

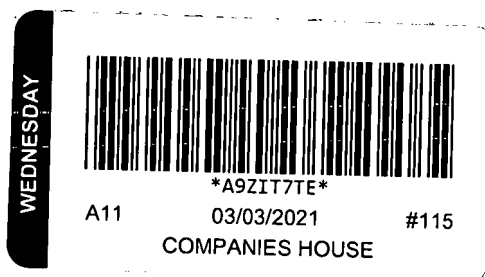
Company Registration No. 08151859 (England and Wales)

MULBERRY MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020



MULBERRY MULTI ACADEMY TRUST

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MULBERRY MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs G Ward
Mrs D Robertson
Mrs P Hartley

Trustees

Mrs G Ward (Chair) (Resigned 31 August 2020)
Mrs D Robertson
Mr M Warwick
Mrs K McCarter (Headteacher and Accounting Officer)
Mrs D Papa (Resigned 10 December 2019)
Mr R Sheldon (Resigned 31 August 2020)
Ms S L Allbutt (Resigned 31 August 2020)
Ms P Hartley (Vice Chair)
Mrs H Brady
Mrs L Pannett (Appointed 1 February 2020)

Senior management team

- Headteacher & Accounting Officer	Mrs K McCarter
- Deputy Headteacher	Mr I Cooper
- Assistant Headteacher	Mrs V Cadwallader
- Business Manager	Mr D Brookes

Company registration number 08151859 (England and Wales)

Registered office Norbreck Road
Thornton-Cleveleys
FY5 1PD

Independent auditor MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Norbreck Primary Academy was incorporated on 20 July 2012 and within 2 months Norbreck Academy Trust converted to academy trust status under the Academies Act 2010. Norbreck Primary Academy officially changed its name and status on 6th March 2018 to Mulberry Multi Academy Trust. The trust has converted from single academy status to multi academy status. As of the 31st August 2020, Norbreck Primary Academy remains the only academy within the trust.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Blackpool. It has a pupil capacity of 630 and had a roll of 602 in the school census in January 2020.

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 charitable company is known as Mulberry Multi Academy Trust.

The trustees of Mulberry Multi Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

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

There are nine trustees on the board of trustees at Norbreck and for Trustee appointments, skills audits may be undertaken as required, to identify gaps and to ensure the board of trustees have a breadth of experience/skills in their membership.

The selection methods are as follows :

Trustees (5) – These are appointed by the Members. Members would be invited to seek suitably qualified persons with the necessary skills. The board of trustees would then be asked to confirm their acceptance of the nominee.

Staff Trustees (2) and Parent Trustees (2) are elected in accordance with adopted procedures. These reflect the procedures stated in the Articles of Association.

Associate Members may be appointed to enrich the board of trustees and are selected in the same way as Community Trustees.

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The structure of the Academy consists of three levels: the Trustees, the Governors and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Managers are the Headteacher, the Deputy Headteacher, the Assistant Headteacher and the Business Manager. The Headteacher, who is the accounting officer, controls the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them and is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Trustee.

Arrangements for setting pay and remuneration of key management personnel

Following appraisal, suggested recommendations for pay and remuneration for key management personnel are raised with governors by the Headteacher. Any decisions by the governing body are then recorded accordingly. For the leadership spine pay range, we work outside the ISR groupings as agreed by the governing body.

Trade union facility time

Due to considerable cost and a lack of perceived benefit, the Trust do not purchase trade union facilities time.

Related parties and other connected charities and organisations

Partnership with the schools of the Fylde Coast Teaching Alliance brought to the Academy opportunities for development of the curriculum and of staff. Initiatives and programmes gave Norbreck the chance to reflect on practice to ensure that the highest standards were reached.

Objectives and activities

Objects and aims

The Academy's main aim is encompassed in its mission statement which is :

"Whatever we do, we do it well"

The main objects of the Academy are summarised below :

- To ensure that every child enjoys the same high quality education in terms of teaching, learning and care;
- To raise the standard of educational achievement of all pupils;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close partnerships with the local community; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

The academy's principal activity is specifically restricted to the following:

To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The main objectives for 2019-20 were to make continuous improvements in English, Maths, Science and ICT particularly concentrating on the development of reading and increasing the percentage of children achieving Greater Depth. The results have been very impressive and place the school at slightly above National standard at the end of all three Key Stages.

In October 2019 the school received a two-day inspection by Ofsted. The whole process and the end results were extremely favourable and the school received a grading of Good in all areas.

"Pupils love coming to school. They enjoy the wide range of exciting activities that staff provide for them. They are proud of their many musical and sporting achievements. Senior leaders, including trustees, make sure that pupils flourish academically and personally during their time at Norbreck. They have high expectations for behaviour and for what they want pupils to know and remember. Staff and pupils live up to the school motto, 'Whatever we do, we do it well.'

Meaningful links were forged between local nurseries and high schools in order to further develop the business of the academy by promoting and marketing the school. Due to a targeted marketing approach, interest in the academy was high and 90 children were awarded places for September 2020. The academy's reputation has clearly increased within both the local and wider community.

Alongside this, the academy undertook the annual open evening which was a great success. Many local families with children starting the following September joined the evening and had a wonderful experience touring the school, meeting our children and staff and listening to our award-winning choir.

The academy has had a quite major development of the internal quadrangle this summer to greatly enhance the outdoor element of the EYFS curriculum. There are now far greater opportunities for our Reception children to develop awareness outdoors, to enhance motor skills, to be creative and imaginative whilst being safeguarded within the confines of the reception areas.

Whilst there has been no significant shift in curriculum development in 2019-20, it was decided that there would be some quite considerable changes to internal staffing with effect from 1st September 2020. These changes have allowed for a fresher approach and crucially enhanced staff professional development.

Prior to the pandemic, the academy offered exceptional extra-curricular activities for children and despite a greatly affected year, there were still a number of tremendous successes.

In October, the boys' football team won the U-11 EFL Trust Blackpool Cup Final at Bloomfield Road. It was an outstanding performance and an outstanding achievement. Unfortunately, they didn't manage to challenge in the regional tournament as this was cancelled in the new calendar year due to the coronavirus pandemic.

In March, our award-winning choir took part in the Barnardo's national Choral Competition in London. Having won their place from hundreds of schools, their singing was inspirational and they held their own against other choirs of the highest standard. To win was not expected: taking part was indeed the reward, and a victory in itself.

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Academy's articles of association state that it will provide educational facilities and services to students of all ages and the wider community for the public benefit. The Academy Trustees have complied with their duty to have regard to the guidance on public benefit by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

The academy has faced an unprecedented challenge in dealing with the COVID-19 pandemic that has significantly affected the day to day operations of the Trust over the last five months of the academic year. This in itself, has presented many unique challenges that have been systematically overcome with detailed strategic planning and organisation. The academy remains popular in the local community and 90 children are set to join the academy for the 2020-21 academic year.

Due to the world-wide pandemic, the school was closed by the Government from 23rd March 20 until 1st June 20 and even then only re-opened for children in Reception, Year 1 and Year 6. National exams and tests at all levels were cancelled so there are no results for the Academy and no statistical analysis.

Although the academy was not operating as normal, we remained open from 23rd March 20 for the children of key workers and in the first month between 8 and 20 children attended on a daily basis.

All teaching staff worked full time from home to provide daily education for the children in their class using a virtual platform. The majority of children continued to reach Expected or Greater Depth standards as a result. Teachers and teaching assistants, led by a member of the leadership team, attended school on a rota basis to run the facility for key worker children. This was undertaken in multiple classrooms to ensure appropriate distancing was maintained.

Activities were based around supporting the completion of set schoolwork at the appropriate level, arts and crafts and exercise/ outdoor play. This provision was maintained through the Easter holiday and spring half term period.

In addition, there was regular contact with the families of our vulnerable children or those children with Education Health Care Plans, who declined in-school provision feeling that they could care for their children at home.

All staff except lunchtime staff returned to work full time from 1st June 20 to either teach their Reception, Year 1 and Year 6 classes or to run the key worker provision which at this time had increased to between 50 and 70 children daily. Throughout this time, the school maintained its reputation and parents were extremely appreciative for the on-line learning and facilities that were available to them.

Online learning was implemented via the Tapestry and Seesaw App. Teachers set the work for children and the system allowed for a dialogue so that staff could give help and advice to those children and parents who needed support for home education.

Regarding overall management of the academy, all staff kept in touch regularly via email keeping up to date with pupil numbers during lockdown, school news, DfE bulletins and updated information, as well as help and guidance for their own wellbeing.

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

From a financial perspective, the academy has coped incredibly well despite the increase in costs of certain resources to ensure the safety, cleanliness and overall hygiene of our site. The site has always been fit for purpose and remains as such.

The free school meal voucher system through Edenred, the DfE's preferred voucher provider, was inaccessible at first so our own vouchers were sourced through Morrisons plc and delivered directly to the door of our free school meal children. This ensured that all of our economically disadvantaged families received appropriate support every day. The system required a significant initial financial outlay by the academy that was later recouped from the DfE via the exceptional COVID funding scheme.

Thereafter, for the summer months, the Edenred system was accessed and once again all families in need benefitted.

Fundraising for the Trust is undertaken by the PTFA. Unfortunately, the pandemic has taken quite a toll in this area but the PTFA still managed some successes before Christmas, raising over £2,000 via a sponsored spell and over £1,200 at the Christmas Fun Day.

Overall, the Trust has coped admirably from a financial perspective during the pandemic and has continually provided all that children need, just when they need it. There has been no detrimental effect on cashflow and the level of reserves remains unaffected.

From a staffing perspective, this year has undoubtedly been a challenge. However, staff have faced all problems with eagerness, energy and tenacity and all obstacles have been overcome. Staff have remained positive throughout and have adapted to the changes required during lockdown and partial opening. Since returning in September, the Trust's staff have embraced their many new roles in school and curriculum delivery remains of the highest standard.

The Academy monitors all level of performance to ensure that results and work is on-going to maintain and increase the results. Staff are challenged and held to account through appraisal and children are monitored and receive additional support where necessary to ensure that they achieve.

The Academy is committed to observing the importance of performance indicators to ensure that it continues to strive for both educational and financial excellence.

In its last Ofsted inspection in October 2019, Ofsted assessed the Academy as "Good". The academy is also monitored through the completion and submission to the ESFA of

- The academy accounts return
- The budget outturn
- The budget forecast
- The financial management and governance self-assessment

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, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

There were no events which has a significant financial effect during the period.

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The academy's total incoming resources during the period were £2,551,517 (2019: £2,469,700).

Total funding received for the academy's educational operations in the period was £2,536,698 (2019: £2,423,192) and further details are provided in Note 4 to the accounts.

Total outgoing resources for the period were £2,667,608 (2019: £2,624,239), this related to the direct provision of educational operations. The excess of expenditure over income was £116,091 (2019: £154,539)

At the period end the academy's total reserves were £3,360,583 (2019: £3,541,675), including unrestricted funds of £94,000 (2019: £94,000) and restricted funds of £3,266,583 (2019: £3,447,675). Restricted funds include fixed assets of £4,495,127 (2019: £4,473,625), less the LGPS pensions scheme deficit of £1,401,000 (2019: £1,197,000). The remaining balances on restricted funds relate to funding received in the period which is due to be spent in 2020/21 in accordance with the terms of funding. Further detail is provided in Note 16.

At 31 August 2020 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the school.

On conversion in 2012 the School inherited a deficit of £480,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had increased to £1,401,000 by 31 August 2020, mainly due to the changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The level of any deficit payments will be reviewed following the next actuarial valuation and any changes in the required level of payment will be included in the School's annual budget from the date they take effect. The School does not have an obligation to settle this future liability immediately and there are no indications that it will crystallise in the foreseeable future.

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.

Factors likely to affect future financial performance

The roll recorded on the census as at October 2019 was 601, increasing from 594 the previous year. As a result, the GAG figure per pupil has increased in 2020/21. Pupil premium has reduced in 2019/20 due to a change in the availability of certain benefits.

Financial and risk management objectives and policies

The Academy's financial objectives are :

- Applying at all times, best value principles in all purchases
- Monitoring and evaluating the value for money of all staff
- To prevent areas of wastage

The objectives were achieved in the period ending 31 August 2020.

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

The total funds held at the end of the accounting period are £3,360,583. The FRS102 actuarial valuation shows a pension deficit of £1,401,000.

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 reserves. The Trustees have determined that the appropriate level of free reserves should be approximately 6-8%.

Reserves are required to-

- Ensure sustainability of the school in the event of reductions in funding, reductions in pupil numbers or unexpected increases in expenditure.
- Fund capital projects and the replacement of equipment
- Enable the Trust to respond to opportunities and implement the longer term strategic plan.

The Trust reviews the level of reserves throughout the year as part of management reporting.

Restricted GAG reserves:

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs.

At 31 August 2020 the school held GAG reserves of £172,456 which represents 8% of the GAG income for the year which is in line with the reserves policy. This will be retained to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Unrestricted reserves:

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the school holds unrestricted free reserves, which provide additional working capital and are not committed or designated. Reserves levels have been agreed to enable Norbreck Primary Academy to maintain a level which ensures that the core activity could continue during a period of unforeseen difficulty.

At 31 August 2020 the level of unrestricted reserves held was £94,000.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

Investment policy

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is no tangible risk of the loss of these cash funds.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. There is also uncertainty regarding the extent to which teachers' pay increases and increases to the TPS contribution rates will be funded, and for how long.

Where significant financial risk still remains they have ensured they have adequate insurance cover.

MULBERRY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The academy does not engage in fundraising directly but liaises closely with the PTFA in varying fundraising activities.

Plans for future periods

In the next few years the Governing Body will:

- Set annual targets for improving pupil achievement
- Review the Academy Improvement Plan on an annual basis
- Discuss and review their "Value for Money" statement at each Autumn Term meeting of the Finance and Audit Committee
- Always consider best value

Obtain advice from our retained architect regarding any large scale refurbishment of the premises.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on and signed on its behalf by:

09/12/2020



Mr M Warwick

MULBERRY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Mulberry Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The Trustees acknowledge their responsibilities for ensuring that Norbreck Academy Trust Limited has an effective and appropriate system of control, financial and otherwise. The Trust is responsible for keeping proper accounting records, which disclosed with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements, comply with the Companies Act. The Trust acknowledges responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that :

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the Academy on for publication is reliable
- The Academy complies with relevant laws and regulations
- The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes :
 - Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
 - regular reviews by the Governors 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

In addition, the governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following :

- the type of risks of the Academy faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the Management team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;
- explained to employees that they have a responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- Developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment ; and
- Included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken.

MULBERRY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs G Ward (Chair) (Resigned 31 August 2020)	5	5
Mrs D Robertson	4	5
Mr M Warwick	5	5
Mrs K McCarter (Headteacher and Accounting Officer)	5	5
Mrs D Papa (Resigned 10 December 2019)	0	2
Mr R Sheldon (Resigned 31 August 2020)	5	5
Ms S L Allbutt (Resigned 31 August 2020)	3	5
Ms P Hartley (Vice Chair)	4	5
Mrs H Brady	5	5
Mrs L Pannett (Appointed 1 February 2020)	2	2

The board has only met 5 times during this year as the meeting scheduled for May 2020 had to be cancelled as a result of the COVID-19 outbreak and related restrictions implemented by the government. However, the relevant reports and agenda items that were due to be discussed at this meeting were summarised and provided electronically to each of the governors for their review and consideration. Therefore, the board believe that they were able to maintain effective oversight and control even though this meeting was not physically attended.

MULBERRY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As accounting officer the principal 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 report to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

Norbreck Primary Academy is committed and accountable to ensure that the academy's resources are used in the most efficient and effective manner to meet the objectives and prioritise identified in our Academy Improvement Plan. This will lead to continuous improvement in the academy's performance and secure the best possible outcome for pupils at Norbreck Primary Academy.

What is Best Value?

We will apply the four principles of best value:

- **Challenge** – to regularly review the functions of the academy, challenging how and why services are provided and setting targets and performance indicators for improvement.
- **Compare** – comparing the academy's pupil performances and financial performance with other schools.
- **Consult** – consulting the views of parents and pupils about the services the academy provides.
- **Compete** – ensuring that goods and services are purchased in the most economic, efficient and effective manner, meet the needs of our academy.

Our Academy's Approach

The Governors and academy managers will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the academy.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best improve standards and the quality of provision.

Governors, and the academy managers will:

- make comparisons with other/similar schools data provided by the Local Authority and the Government eg. financial benchmarking, RAISE, quality of teaching & learning, levels of expenditure.
- challenge proposals, examining them for effectiveness, efficiency, and cost e.g. setting of annual pupil achievement targets and performance management of all staff.
- require suppliers to compete on grounds of costs, and quality/suitability of services/products/backup.
- consult parents and pupils on quality/suitability of the service we provide i.e. annual parental/pupil questionnaires, pupil reports, regular pupil council meetings, assigned Local Authority school improvement and Ofsted.

This will apply in particular to staffing, use of premises, use of resources, quality of teaching and learning, purchasing, pupils' welfare and health and safety.

Governors and academy managers will not waste time and resources on investigating areas where few improvements could be made, minor cost savings achieved or tenders sought for minor supplies and services. The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs and this can also distract management from more important or valuable areas.

Staffing

The accounting officer will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

MULBERRY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of premises

Governors and academy managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning and for the welfare of staff, pupils and visitors. We also generate income through the hire of academy facilities to the benefit of the children and local community.

Use of Resources

Governors and academy managers will deploy equipment, materials and services to provide pupils and staff with resources, which support the highest quality of teaching and learning.

Teaching

Governors and academy managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- an enriched and creative curriculum which meets the requirements of the National Curriculum, EYFS and the needs of pupils.
- Teaching which builds on previous learning and has the highest expectations of all children's individual achievements.

Learning

Governors and academy managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress of 85%.

Purchasing

Governors and academy managers will assess need, and obtain goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- Competitive tendering procedures (e.g. for goods and services above £1,000)
- Procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose, quality of workmanship and delivery)
- Procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment)

We have saved considerably by reviewing several contracts including: swimming, catering, finance, property, personnel, and energy provision. This has resulted in significant savings to the academy whilst achieving greater efficiency.

Pupils' Welfare

Governors and academy managers will review the quality of the school environment and the school ethos, in order to provide a happy and supportive environment conducive to learning and recreation. We have continually maintained our environment with regular decoration, replacement of furniture and continued increase of provisions for children, including significant ICT investment.

Health & Safety

Governors and academy managers will review the quality of the school environment and equipment in order to provide a safe working environment for pupils, staff and visitors.

Benchmarking

An annual exercise is now undertaken with four other Blackpool academies to ensure best value by benchmarking income and expenditure.

Collaboration

The trust has undertaken to work collaboratively with four other Blackpool academies to reduce personnel contract costs by sharing administrative tasks.

MULBERRY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the Headteacher and curriculum managers e.g. classroom practice.
2. Termly target setting/review meetings between the Headteacher and curriculum managers
3. Annual Performance Management
4. Annual Budget Planning, with regular reporting
5. Analysis of school pupil performance data e.g. SAT's results, results against all schools
6. Analysis of DFE pupil performance data e.g. RAISE
7. Ofsted Inspection reports
8. Governors' full termly meetings
9. Governors' annual audit
10. Governor's annual development plan meeting/review of governance.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mulberry Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

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 has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. 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;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to adopt an internal scrutiny function. The trustees have appointed Sheryl Cardwell, Shard Business Services, as Internal Scrutineer ('IS'). The IS'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:

- basic testing on systems and controls in place
- testing of payroll system
- testing of purchase system

The internal scrutineer has delivered their schedule of work as planned, providing termly reporting to the Governors' Finance & Audit Committee. An annual report has also been prepared for the ESFA.

MULBERRY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

As accounting officer the principal 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 scrutineer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Members have advised the Accounting Officer of the implications and results of their review of the system of internal control. A plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 09/12/2020 and signed on its behalf by:



Mr M Warwick



Mrs K McCarter
Headteacher and Accounting Officer

MULBERRY MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Mulberry Multi Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy 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 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Mrs K McCarter
Accounting Officer

09/12/2020
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MULBERRY MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Mulberry Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 09/12/2020 and signed on its behalf by:



Mr M Warwick

MULBERRY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULBERRY MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Mulberry Multi Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

MULBERRY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULBERRY MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes Reference and Administrative details, Trustees Report incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibility Statement. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 incorporated 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 accounts 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 statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

MULBERRY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULBERRY MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christine Wilson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

13/12/2020

MULBERRY MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MULBERRY MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 23 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mulberry Multi Academy Trust during the period 1 September 2019 to 31 August 2020 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 Mulberry Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Mulberry Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mulberry Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Mulberry Multi Academy Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the School together with enquiry, analytical review, substantive testing of transactions and consideration of governance issues.

MULBERRY MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore and Smalley

Reporting Accountant
MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

13/12/2020
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MULBERRY MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2020	Total 2019
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	-	609	10,660	11,269	37,935
Charitable activities:						
- Funding for educational operations	4	-	2,536,698	-	2,536,698	2,423,192
Other trading activities	5	2,814	-	-	2,814	7,701
Investments	6	736	-	-	736	872
Total income and endowments		<u>3,550</u>	<u>2,537,307</u>	<u>10,660</u>	<u>2,551,517</u>	<u>2,469,700</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	3,550	2,614,113	49,945	2,667,608	2,624,239
Total expenditure	7	<u>3,550</u>	<u>2,614,113</u>	<u>49,945</u>	<u>2,667,608</u>	<u>2,624,239</u>
Net expenditure		-	(76,806)	(39,285)	(116,091)	(154,539)
Transfers between funds		-	(60,787)	60,787	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	18	-	(65,000)	-	(65,000)	(373,000)
Net movement in funds		-	(202,593)	21,502	(181,091)	(527,539)
Reconciliation of funds						
Total funds brought forward		94,000	(1,025,951)	4,473,625	3,541,674	4,069,214
Total funds carried forward	16	<u>94,000</u>	<u>(1,228,544)</u>	<u>4,495,127</u>	<u>3,360,583</u>	<u>3,541,675</u>

MULBERRY MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	-	5,500	32,435	37,935
Charitable activities:					
- Funding for educational operations	4	-	2,423,192	-	2,423,192
Other trading activities	5	7,701	-	-	7,701
Investments	6	872	-	-	872
Total income and endowments		<u>8,573</u>	<u>2,428,692</u>	<u>32,435</u>	<u>2,469,700</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	9,613	2,570,782	13,844	2,624,239
Total expenditure	7	<u>9,613</u>	<u>2,570,782</u>	<u>43,844</u>	<u>2,624,239</u>
Net expenditure		(1,040)	(142,090)	(11,409)	(154,539)
Transfers between funds		-	19,949	(19,949)	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	18	-	(373,000)	-	(373,000)
Net movement in funds		(1,040)	(495,141)	(31,358)	(527,539)
Reconciliation of funds					
Total funds brought forward		95,040	(530,809)	4,504,983	4,069,214
Total funds carried forward		<u>94,000</u>	<u>(1,025,950)</u>	<u>4,473,625</u>	<u>3,541,675</u>

MULBERRY MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		4,495,127		4,473,625
Current assets					
Debtors	13	80,232		86,713	
Cash at bank and in hand		423,734		335,243	
		<u>503,966</u>		<u>421,956</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(237,510)		(156,906)	
Net current assets			266,456		265,050
Net assets excluding pension liability			4,761,583		4,738,675
Defined benefit pension scheme liability	18		(1,401,000)		(1,197,000)
Total net assets			<u>3,360,583</u>		<u>3,541,675</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			4,495,127		4,473,625
- Restricted income funds			172,456		171,050
- Pension reserve			(1,401,000)		(1,197,000)
Total restricted funds			<u>3,266,583</u>		<u>3,447,675</u>
Unrestricted income funds	16		94,000		94,000
Total funds			<u>3,360,583</u>		<u>3,541,675</u>

The accounts on pages 23 to 44 were approved by the trustees and authorised for issue on 09/12/2020
and are signed on their behalf by:



Mr M Warwick

Company Number 08151859

MULBERRY MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		148,542		64,628
Cash flows from investing activities					
Dividends, interest and rents from investments		736		872	
Capital grants from DfE Group		10,660		32,435	
Purchase of tangible fixed assets		(71,447)		(12,486)	
Net cash (used in)/provided by investing activities			(60,051)		20,821
Net increase in cash and cash equivalents in the reporting period			88,491		85,449
Cash and cash equivalents at beginning of the year			335,243		249,794
Cash and cash equivalents at end of the year			423,734		335,243

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Mulberry Multi Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2019 to 2020 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts. The trustees have considered the impact of the Government response to Covid-19 on the activity of the Academy Trust in terms of both increased costs of compliance with guidelines and catch up in learning and also reduced income 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 accounts.

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.

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	125 years (50 years for L&B improvements)
Computer equipment	3 years
Fixtures, fittings & equipment	4 to 10 years

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.

1.6 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure 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.

1.11 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 funders where the asset acquired or created is held for a specific purpose.

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

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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.

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

(Continued)

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.

Local Government Pension Scheme defined benefit liability

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 18, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase. As standard, the useful economic life applied is based on the depreciation policy stated above.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, impairment is recorded as an impairment loss.

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy.

At the date of transition, the long leasehold land and buildings were measured at their fair value at 1 November 2011, which upon transition, has been interpreted as deemed cost. Subsequent purchases of land and buildings are initially measured at cost.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	10,660	10,660	32,435
Other donations	-	609	609	5,500
	<u>-</u>	<u>11,269</u>	<u>11,269</u>	<u>37,935</u>

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,070,482	2,070,482	1,975,504
Other DfE / ESFA grants	-	396,561	396,561	329,340
	-	2,467,043	2,467,043	2,304,844
Other government grants				
Local authority grants	-	40,367	40,367	83,947
Coronavirus exceptional support	-	6,000	6,000	-
	-	46,367	46,367	83,947
Other funds				
Other incoming resources	-	23,288	23,288	34,401
Total funding	-	2,536,698	2,536,698	2,423,192

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £6k of catering costs. These costs are included in note 7 below.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	2,073	-	2,073	6,442
Other income	741	-	741	1,259
	2,814	-	2,814	7,701

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	736	-	736	872

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	1,804,986	3,348	143,627	1,951,961	1,832,672
- Allocated support costs	408,715	174,636	132,296	715,647	791,567
	<u>2,213,701</u>	<u>177,984</u>	<u>275,923</u>	<u>2,667,608</u>	<u>2,624,239</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	7,265	6,950
- Other services	3,335	2,900
Operating lease rentals	12,349	12,403
Depreciation of tangible fixed assets	49,945	43,844
Net interest on defined benefit pension liability	20,000	17,000
	<u>715,647</u>	<u>791,567</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	1,208	1,950,753	1,951,961	1,832,672
Support costs				
Educational operations	2,342	713,305	715,647	791,567
	<u>3,550</u>	<u>2,664,058</u>	<u>2,667,608</u>	<u>2,624,239</u>

	2020 £	2019 £
Analysis of support costs		
Support staff costs	408,715	454,628
Depreciation	46,597	42,502
Premises costs	112,918	129,260
Legal costs	891	1,238
Other support costs	134,385	153,527
Governance costs	12,141	10,412
	<u>715,647</u>	<u>791,567</u>

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	1,597,574	1,556,390
Social security costs	139,438	128,680
Pension costs	470,677	412,461
Staff costs - employees	2,207,689	2,097,531
Agency staff costs	6,012	14,971
Staff restructuring costs	-	5,600
Total staff expenditure	2,213,701	2,118,102

Staff restructuring costs comprise:

Severance payments	-	5,600
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Staff numbers

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

	2020 Number	2019 Number
Teachers	25	26
Administration and support	44	49
Management	4	4
	73	79

The number of persons employed, expressed as a full time equivalent, was as follows:

	2020 Number	2019 Number
Teachers	22	23
Administration and support	24	24
Management	4	4
	50	51

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£80,001 - £90,000	1	1

The above employee participated in the Teacher's Pension Scheme. During the year, pension contributions for this employee amounted to £20,324 (2019: £13,765).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £333,237 (2019: £308,433).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

K McCarter (Headteacher):

Remuneration £85,001 - £90,000 (2019: £80,001 - £85,000)

Employer's pension contributions £20,001 - £25,000 (2019: £10,001 - £15,000)

A Stallard (Staff Governor) (resigned 20/10/18):

Remuneration £nil (2019: £5,001 - £10,000)

Employer's pension contributions £nil (2019: £nil - £5,000)

H Brady (Staff Governor) (appointed 25/01/19):

Remuneration £35,001 - £40,000 (2019: £20,001 - £25,000)

Employer's pension contributions £5,001 - £10,000 (2019: £nil - £5,000)

During the year, £nil expenses were reimbursed or paid directly to the Governors (2019: £nil).

11 Insurance for trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim, the cost of this insurance is not separately identifiable and included within the total insurance cost.

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	4,746,502	173,606	78,643	4,998,751
Additions	38,756	24,473	8,218	71,447
	<u>4,785,258</u>	<u>198,079</u>	<u>86,861</u>	<u>5,070,198</u>
Depreciation				
At 1 September 2019	283,471	164,882	76,773	525,126
Charge for the year	41,952	6,196	1,797	49,945
	<u>325,423</u>	<u>171,078</u>	<u>78,570</u>	<u>575,071</u>
Net book value				
At 31 August 2020	<u>4,459,835</u>	<u>27,001</u>	<u>8,291</u>	<u>4,495,127</u>
At 31 August 2019	<u>4,463,031</u>	<u>8,724</u>	<u>1,870</u>	<u>4,473,625</u>

13 Debtors

	2020 £	2019 £
VAT recoverable	6,187	3,195
Prepayments and accrued income	74,045	83,518
	<u>80,232</u>	<u>86,713</u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	69,251	3,981
Other taxation and social security	-	33,137
Other creditors	73,070	30,403
Accruals and deferred income	95,189	89,385
	<u>237,510</u>	<u>156,906</u>

15 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>64,224</u>	<u>69,349</u>

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Deferred income

(Continued)

Deferred income at 1 September 2019	69,349	66,659
Released from previous years	(69,349)	(66,659)
Resources deferred in the year	64,224	69,349
Deferred income at 31 August 2020	64,224	69,349

At the balance sheet date the Trust was holding funds received in advance in relation to the Universal Free School Meals grant and PGL trip income.

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	147,767	2,070,482	(1,985,006)	(60,787)	172,456
Other DfE / ESFA grants	-	396,561	(396,561)	-	-
Other government grants	23,282	46,367	(69,649)	-	-
Other restricted funds	-	23,897	(23,897)	-	-
Pension reserve	(1,197,000)	-	(139,000)	(65,000)	(1,401,000)
	<u>(1,025,951)</u>	<u>2,537,307</u>	<u>(2,614,113)</u>	<u>(125,787)</u>	<u>(1,228,544)</u>
Restricted fixed asset funds					
Inherited on conversion	4,162,646	-	(35,316)	-	4,127,330
DfE group capital grants	12,486	10,660	-	(23,146)	-
Capital expenditure from GAG	298,493	-	(14,629)	83,933	367,797
	<u>4,473,625</u>	<u>10,660</u>	<u>(49,945)</u>	<u>60,787</u>	<u>4,495,127</u>
Total restricted funds	<u>3,447,674</u>	<u>2,547,967</u>	<u>(2,664,058)</u>	<u>(65,000)</u>	<u>3,266,583</u>
Unrestricted funds					
General funds	94,000	3,550	(3,550)	-	94,000
Total funds	<u>3,541,674</u>	<u>2,551,517</u>	<u>(2,667,608)</u>	<u>(65,000)</u>	<u>3,360,583</u>

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

General Annual Grant must be used for the normal running expenses of the trust and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include Pupil Premium funding and grants received in respect of the nurseries and Children's Centre.

Other restricted funds include contributions received for school trips and non public donations.

The pension reserve represents the value of the trust's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited on conversion was £480,000.

Restricted fixed asset funds include assets funded from capital grants and out of the GAG. Depreciation is to be charged against this fund each year.

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	116,803	1,975,504	(1,964,488)	19,949	147,768
Other DfE / ESFA grants	-	329,340	(329,340)	-	-
Other government grants	24,388	83,947	(85,053)	-	23,282
Other restricted funds	1,000	39,901	(40,901)	-	-
Pension reserve	(673,000)	-	(151,000)	(373,000)	(1,197,000)
	<u>(530,809)</u>	<u>2,428,692</u>	<u>(2,570,782)</u>	<u>(353,051)</u>	<u>(1,025,950)</u>
Restricted fixed asset funds					
Transfer on conversion	4,197,962	-	(35,316)	-	4,162,646
DfE group capital grants	-	32,435	-	(19,949)	12,486
Capital expenditure from GAG	307,021	-	(8,528)	-	298,493
	<u>4,504,983</u>	<u>32,435</u>	<u>(43,844)</u>	<u>(19,949)</u>	<u>4,473,625</u>
Total restricted funds	<u>3,974,174</u>	<u>2,461,127</u>	<u>(2,614,626)</u>	<u>(373,000)</u>	<u>3,447,675</u>
Unrestricted funds					
General funds	95,040	8,573	(9,613)	-	94,000
	<u>95,040</u>	<u>8,573</u>	<u>(9,613)</u>	<u>-</u>	<u>94,000</u>
Total funds	<u>4,069,214</u>	<u>2,469,700</u>	<u>(2,624,239)</u>	<u>(373,000)</u>	<u>3,541,675</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	4,495,127	4,495,127
Current assets	331,510	172,456	-	503,966
Creditors falling due within one year	(237,510)	-	-	(237,510)
Defined benefit pension liability	-	(1,401,000)	-	(1,401,000)
Total net assets	<u>94,000</u>	<u>(1,228,544)</u>	<u>4,495,127</u>	<u>3,360,583</u>

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	4,473,625	4,473,625
Current assets	94,000	327,956	-	421,956
Creditors falling due within one year	-	(156,906)	-	(156,906)
Defined benefit pension liability	-	(1,197,000)	-	(1,197,000)
Total net assets	94,000	(1,025,950)	4,473,625	3,541,675

18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £39,424 (2019: £30,403) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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. The 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 the TPS in the period amounted to £251,722 (2019: £164,409).

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

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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	99,000	101,000
Employees' contributions	29,000	33,000
Total contributions	128,000	134,000
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	22.3	22.8
- Females	25.0	25.5
Retiring in 20 years		
- Males	23.8	25.1
- Females	26.8	28.2

Sensitivity analysis:	Central £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 + 0.1% p.a. pay growth £000	Sensitivity 4 1 yr increase in life expectancy £000
Liabilities	2,732	2,676	2,798	2,737	2,810
Assets	(1,331)	(1,331)	(1,331)	(1,331)	(1,331)
Deficit	1,401	1,345	1,458	1,406	1,479
Projected service cost for next year	204	198	210	204	210
Projected net interest cost for next year	24	24	25	24	26

The academy trust's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	607,000	647,000
Other bonds	92,000	22,000
Cash	24,000	24,000
Property	181,000	119,000
Other assets	427,000	542,000
Total market value of assets	1,331,000	1,354,000

The actual return on scheme assets was £(38,000) (2019: £148,000).

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	198,000	166,000
Past service cost	17,000	66,000
Interest income	(25,000)	(32,000)
Interest cost	45,000	49,000
Benefit changes, curtailments and settlements gains or losses	(3,000)	(3,000)
Administration expenses	3,000	3,000
Total operating charge	235,000	249,000

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	2,551,000	1,757,000
Current service cost	198,000	166,000
Interest cost	45,000	49,000
Employee contributions	29,000	33,000
Actuarial loss	2,000	489,000
Benefits paid	(110,000)	(9,000)
Past service cost	17,000	66,000
At 31 August 2020	2,732,000	2,551,000

Changes in the fair value of the academy trust's share of scheme assets

	2020 £	2019 £
At 1 September 2019	1,354,000	1,084,000
Interest income	25,000	32,000
Actuarial loss/(gain)	(63,000)	116,000
Employer contributions	99,000	101,000
Employee contributions	29,000	33,000
Benefits paid	(110,000)	(9,000)
Administration expenses	(3,000)	(3,000)
At 31 August 2020	1,331,000	1,354,000

MULBERRY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(116,091)	(154,539)
Adjusted for:		
Capital grants from DfE and other capital income	(10,660)	(32,435)
Investment income receivable	(736)	(872)
Defined benefit pension costs less contributions payable	119,000	134,000
Defined benefit pension scheme finance cost	20,000	17,000
Depreciation of tangible fixed assets	49,945	43,844
Decrease/(increase) in debtors	6,481	(1,717)
Increase in creditors	80,603	59,347
Net cash provided by operating activities	148,542	64,628

20 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	12,297	12,349
Amounts due in two and five years	12,479	24,776
	<u>24,776</u>	<u>37,125</u>

21 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.