,188,567
Charge for the year	312,224	97,495	273,307	1,709	684,735
At 31 August 2021	<u>1,284,182</u>	<u>436,692</u>	<u>1,131,399</u>	<u>21,029</u>	<u>2,873,302</u>
NET BOOK VALUE					
At 31 August 2021	<u>14,758,583</u>	<u>315,522</u>	<u>414,869</u>	<u>5,126</u>	<u>15,494,100</u>
At 31 August 2020	<u>15,005,193</u>	<u>253,003</u>	<u>201,304</u>	<u>6,835</u>	<u>15,466,335</u>

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2021 £	2020 £
Long-term leasehold land	<u>1,821,133</u>	<u>1,851,000</u>

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15. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	35,433	122,426
Other debtors	2,582	7,688
Prepayments and accrued income	389,475	633,485
VAT recoverable	72,723	65,292
	<u>500,213</u>	<u>828,891</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	471,223	178,262
Other taxation and social security	61,389	53,579
Other creditors	126,510	92,149
Accruals and deferred income	313,380	331,094
	<u>972,502</u>	<u>655,084</u>
	2021 £	2020 £
DEFERRED INCOME		
Deferred income at 1 September 2020	101,960	89,963
Resources deferred during the year	152,478	101,960
Amounts released from previous periods	(101,960)	(89,963)
	<u>152,478</u>	<u>101,960</u>

At the balance sheet date the Academy Trust was holding funds received in advance for lettings booked for the autumn term 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	176,006	1,105,913	(988,877)	-	-	293,042
Unrestricted fixed asset fund	84,756	-	(2,251)	-	-	82,505
	<u>260,762</u>	<u>1,105,913</u>	<u>(991,128)</u>	<u>-</u>	<u>-</u>	<u>375,547</u>

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17. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
GENERAL
FUNDS**

General Annual Grant (GAG)	-	3,768,001	(3,565,886)	(202,115)	-	-
Free school start up grant	-	158,310	(158,310)	-	-	-
Pupil Premium	-	223,558	(223,558)	-	-	-
Rates Income	-	28,694	(28,694)	-	-	-
Universal Infant Free School Meals	-	158,615	(158,615)	-	-	-
Teachers' Pay and Pension	-	210,564	(210,564)	-	-	-
English Hub Grant	-	405,370	(405,370)	-	-	-
PE Grants	-	54,710	(37,370)	-	-	17,340
High Needs	-	78,340	(78,340)	-	-	-
Teaching School Grant	-	38,500	(38,500)	-	-	-
Covid-19 additional funding	-	80,231	(80,231)	-	-	-
Free school procurement grant	492,800	27,679	-	(488,112)	-	32,367
Donations - trips	-	13,246	(13,246)	-	-	-
Ed Tech Grant	-	205,940	(205,940)	-	-	-
MS Training Academy	-	4,500	(4,500)	-	-	-
Computing Hub	-	38,913	(38,913)	-	-	-
Science Hub & STEM	6,500	55,406	(52,986)	-	-	8,920
Global Enterprise Challenge	15,000	-	-	-	-	15,000
Connecting Classrooms	18,240	-	-	-	-	18,240
Other self generated income	-	22,337	(22,337)	-	-	-
Pension reserve	(3,374,000)	-	(504,000)	-	(439,000)	(4,317,000)
	(2,841,460)	5,572,914	(5,827,360)	(690,227)	(439,000)	(4,225,133)

CORNERSTONE ACADEMY TRUST
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17. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets transferred on conversion	6,010,278	-	(379,680)	202,115	-	5,832,713
Fixed assets purchased from GAG and other restricted funds	369,177	-	(23,322)	-	-	345,855
Devolved Formula Capital grants	84,968	22,273	(5,368)	-	-	101,873
Academies Capital Maintenance Fund grants	1,722,352	-	(107,306)	-	-	1,615,046
Free school procurement grant	467,104	-	(29,508)	488,112	-	925,708
Donated property	6,727,700	-	(137,300)	-	-	6,590,400
	<u>15,381,579</u>	<u>22,273</u>	<u>(682,484)</u>	<u>690,227</u>	<u>-</u>	<u>15,411,595</u>
TOTAL RESTRICTED FUNDS	<u>12,540,119</u>	<u>5,595,187</u>	<u>(6,509,844)</u>	<u>-</u>	<u>(439,000)</u>	<u>11,186,462</u>
TOTAL FUNDS	<u><u>12,800,881</u></u>	<u><u>6,701,100</u></u>	<u><u>(7,500,972)</u></u>	<u><u>-</u></u>	<u><u>(439,000)</u></u>	<u><u>11,562,009</u></u>

17. STATEMENT OF FUNDS (CONTINUED)

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

Restricted Funds

General Annual Grant (GAG)

This fund includes income from the ESFA which is to be used for the running costs of the Academy, including education and support costs.

Pupil premium

This funding is for additional support for those pupils who qualify for free school meals, have been or are looked after children, or children from service families.

High Needs funding

This is a grant received from the local authority towards the costs of providing teaching for pupils with special educational needs.

Rates Income

Reimbursement from central government for the cost of non-domestic rates.

Universal Infant Free School Meals

Funding for children in Years R to 2 to receive a daily free meal.

Teacher Pay & Pension Grant

Funding for additional teacher pay and pensions costs not included within the funding formula.

PE Grant

£16000 per school plus £10 per pupils in Years 1 and above.

Covid 19 Additional Funds

To facilitate catch up learning during and post pandemic.

MS Training Grant

Funding to cover core costs of administering training on behalf of Microsoft.

Free School start-up grant

This grant is offered in respect of approved eligible expenditure incurred in developing plans for the Monkerton Primary School and start-up expenditure in relation to Westclyst Community Primary School.

Free school procurement grant

This grant is offered in respect of approved eligible expenditure incurred procuring ICT goods, ICT services and temporary accommodation for the Westclyst Community Primary School.

Teaching school

The Academy Trust has achieved teaching school status and this represents initial grant funding relating to the provision of teaching school services.

English hub grant

English Hub schools promote a love of reading and support schools across the country to provide excellent phonics and early language teaching.

EdTech Demonstrator Grant

Demonstrator schools and colleges are a network of providers who have shown they can use technology effectively and have the capacity to help other schools and colleges to do the same. They support a range of schools and colleges during the coronavirus (COVID-19) outbreak by helping those schools who are most in need of support, have recently adopted an online learning platform or have high numbers of disadvantaged learners. The support package includes advice, training, online tutorials, webinars and recorded content.

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

Science Hub & STEM

The Devon Science Learning Partnership is part of the national network of STEM Learning partnerships across the UK. As a DfE initiative, we take a leading role in supporting schools to provide an engaging and inspiring education for their students.

Catering for teachers, leaders and support staff, we offer bespoke and regional training to support other schools in ways that best meet their needs.

Global Enterprise Challenge

The Global Enterprise Challenge is an international competition run by Cornerstone Academy Trust where primary and secondary pupils from across the world take part by forming small trading companies. Supported and funded by Microsoft, the winning teams usually travel to locations such as Seattle or London to collect their award.

Connecting Classrooms

Connecting Classrooms helps pupils understand the big issues that shape our world and equip them with the knowledge, skills and attitudes they need to make a positive contribution. Connecting Classrooms through Global Learning is a partnership between the British Council and the Foreign, Commonwealth and Development Office. Funding received to date helps to pay for teachers to make educational trips to countries such as Ethiopia or Bangladesh, where learning experiences can be shared, and inspiration is aplenty.

Pension reserve

This fund represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset Funds

Fixed assets transferred on conversion - This represents the fixed assets transferred from the Local Authority on conversion.

Fixed assets purchased from GAG - This fund includes transfers from the GAG restricted fund for capital related expenditure. The balance at the year end represents the net book value of assets transferred from the GAG fund.

Devolved formula capital grants and Academies Capital Maintenance Fund grants - Grants from the ESFA to be spent on capital related expenditure.

Free School procurement grant - This represents eligible fixed assets purchased using the free school grant by way of a transfer.

Transfers in/out - In addition to the procurement grant, the transfer between the restricted funds and the restricted fixed asset funds represents GAG funding used to purchase fixed assets.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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17. 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	177,440	968,870	(970,304)	-	-	176,006
Unrestricted fixed asset fund	87,007	-	(2,251)	-	-	84,756
	<u>264,447</u>	<u>968,870</u>	<u>(972,555)</u>	<u>-</u>	<u>-</u>	<u>260,762</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	3,046,443	(2,892,120)	(154,323)	-	-
Pupil Premium	-	238,359	(238,359)	-	-	-
Universal Infant Free School Meals	-	136,805	(136,805)	-	-	-
PE Grant	-	54,310	(54,310)	-	-	-
Free school start up grant	-	148,000	(148,000)	-	-	-
Free school procurement grant	74,162	550,800	(132,162)	-	-	492,800
High needs	-	52,965	(52,965)	-	-	-
Teaching school	-	40,000	(40,000)	-	-	-
Educational trips	-	29,768	(29,768)	-	-	-
Rates	-	24,690	(24,690)	-	-	-
Exceptional government funding	-	118,022	(118,022)	-	-	-
Teachers pay grant	-	177,363	(177,363)	-	-	-
English hub grant	5,250	394,588	(399,838)	-	-	-
Ed Tech Grant	-	24,000	(24,000)	-	-	-
Computing hub	-	18,507	(18,507)	-	-	-
MS Training Academy	-	10,000	(10,000)	-	-	-
Science Hub & STEM	-	49,100	(42,600)	-	-	6,500

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17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Global Enterprise Challenge	-	15,000	-	-	-	15,000
Connecting Classrooms	-	18,240	-	-	-	18,240
Pension reserve	(2,654,000)	-	(320,000)	-	(400,000)	(3,374,000)
	<u>(2,574,588)</u>	<u>5,146,960</u>	<u>(4,859,509)</u>	<u>(154,323)</u>	<u>(400,000)</u>	<u>(2,841,460)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	6,133,182	-	(122,904)	-	-	6,010,278
Fixed assets purchased from GAG and other restricted funds	225,924	38,000	(49,070)	154,323	-	369,177
Devolved Formula Capital grants	86,179	21,246	(22,457)	-	-	84,968
Academies Capital Maintenance Fund grants	1,771,150	-	(48,798)	-	-	1,722,352
Free school procurement grant	591,490	-	(124,386)	-	-	467,104
Donated property	-	6,865,000	(137,300)	-	-	6,727,700
	<u>8,807,925</u>	<u>6,924,246</u>	<u>(504,915)</u>	<u>154,323</u>	<u>-</u>	<u>15,381,579</u>
TOTAL RESTRICTED FUNDS	<u>6,233,337</u>	<u>12,071,206</u>	<u>(5,364,424)</u>	<u>-</u>	<u>(400,000)</u>	<u>12,540,119</u>
TOTAL FUNDS	<u><u>6,497,784</u></u>	<u><u>13,040,076</u></u>	<u><u>(6,336,979)</u></u>	<u><u>-</u></u>	<u><u>(400,000)</u></u>	<u><u>12,800,881</u></u>

Total funds analysis by Academy

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17. STATEMENT OF FUNDS (CONTINUED)

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Cornerstone Academy Trust	467,414	793,302
Restricted fixed asset fund	15,411,595	15,381,579
Pension reserve	(4,317,000)	(3,374,000)
TOTAL	11,562,009	12,800,881

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 £
Broadclyst Community Primary School	-	-	-	34,140	34,140	5,102,332
Westclyst School	-	-	-	12,667	12,667	206,311
Yeo Valley Primary School	-	-	-	53,232	53,232	132,944
Central services	3,650,972	924,411	367,198	1,269,616	6,212,197	68,226
ACADEMY TRUST	3,650,972	924,411	367,198	1,369,655	6,312,236	5,509,813

This year, because the Trust pools income, it now runs its budgets on a centralised basis.

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18. 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	82,505	-	15,411,595	15,494,100
Current assets	1,265,544	91,867	-	1,357,411
Creditors due within one year	(972,502)	-	-	(972,502)
Provisions for liabilities and charges	-	(4,317,000)	-	(4,317,000)
TOTAL	<u>375,547</u>	<u>(4,225,133)</u>	<u>15,411,595</u>	<u>11,562,009</u>

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	84,756	-	15,381,579	15,466,335
Current assets	831,090	532,540	-	1,363,630
Creditors due within one year	(655,084)	-	-	(655,084)
Provisions for liabilities and charges	-	(3,374,000)	-	(3,374,000)
TOTAL	<u>260,762</u>	<u>(2,841,460)</u>	<u>15,381,579</u>	<u>12,800,881</u>

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19. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(799,872)	6,703,097
ADJUSTMENTS FOR:		
Depreciation	684,735	507,166
Capital grants from DfE and other capital income	(22,273)	(21,246)
Interest receivable	(79)	(212)
Defined benefit pension scheme cost less contributions payable	449,000	271,000
Defined benefit pension scheme finance cost	55,000	49,000
Decrease/(increase) in debtors	328,678	(67,011)
Increase/(decrease) in creditors	317,418	(405,683)
Donated assets	-	(6,865,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,012,607	171,111

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	79	212
Purchase of tangible fixed assets	(712,500)	(220,350)
Capital grants from DfE Group	22,273	21,246
NET CASH USED IN INVESTING ACTIVITIES	(690,148)	(198,892)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	857,198	534,739
TOTAL CASH AND CASH EQUIVALENTS	857,198	534,739

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

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	534,739	322,459	857,198
	<u>534,739</u>	<u>322,459</u>	<u>857,198</u>

23. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County 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 £78,044 were payable to the schemes at 31 August 2021 (2020 - £67,530) 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.

23. 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 £703,056 (2020 - £460,149).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The 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 £410,000 (2020 - £335,000), of which employer's contributions totalled £323,000 (2020 - £263,000) and employees' contributions totalled £ 87,000 (2020 - £72,000). The agreed contribution rates for future years are 17.6% per cent for employers and 5.5 - 12.5% per cent for employees.

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

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

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

23. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.85	3.25
Rate of increase for pensions in payment/inflation	2.85	2.25
Discount rate for scheme liabilities	1.65	1.65
Inflation assumption (CPI)	2.85	2.25

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	22.7	22.9
Females	24.0	24.1
RETIRING IN 20 YEARS		
Males	24.0	24.3
Females	25.4	25.5

SENSITIVITY ANALYSIS

	2021	2020
	£000	£000
Discount rate +0.1%	(202)	(153)
Discount rate -0.1%	208	158
Mortality assumption - 1 year increase	284	198
Mortality assumption - 1 year decrease	(274)	(191)
CPI rate +0.1%	190	144
CPI rate -0.1%	(185)	(140)

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

23. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	1,977,000	1,372,000
Gilts and bonds	464,000	190,000
Property	252,000	183,000
Cash and other liquid assets	19,000	26,000
Target return portfolio	293,000	289,000
Infrastructure and alternative assets	153,000	238,000
TOTAL MARKET VALUE OF ASSETS	3,158,000	2,298,000

The actual return on scheme assets was £497,000 (2020 - £8,000).

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

	2021 £	2020 £
Current service cost	(772,000)	(534,000)
Interest income	39,000	40,000
Interest cost	(94,000)	(89,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(827,000)	(583,000)

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

	2021 £	2020 £
AT 1 SEPTEMBER	5,672,000	4,651,000
Interest cost	94,000	89,000
Employee contributions	87,000	72,000
Actuarial losses	895,000	334,000
Benefits paid	(45,000)	(8,000)
Current service cost	772,000	534,000
AT 31 AUGUST	7,475,000	5,672,000

**CORNERSTONE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	2,298,000	1,997,000
Interest income	39,000	40,000
Actuarial gains/(losses)	456,000	(66,000)
Employer contributions	323,000	263,000
Employee contributions	87,000	72,000
Benefits paid	(45,000)	(8,000)
AT 31 AUGUST	3,158,000	2,298,000

24. OPERATING LEASE COMMITMENTS

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

	2021 £	2020 £
Not later than 1 year	83,851	144,921
Later than 1 year and not later than 5 years	25,626	136,108
	109,477	281,029

25. 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.

26. RELATED PARTY TRANSACTIONS

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

Mrs J Bishop, wife of Mr J Bishop, a Trustee, is employed as a teaching assistant. Mrs Bishop's appointment was made in open competition, Mr Bishop was not involved in the recruitment process or decisions regarding her remuneration. Mrs Bishop is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

Mrs Pitts, wife of Mr M Pitts, a Trustee, is employed as a music teacher. Mrs Pitts' appointment was made in open competition, Mr Pitts was not involved in the recruitment process or decisions regarding her remuneration. Mrs Pitts is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

Mr J Beevor, domestic partner of Miss B Williams, a Trustee, is employed as a teacher. Mr J Beevor's appointment was made in open competition, Miss Williams was not involved in the recruitment process or decisions regarding his remuneration. Mr J Beevor is paid within the normal pay scales for his role and receives no special treatment as a result of his relationship with a Trustee.

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

27. TEACHING SCHOOL TRADING ACCOUNT

	2021 £	2021 £	2020 £	2020 £
Income				
DIRECT INCOME				
Grant funding	38,500		40,000	
Fees	28,560		18,102	
TOTAL DIRECT INCOME	<u>67,060</u>		<u>58,102</u>	
TOTAL INCOME		67,060		58,102
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	67,060		56,288	
OTHER EXPENDITURE				
Security and transport	-		722	
Catering	-		8	
Legal and professional	-		5,122	
Governance	-		1,365	
TOTAL OTHER EXPENDITURE	<u>-</u>		<u>7,217</u>	
TOTAL EXPENDITURE		67,060		63,505
Surplus/(deficit) from all sources		-		(5,403)
Teaching school balances at 1 September 2020		-		5,403
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		<u><u>-</u></u>		<u><u>-</u></u>

