

Company Registration No. 9648420 (England and Wales)

MULBERRY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

MULBERRY ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 7
Governance statement	8 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the accounts	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the accounts including accounting policies	24 - 40

MULBERRY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Gaunt
T Lankester
D Sussex
J Collins
S Donohoe

Trustees

S Pollard (Principal and accounting officer)
H Ashcroft
J Collins
T Lankester (Vice chair)
D Sussex (Chair)
L Rogerson

Senior management team

- Headteacher
- Deputy headteacher
- Deputy headteacher
- SENCo
- Senior teacher
- School business manager

S Pollard
R Parish
W Pasterfield
J Egginton/R Parish (from January 2019)
L Grindley
J Mierzejewski

Company registration number

9648420 (England and Wales)

Independent auditor

Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Bankers

Lloyds Bank
223 Finney Lane
Heald Green
Cheshire
SK8 3PY

Solicitors

Slater & Gordon
58 Mosley Street
Manchester
M2 3HZ

MULBERRY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Tytherington. It has a pupil capacity of 420 and had a roll of 375 in the school census on 1 October 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Mulberry Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Mulberry Academy Trust.

Details of the trustees who served during the year 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

The trust has opted into the Department for Education's Risk Protection Arrangement to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring while on trust business. As explained in note 10 to the financial statements the limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms set out in the articles of association.

The number of trustees shall not be less than 3 but not subject to any maximum in line with our articles of association. The term of office of any trustees shall be 4 years. That of the first trustees of the academy trust shall be four years from the date of conversion. Future trustees shall be appointed or elected under the articles of association. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-elected or re-appointed.

The members may appoint up to 15 trustees, including staff trustees. The academy's principal (known as the head teacher) acts as an ex-officio trustee in accordance with the requirements of the ESFA without the need for appointment or election. The trustees may appoint co-opted trustees. They may appoint at least 2 parent trustees who are elected by the parents of registered pupils of the academy trust in accordance with articles 54 to 56. A parent trustee must be a parent of a registered pupil at the academy at the time they are elected. All parents are entitled to stand as candidates for election where a vacancy for a parent trustee is required to be filled.

Policies and procedures adopted for the induction and training of trustees

All trustees have access to formal and informal training throughout their term of office. New trustees are offered appropriate training and induction together with copies of relevant documentation including but not limited to previous minutes, reports, policies, procedures, budgets and accounts. All trustees are welcome to visit the academy at any time, talk to staff, observe the school day and inspect records and documents.

MULBERRY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

To provide a framework for future growth of the academy, the trustees have organised the governance of the trust into a three-tier management structure: the board of trustees, responsible for the strategic direction of the trust, the local governing body (LGB) responsible for direct oversight of the school and the senior leadership team at operational level.

The trustees are responsible for the running of the multi-academy trust through the setting of strategic policies and budgets, and making decisions about significant revenue expenditure, capital expenditure, senior appointments and the future direction of the trust. The trustees have delegated specific responsibilities to the local governing body as set out in the scheme of delegation.

Broadly, the LGB takes responsibility for the running of Marlborough Primary School, for approving policies and budgets within their delegated powers, and making decisions about appointments and the running of the school.

The senior leadership team (SLT) during the period consisted of the head teacher, the deputy head teachers, senior teacher, SENCo and the school business manager. The SLT controls the academy's operations at an executive level and implements the policies and procedures set by the trustees and local governing body. The power to spend is devolved to the head teacher and the school business manager in accordance with the levels of authorisation set out in the Manual of Internal Financial Procedures. Spending above agreed limits is referred to the board of trustees.

Arrangements for setting pay and remuneration of key management personnel

Teachers pay is set in line with School Teachers Pay and Conditions. It is reviewed annually by the trustees and pay awards are linked to annual appraisal outcomes. Support staff are paid in line with the National Joint Council (NJC) pay grade structure. Other than the head teacher, the LGB is responsible for the implementation of the pay policy at the school.

There has been no facilitated time allocated to union representatives during the period.

Related parties and other connected charities and organisations

The academy is not connected to any other charity or organisation.

Objectives and activities

Objects and aims

The objects of the academy trust are:

- To advance education for the public benefit by managing a school offering a broad and balanced curriculum.
- To promote the provision of facilities for sport recreation and leisure for the inhabitants of Tytherington and surrounding areas in the interest of social welfare.

These are to be achieved through the following aims:

- Provide a broad, balanced and stimulating curriculum which encourages and challenges each child to reach his/her full potential.
- Ensure that achievements are recognised and praised and that it is safe to be wrong.
- Foster independent thinkers who can use their own initiative.
- Provide an environment where everyone is valued, without prejudice, in order to develop positive attitudes and self-esteem.
- Encourage good manners, respect and consideration for others.
- Build strong relationships between children, parents and staff fostered by good communications.
- Foster an appreciation and care for the environment within school, the local community and the wider world.

MULBERRY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

The main objectives for the year ended 31 August 2019 are as given in detail in the School Development Plan which is agreed annually. A summary of the main objectives are:

- To improve standards of attainment and progress in writing.
- Continue to identify and share teaching practice that has the highest impact on pupil progress and attainment for middle and lower middle ability pupils.
- Improve attainment and progress in science.
- To develop the role of subject leader to ensure:
 - Appropriate coverage of the curriculum.
 - Appropriate assessment processes are in place.
 - Collating and analysing data.
 - Children make expected or better progress.
- Establish more reliable information about the children's starting points in the early years so that children – particularly the most able – get off to a flying start

Public benefit

The charitable company's aims, activities and achievements as set out in this report are and have been undertaken in the furtherance of the charitable objects for public benefit. The trustees have complied with their duty (under section 4 of the Charities Act 2011) to have due regard to the guidance on public benefit published by the Charities Commission and have observed the guidance in deciding which activities the charitable company should undertake.

Strategic report

Achievements and performance

Work to improve progress and attainment continues to show positive outcomes with increases to the percentage of pupils achieving the expected standards in reading, writing and maths at KS1. Standards in reading and writing at KS2 have continued to improve. Attainment in maths is in line with national data but attainment in grammar, punctuation and spelling dipped in 2019. A new spelling scheme has been introduced to support this area of learning.

In order to continue to raise standards of attainment and improve pupil progress year on year, the trust has taken part in two School Self Improvement Fund (SSIF) projects:

Write Across – jointly run by Fallibroome and Aspire Multi Academy Trusts to improve teacher subject knowledge and raise standards in writing. This has resulted in an increase to the percentage of pupils achieving the expected standard in writing at the end of both KS1 and KS2 with school results now 6% higher than the national average at KS2.

NEXUS Cheshire East/Cheshire West and Chester joint SSIF project which has three strands – Maths pedagogy, Pupil Premium, Achievement for All. The impact of this project was harder to measure and evidence. Pupil Premium attainment remains variable, due in part to the small cohorts involved. A number of parents have become more engaged with school and their child's education as a result of the Achievement for All strand, however, some families chose not to engage with the programme. Maths attainment at KS1 has continued to improve and attainment in KS2 has remained stable.

Key performance indicators

Early Years Foundation Stage	
% of ALL PUPILS achieving Good Level of Development	% of PUPIL PREMIUM PUPILS (PP) achieving Good Level of Development
80%	67%

Phonics Screening Check	
Year 1	Year 2 resit
85%	50%

Key Stage 1 SATs Expected Standard +					
Reading	Writing	Maths	Reading PP	Writing PP	Maths PP
85%	75%	87%	100%	100%	100%

MULBERRY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage 2 SATS Expected Standard +							
Reading	Writing	Maths	GPaS	Reading PP	Writing PP	Maths PP	GPaS PP
81%	85%	79%	76%	33%	83%	33%	33%

Overall Attendance: 96.5%

January 2019 Ofsted Grade: Good in all areas

The number of reception pupils admitted in September 2018 was 50 which is below our admission limit of 60 and below previous years' admissions. The autumn 2018 census shows 375 pupils on role which is below the school's net capacity of 420. The reduction to the reception intake can be directly linked to a significant dip in the number of live births in the locality. In order to ensure the school attracts as many pupils as possible the school has undertaken the following:

- Further developed the new format of the annual Open Day to make it specific to prospective parents and to showcase the pupils' excellent manners and maturity using Year 6 pupils to show visitors around. Feedback from visitors showed that these changes were favourably received.
- Continued to run Marlborough Minis toddler group, in the school hall, staffed by the headteacher, class teachers and support staff on a rota. Activities have included pupils performing and staff leading songs and games. Feedback has been very positive although numbers of children attending are low.
- Increasing the number of opportunities for parents to look round the school with dedicated time from the headteacher. Parents have stated they particularly value time with the headteacher.
- Strengthening links with local organisations such as the local Church and community groups to build on the school's good reputation.

Staff costs: Total staff costs represent 85% of income (excluding capital grants), including employment of teaching assistants, intervention support, catering, premises and administrative staff. Staffing levels have been reviewed and reduced in order to set a balanced budget. The role of Designated Safeguarding Lead has been taken on by the headteacher in order to reduce costs.

Educational supplies: Spend amounted to 6% of income (excluding capital grants). PTA funds have been used to invest in essential IT infrastructure.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of the academy's income comes from the Department for Education via the Education & Skills Funding Agency (ESFA). Grant funding is paid to the academy on a monthly basis, in accordance with the General Annual Grant (GAG) set out by the ESFA for the academy. The GAG is based on amounts paid per pupil and adjusted for the particular needs and composition of the academy. The grant funding and associated expenditure during the year ended 31 August 2019 are set out in the statement of financial activities. During the year ended 31 August 2019 total resources expended was £1,681,000, and the income over expenditure surplus was £33,000, which included depreciation of £63,000.

All of the expenditure recorded in the statement of financial activities was in the furtherance of the academy's objectives as set out above. Prudence has been observed throughout the period to ensure reserves of funds are maintained in line with academy's reserves policy.

Tangible fixed assets comprising land and buildings, furniture, fixtures and fittings and classroom equipment were granted to the academy upon conversion by the Local Authority. The net book value of these fixed assets as at 31 August 2019 has not yet been received from the DfE. The assets were used exclusively for the provision of education and associated support services to the pupils of the academy. The balance carried forward on the restricted fixed asset fund is £3,667,000.



MULBERRY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

As at 31 August 2019, the academy had reserves of £225,000, made up of restricted general funds £25,000 and unrestricted funds £200,000.

Reserves policy

The academy trust's board reviews the reserve levels of the academy trust annually. Reserves are intended to provide sufficient working capital to ensure that all short term financial commitments can be met in the case of delayed funding, and to provide a contingency for emergency expenditure. The academy's level of free reserves (total funds less the amount held in restricted fixed asset funds but excluding pension reserve) as at 31 August 2019 was £225,000

Investment policy

Under the memorandum and articles of association, the academy trust's board has the power to deposit or invest any funds of the academy trust not immediately required for furtherance of its objects (but to invest only after obtaining such advice from a financial expert). During the last 12 months, no investments were made. The academy trust's board chose to monitor expenditure against income to assess the levels of available funds for investment before seeking advice on appropriate investment opportunities.

Principal risks and uncertainties

The trust's board is responsible for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding public funds and other funds and assets for which it is responsible.

The academy trust's board has approved a risk register outlining all foreseeable strategic, operational, financial and compliance risks, together with appropriate control measures. The risk register is subject to termly review by the trust's board.

Presently, the key areas of risk identified in the risk register are:

- Failure to attract sufficient learners to make the school financially viable.
- Failure to monitor and react accordingly to the risks associated with competitor establishments.
- Failure to ensure that the trustees who are recruited possess the skills and experience required to run the school.
- Failure to ensure that the school maintains overall financial control in relation to its budget.
- Failure of the school to monitor the performance of the employees' pension scheme.

Fundraising

Marlborough Primary School is lucky to have an active Parent Teacher Association, registered with the Charities Commission, who organise a range of community and family events to raise money for the school as well as developing close links with families and encouraging community involvement. The PTA is run by volunteers, all parents and staff are automatically members of the association. The PTA has a number of key positions: chairperson, vice chair, treasurer, social secretary and minute secretary. Post holders are elected at the annual AGM and stand for one year with an option for re-election. Accounts are presented at the AGM. Funds raised are used to support the school's aims and objectives.

Plans for future periods

The Mulberry Academy Trust operated during the period as a trust with only one school. During the period, the trust continued with its plan to find an established and suitable multi-school academy trust to take on the Marlborough Primary School in order to further the develop the school and to gain the operational and educational benefits of being part of a such a multi-school trust.

The trust has successfully fulfilled its aim by negotiating to join what was the board's preferred, established, multi-academy trust; The Fallibroome Trust; a trust containing several secondary and primary schools in the local area.

The transfer of Marlborough Primary School to The Fallibroome Trust was completed on 1 September 2019. As a consequence, the Mulberry Academy Trust is now a shell with no assets or liabilities.

MULBERRY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

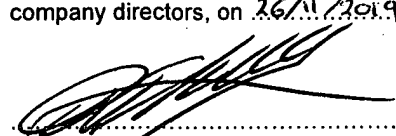
FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

Insofar 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.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 26/11/2019 and signed on the board's behalf by:



Mr D Sussex
Chair of trustees

MULBERRY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Mulberry 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 head teacher, 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and statement of trustees' responsibilities. In November 2016 the trustees agreed to separate into a trustee board and local governing body. The board of trustees has formally met 4 times during the period, supported by meetings held by the local governing body who met 6 times during the period and the audit committee who met 3 times during the period. The trustees believe sufficient oversight of the academy trust's activities has been maintained and stays abreast of any financial issues throughout the year by receiving and reviewing monthly financial information. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Ashcroft	4	4
J Collins	2	4
T Lankester	4	4
S Pollard	4	4
L Rogerson	3	4
D Sussex	4	4

Attendance at Local Governing Body meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
H Ashcroft	6	6
J Vaja	5	6
D Robson	4	6
D Yeates	6	6
B Woodcock	6	6
S Pollard	6	6
G Lomas	0	2 (resigned)
I Greenwood	6	6
E Coombes	5	6
A Fell	6	6

Governance review

During 2018/19, D Sussex remained as chair of trustees and T Lankester remained as vice chair of trustees. H Ashcroft remained as chair of the local governing body and Ian Greenwood took over as vice chair of the local governing body from Deborah Robson in February 2019.

A skills audit was undertaken by trustees in March 2018 and by the local governing body in December 2017. The following skills gaps were identified:

Trustees

In considering any gaps identified, the board of trustees took into account the plan to transfer the school under the management of the trust into an established MAT. In the opinion of the board of trustees, the board was suitably constituted to steward the school through the period to transfer and to identify and secure an appropriate MAT to take over the management of the school.

LGB

The LGB 2018 Skills Audit indicated that overall the range of the skills of LGB governors was covered by expertise in most areas. Skills and experience in HR, Estate Management, Law or Education related professions were identified without success but these appear to be a problem common to many governing bodies.

MULBERRY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Governors have completed training in data handling; teachers' pay policy, Safer Recruitment, Exclusions and Safeguarding children in addition to new governor training.

Newly elected governors were undertaking Cheshire East comprehensive new governor training. Skills and experience in estate management.

We were able to obtain necessary advice from bought in organisations and are continuing to try to recruit governors with the required skills and experience.

Audit committee

The audit committee is a sub-committee of the main board of trustees. Its purpose is to:

Deliver assurance

The committee reviews the risks to internal financial control and agrees a programme of work to address the risks. This work informs the statement of internal control and, as far as is possible, provides assurance to the external auditors.

The committee drives the process for independent checking of financial controls, systems, transactions and contracts using one of the following options:

- The appointment of an internal audit service (either in-house, bought-in or provided by a sponsor).
- The performance of a supplementary programme of work by the academy trust's external auditors.
- The work of a responsible officer (i.e. an individual who is a non-employed governor with an appropriate level of qualifications and/or experience), and who neither charges nor is paid by the academy trust for their work.
- A peer review, with the work being performed by the chief financial officer, or a suitably qualified or experienced member of the finance team, from another academy trust, as an independent reviewer

During the period, the committee has:

- reviewed the suitability of the auditors;
- monitored audit reports and overseen compliance with recommendations;
- reviewed the trust's management accounting and reporting systems; and
- reviewed the suitability of the trust's risk register.

Trustee	Meetings attended	Out of a possible
Toby Lankester	3	3
John Collins	3	3
Louise Rogerson	3	3

Local governing body

The local governing body has changed the way meetings are conducted, holding two meetings per term. One meeting focusses on Pupils and Curriculum with the second meeting focussing on Resources.

Review of value for money

As accounting officer for Mulberry Academy Trust, the head teacher is responsible and accountable for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands the guide to academy value for money statements published by the Education & Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer's resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

MULBERRY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The following information shows how the accounting officer has ensured the trust's use of resources provides good value for money:

Educational outcomes

Over the period, Mulberry Academy Trust has continued to analyse the impact of teaching on learning outcomes for pupils. The trust has focussed on targeted improvements linked to the school development plan. Training has been delivered to increase teachers' subject knowledge and pedagogy in mathematics, writing and use of metacognition. Middle leaders have been supported to review and improve the quality and relevance of the curriculum; this work will continue into the next academic year.

Following significant investment in Early Years provision in previous years, standards remain above national with 80% of pupils achieving a Good Level of Development. Advice given in the January Ofsted inspection led to a review of the way Reception staff collect and use baseline information to ensure children can get off to a flying start. Feedback from parents and staff shows that an improved transition programme has resulted in better understanding of pupils' strengths and needs.

In 2019, 85% of Year 1 pupils achieved the national standard in phonics. Attainment has remained above the national average for the last 7 years.

KS1 data shows a four year upward trend in mathematics. Whilst reading and writing attainment has been variable over four years moving from below national in 2016 to above national in 2017, broadly in line with national in 2018. 2019 data shows an improving trend in reading, writing and maths at the expected standard.

KS2 data show that attainment at the expected standard is above national in reading and writing, is in line with national in maths but has dipped below national in GPaS. The percentage of pupils achieving the "high standard" broadly in line with national in writing and maths but is below national in reading and GPaS.

Progress from KS1 to KS2 has continued to improve in writing and reading but has dipped slightly in maths.

Pupils who attract Pupil Premium funding show variable attainment and remain at risk of underachieving. A new, class based Pupil Premium Champion has been appointed to increase practical support for pupils and staff. Careful analysis of need continues to be undertaken half termly and targeted support such as 1:1 and small group interventions are provided. All Pupil Premium children have access to a mentor who provides bespoke support. Details of provision and expenditure can be found on the academy's website.

Sports grant funding is targeted at improving sporting outcomes and participation in sports activities. The trust enjoys an excellent reputation for sport, participating in a wide range of competitive and non-competitive events with considerable success. In 2019, the trust achieved the national Gold and Platinum School Sports Awards in recognition of this work.

The staffing structure is reviewed regularly. Reductions to staffing costs that do not negatively impact on the trust's ability to provide quality teaching and learning have been secured where possible. Monitoring of work, observations of teaching and staff appraisal are used to ensure effective teaching practices.

Use of premises

The trustees and senior members of staff consider the use and allocation of teaching areas, support areas and communal areas in order to provide the best environment for teaching and learning. The school continues to encourage community use of the grounds and buildings outside of school hours which generates a small income. School has set up a toddler group in the main school hall which generates a small income.

Financial oversight

During the reporting period there has been one trustee and one local governor with financial experience and qualifications, who have provided support to the head teacher and school business manager in ensuring that new systems meet the demands of running an academy. Payroll providers have been appointed along with accountants who provide regular health checks as well as advice. Three internal audits are carried out by the trust's independent accountants annually. An external auditor has been appointed to oversee the trust's accounting operations and to report independently to the trustees.

MULBERRY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Bank balances are carefully monitored and trustees have discussed the use of higher interest deposit accounts for investments. The academy trust purchases the ESFA insurance package; Risk Protection Agreement, a staff absence insurance and school journey insurance for trips.

Contracts are reviewed and three quotations sought when due for renewal to ensure best value. The academy ensures that quotations are sought from a range of providers.

The academy's expenditure is benchmarked against other schools using the Government Schools Financial Benchmarking site.

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's 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 Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees. The academy is a secure site and all visitors must enter through the secure front entrance where they are badged and required to sign in.

The risk and control framework

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 as stated in the Manual of Internal Financial Procedures.

In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the LGB Resources and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines as stated in the Manual of Internal Financial Procedures;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has appointed Haines Watts to carry out internal audit reviews.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The internal reviewer has delivered their schedule of work as planned. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Reviewing of website compliance
- Checking of skills audits
- Checking of minutes of meetings
- Reviewing of Finance Manual

The auditor has delivered all internal assurance reviews and provided termly reports for the trustees through the Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

MULBERRY ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Actions from the autumn and spring term have been completed to the auditor's satisfaction. There were no recommendations on the summer term review.

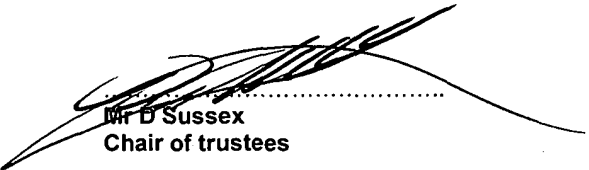
Review of effectiveness

As accounting officer, the head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor; and
- the work of the senior leadership team within the academy who has responsibility for the development and maintenance of the internal control framework.

The accounting officer will be advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system will be put in place.

Approved by order of the members of the board of trustees on 26/11/2019 and signed on its behalf by:



Mr D Sussex
Chair of trustees



Mrs S Pollard
Accounting officer

MULBERRY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Mulberry Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Financial issues:

- Purchase of alcohol – Prohibited per section 1.22 of the Academies Accounts Direction 2018/19. This is noted as irregular expenditure per the Academies Accounts Direction and is likely to be flagged by the ESFA should they choose to investigate the academy trust.



Mrs S Pollard
Accounting officer

Date 26/11/19

MULBERRY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Mulberry 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 2018 to 2019 published by the Education & 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:

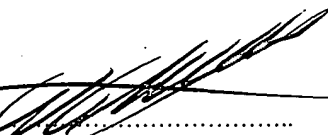
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 26/11/2019 and signed on its behalf by:



Mr. B Sussex
Chair of trustees

MULBERRY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULBERRY ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Mulberry Academy Trust for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

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.

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. 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.

MULBERRY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

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 have 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.

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.

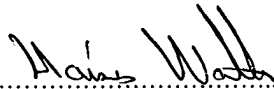
MULBERRY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

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.



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 

MULBERRY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 8 December 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mulberry Academy Trust during the period 1 September 2018 to 31 August 2019 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 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 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 Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Mulberry Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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.

MULBERRY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to our conclusion includes:

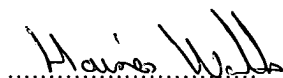
- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion


In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1:

Purchase of alcohol – Prohibited per section 1.22 of the Academies Accounts Direction 2018/19. This is noted as irregular expenditure per the Academies Accounts Direction and is likely to be flagged by the ESFA should they choose to investigate the academy trust.



Haines Watts
Reporting Accountant

Date: 

MULBERRY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	4	15	3	46	64	141
Charitable activities:						
- Funding for educational operations	5	-	1,530	-	1,530	1,500
Other trading activities	6	110	10	-	120	108
Total		<u>125</u>	<u>1,543</u>	<u>46</u>	<u>1,714</u>	<u>1,749</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	51	1,567	63	1,681	1,653
Total	7	<u>51</u>	<u>1,567</u>	<u>63</u>	<u>1,681</u>	<u>1,653</u>
Net income/(expenditure)		74	(24)	(17)	33	96
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(212)	-	(212)	124
Net movement in funds		74	(236)	(17)	(179)	220
Reconciliation of funds						
Total funds brought forward		126	(525)	3,684	3,285	3,065
Total funds carried forward		<u>200</u>	<u>(761)</u>	<u>3,667</u>	<u>3,106</u>	<u>3,285</u>

MULBERRY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018		Unrestricted Funds	Restricted funds:		Total 2018
	Notes	£000	General £000	Fixed asset £000	£000
Income and endowments from:					
Donations and capital grants	3	13	-	128	141
Charitable activities:					
- Funding for educational operations	4	-	1,500	-	1,500
Other trading activities	5	100	8	-	108
Total		<u>113</u>	<u>1,508</u>	<u>128</u>	<u>1,749</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	82	1,519	52	1,653
Total	6	<u>82</u>	<u>1,519</u>	<u>52</u>	<u>1,653</u>
Net income/(expenditure)		31	(11)	76	96
Transfers between funds	15	-	(60)	60	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	124	-	124
Net movement in funds		31	53	136	220
Reconciliation of funds					
Total funds brought forward		95	(578)	3,548	3,065
Total funds carried forward		<u>126</u>	<u>(525)</u>	<u>3,684</u>	<u>3,285</u>

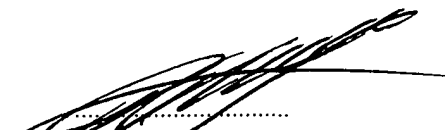
MULBERRY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£000	£000
Fixed assets			
Tangible assets	11	3,639	3,684
Current assets			
Debtors	12	29	44
Cash at bank and in hand		334	362
		363	406
Current liabilities			
Creditors: amounts falling due within one year	13	(110)	(254)
Net current assets		253	152
Net assets excluding pension liability		3,892	3,836
Defined benefit pension scheme liability	19	(786)	(551)
Total net assets		3,106	3,285
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		3,667	3,684
- Restricted income funds		25	26
- Pension reserve		(786)	(551)
Total restricted funds		2,906	3,159
Unrestricted income funds	15	200	126
Total funds		3,106	3,285

The accounts were approved by the trustees and authorised for issue on 26/11/2019 and are signed on their behalf by:


 Mr D Sussex
 Chair of trustees

Company Number 9648420

MULBERRY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	18		(56)		173
Cash flows from investing activities					
Capital grants from DfE Group		36		128	
Capital funding received from sponsors and others		10		-	
Purchase of tangible fixed assets		(18)		(188)	
Net cash provided by/(used in) investing activities			28		(60)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(28)		113
Cash and cash equivalents at beginning of the year			362		249
Cash and cash equivalents at end of the year			334		362

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mulberry Academy Trust meets the definition of a public benefit entity under FRS 102.

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. On 1 September 2019 the trust's assets, liabilities and trading activities transferred to The Fallibroome Trust.

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.

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.

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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.

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.

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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 basis over its expected useful life, as follows:

Land & Buildings	Buildings - 50 years straight line, Land - nil
Leasehold improvements	20-25 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

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

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

1.6 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 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.

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.

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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 Department for Education Group.

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	36	36	128
Other donations	15	13	28	13
	<u>15</u>	<u>49</u>	<u>64</u>	<u>141</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA grants				
General annual grant (GAG)	-	1,309	1,309	1,332
Other DfE group grants	-	129	129	111
	<u>-</u>	<u>1,438</u>	<u>1,438</u>	<u>1,443</u>
Other government grants				
Local authority grants	-	92	92	57
	<u>-</u>	<u>92</u>	<u>92</u>	<u>57</u>
Total funding	<u>-</u>	<u>1,530</u>	<u>1,530</u>	<u>1,500</u>

The academy trust received £92,000 from the local authority in the year being £81,000 SEN funding and £11,000 pupil premium. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Lettings	12	-	12	12
Catering income	47	-	47	40
Trip income	43	-	43	42
Other income	8	10	18	14
	<u>110</u>	<u>10</u>	<u>120</u>	<u>108</u>

6 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Academy's educational operations					
- Direct costs	996	56	109	1,161	1,111
- Allocated support costs	333	93	94	520	542
	<u>1,329</u>	<u>149</u>	<u>203</u>	<u>1,681</u>	<u>1,653</u>

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Fees payable to auditor for:		
- Audit	7	7
- Other services	6	6
Operating lease rentals	1	1
Depreciation of tangible fixed assets	63	52
Net interest on defined benefit pension liability	15	16

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Direct costs				
Educational operations	9	1,152	1,161	1,111
Support costs				
Educational operations	42	478	520	542
	<u>51</u>	<u>1,630</u>	<u>1,681</u>	<u>1,653</u>

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities

Analysis of costs	2019 £000	2018 £000
Direct costs		
Teaching and educational support staff costs	996	953
Staff development	1	5
Depreciation	56	47
Technology costs	16	25
Educational supplies and services	92	81
	<u>1,161</u>	<u>1,111</u>

Support costs	2019 £000	2018 £000
Support staff costs	333	343
Depreciation	7	5
Maintenance of premises and equipment	14	20
Cleaning	6	4
Energy costs	24	22
Rent, rates and other occupancy costs	17	17
Insurance	25	24
Catering	42	38
Interest on defined benefits pension scheme	15	16
Other support costs	8	15
Governance costs	29	38
	<u>520</u>	<u>542</u>

8 Staff

Staff costs

Staff costs during the year were:

	2019 £000	2018 £000
Wages and salaries	1,019	985
Social security costs	79	76
Pension costs	213	218
	<u>1,311</u>	<u>1,279</u>
Staff costs	1,311	1,279
Agency staff costs	18	17
Staff development and other staff costs	1	5
	<u>1,330</u>	<u>1,301</u>
Total staff expenditure	1,330	1,301

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff

Staff numbers

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

	2019 Number	2018 Number
Teachers	18	17
Administration and support	46	48
Management	6	6
	<u>70</u>	<u>71</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

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 £291,803 (2018: £335,792).

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

S Pollard (Headteacher) £65,001 - £70,000 (2018: £65,001 - £70,000)

The value of trustees pension contribution was as follows:

S Pollard (Headteacher) £10,001 - £15,000 (2018: £10,001 - £15,000)

10 Trustees and officers insurance

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

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Tangible fixed assets

	Land & Buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2018	3,500	238	29	31	3,798
Additions	-	-	14	4	18
At 31 August 2019	3,500	238	43	35	3,816
Depreciation					
At 1 September 2018	73	6	22	13	114
Charge for the year	30	12	12	9	63
At 31 August 2019	103	18	34	22	177
Net book value					
At 31 August 2019	3,397	220	9	13	3,639
At 31 August 2018	3,427	232	7	18	3,684

Buildings to the value of £1,500,000 are included in fixed assets at depreciated replacement cost as estimated by the trustees. The total land value included is £2,000,000.

12 Debtors

	2019 £000	2018 £000
Trade debtors	4	4
VAT recoverable	5	13
Other debtors	6	-
Prepayments and accrued income	14	27
	<u>29</u>	<u>44</u>

13 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	9	36
Other taxation and social security	41	40
Other creditors	1	1
Accruals and deferred income	59	177
	<u>110</u>	<u>254</u>

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14	Deferred income	2019	2018
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	47	49
		<u> </u>	<u> </u>
	Deferred income at 1 September 2018	49	51
	Released from previous years	(49)	(51)
	Resources deferred in the year	47	49
		<u> </u>	<u> </u>
	Deferred income at 31 August 2019	47	49
		<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding UIFSM and school trip income received in advance of the 2018/19 academic year.

15	Funds	Balance at			Gains,	Balance at
		1 September			losses and	31 August
		2018	Income	Expenditure	transfers	2019
		£000	£000	£000	£000	£000
	Restricted general funds					
	General Annual Grant (GAG)	21	1,309	(1,305)	-	25
	Other DfE / ESFA grants	5	129	(134)	-	-
	Other government grants	-	92	(92)	-	-
	Other restricted funds	-	13	(13)	-	-
	Pension reserve	(551)	-	(23)	(212)	(786)
		<u>(525)</u>	<u>1,543</u>	<u>(1,567)</u>	<u>(212)</u>	<u>(761)</u>
	Restricted fixed asset funds					
	Inherited on conversion	3,428	-	(35)	-	3,393
	DfE group capital grants	231	36	(23)	-	244
	Capital expenditure from GAG	25	-	(2)	-	23
	Private sector capital sponsorship	-	10	(3)	-	7
		<u>3,684</u>	<u>46</u>	<u>(63)</u>	<u>-</u>	<u>3,667</u>
	Total restricted funds	3,159	1,589	(1,630)	(212)	2,906
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds					
	General funds	126	125	(51)	-	200
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	3,285	1,714	(1,681)	(212)	3,106
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

Included in the balance of the restricted fixed asset fund at 31 August 2019 is unspent DFC funding of £18,000 which is carried forward to next year.

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 2019.

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	1,332	(1,309)	(2)	21
Other DfE / ESFA grants	58	111	(106)	(58)	5
Other government grants	-	57	(57)	-	-
Other restricted funds	-	8	(8)	-	-
Pension reserve	(636)	-	(39)	124	(551)
	<u>(578)</u>	<u>1,508</u>	<u>(1,519)</u>	<u>64</u>	<u>(525)</u>
Restricted fixed asset funds					
Transfer on conversion	3,464	-	(36)	-	3,428
DfE group capital grants	59	128	(14)	58	231
Capital expenditure from GAG	25	-	(2)	2	25
	<u>3,548</u>	<u>128</u>	<u>(52)</u>	<u>60</u>	<u>3,684</u>
Total restricted funds	<u>2,970</u>	<u>1,636</u>	<u>(1,571)</u>	<u>124</u>	<u>3,159</u>
Unrestricted funds					
General funds	<u>95</u>	<u>113</u>	<u>(82)</u>	<u>-</u>	<u>126</u>
Total funds	<u>3,065</u>	<u>1,749</u>	<u>(1,653)</u>	<u>124</u>	<u>3,285</u>

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	3,639	3,639
Current assets	217	146	-	363
Creditors falling due within one year	(17)	(121)	28	(110)
Defined benefit pension liability	-	(786)	-	(786)
Total net assets	200	(761)	3,667	3,106

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	3,684	3,684
Current assets	126	280	-	406
Creditors falling due within one year	-	(254)	-	(254)
Defined benefit pension liability	-	(551)	-	(551)
Total net assets	126	(525)	3,684	3,285

17 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	1	1
Amounts due in two and five years	3	4
	4	5

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Reconciliation of net income to net cash flow from operating activities	2019	2018
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	33	96
Adjusted for:		
Capital grants from DfE and other capital income	(46)	(128)
Defined benefit pension costs less contributions payable	8	23
Defined benefit pension scheme finance cost	15	16
Depreciation of tangible fixed assets	63	52
Decrease in debtors	15	25
(Decrease)/increase in creditors	(144)	89
Net cash (used in)/provided by operating activities	(56)	173

19 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 Cheshire West and Chester Council. 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 £23,521 (2018: £22,825) were payable to the schemes at 31 August 2019 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £107,908 (2018: £106,487).

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 31.3% for employers and 5.5% 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	2019 £000	2018 £000
Employer's contributions	97	89
Employees' contributions	18	17
Total contributions	115	106
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

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

	2019 Years	2018 Years
Retiring today		
- Males	21.2	22.3
- Females	23.5	24.5
Retiring in 20 years		
- Males	22.2	23.9
- Females	25.0	26.5

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2019	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	145
0.5% increase in the Salary Increase Rate	3%	31
0.5% increase in the Pension Increase Rate	11%	111

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

	2019 Fair value £000	2018 Fair value £000
Equities	345	280
Bonds	219	147
Property	56	43
Other assets	7	4
Total market value of assets	627	474

The actual return on scheme assets was £41,000 (2018: £19,000).

Amount recognised in the Statement of Financial Activities

	2019 £000	2018 £000
Current service cost	101	112
Past service cost	4	-
Interest income	(15)	(10)
Interest cost	30	26
Total operating charge	120	128

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

Changes in the present value of defined benefit obligations	2019 £000	2018 £000
At 1 September 2018	1,025	988
Current service cost	101	112
Interest cost	30	26
Employee contributions	18	17
Actuarial loss/(gain)	238	(115)
Benefits paid	(3)	(3)
Past service cost	4	-
At 31 August 2019	1,413	1,025

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

	2019 £000	2018 £000
At 1 September 2018	474	352
Interest income	15	10
Actuarial gain	26	9
Employer contributions	97	89
Employee contributions	18	17
Benefits paid	(3)	(3)
At 31 August 2019	627	474

20 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Income Related Party Transaction:

During the year Tytherington Scouts Group, which J Collins is chair, rented school premises from the academy trust for a total of £1,355. The total trade debtor balance at year end due from Tytherington Scouts Group was £435.

Mrs D Sussex, wife of Mr D Sussex, a trustee, is employed by the academy trust as a kitchen assistant. Mrs D Sussex's appointment was made in open competition and Mr D Sussex was not involved in the decision making process regarding appointment. Mrs D Sussex is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

MULBERRY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Post balance sheet events

On 1 September 2019, the operation of the trust's school and all the assets and liabilities were transferred to The Fallibroome Trust for £nil consideration. From that date, the trust ceased operations and it is the intention of the trustees to dissolve the trust.

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.