REGISTRAR OF COMPANIES

Mulberry Schools Trust

Annual Report and Financial Statements

Year to 31 August 2019

Company Limited by Guarantee
Registration Number
10035860 (England and Wales)

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Mulberry Schools Trust

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Reference and administrative information

Members	S. Barrow A. Crawley J. Farrell Dr. S. Kumar M. Rahman
Trustees	S. Barrow L. Bromley I. Chivers D. Cote (resigned 1 September 2018) A. Crawley J. Earl (appointed 1 September 2018) J. Farrell D. Gracie (appointed 1 September 2018) D. Jones Dr. V. Ogden N. Okezie S. Sarwar M. Traynor
Company Secretary	S. Jameson
Senior Leadership Team	
Chief Executive Officer	Dr. V.Ogden
Chief Operating Officer	S. Patni
Chief Finance Officer	P. Doel
Executive Principal	R. Holden
Director of Governance and Development	S. Jameson
Associate Headteacher	J. Tuffee
Associate Headteacher	R. Smith
Principal – UTC	K. Vincent
Registered address	Mulberry Schools Trust Richard Street Commercial Road London E1 2JP
Company registration number	10035860 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Bates Wells Braithwate 10 Queen Street Place London EC4R 1BE

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 34 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

From 1 May 2017 the trust has operated Mulberry School for Girls for pupils aged 11 to 18 serving a catchment area in East London. It has a current pupil capacity of 1,460 (1,110 pre-16 and 350 post 16) and had a roll of 1,441 (1,100 pre-16 and 341 post 16) in the October 2019 school census. This is slightly below the pupil admission number (PAN) for the school and is manageable. The trust also opened a University Technical College in September 2017 and a further school, Mulberry Academy Shoreditch, joined the Trust on 1 September 2018, this also provides 11 to 18 provision for Boys and Girls. Mulberry UTC had a roll of 327 in the October 2019 census and is building towards the PAN for the school which is 800 pupils. Mulberry Academy Shoreditch has a pupil capacity of 1,100 (900 pre-16 years and 200 post-16) and had a roll of 1,009 (824 pre-16, 185 post-16 years old) at the October 2019 school census date. This is below the PAN for the school and is manageable by the Trust in the medium term.

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 Schools Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Mulberry Schools 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.

Structure, governance and management (continued)

Trustees' indemnities

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 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.

Method of recruitment and appointment or election of Trustees

When necessary, the Trust Board will convene the Appointments Committee, which considers appointments of new Trustees to the Board and to Local Governing Bodies when vacancies arise. Members of the Appointments Committee will have been trained in recruitment practice in order to undertake this role. The Appointments Committee brings all recommendations for appointment of Trustees to the Board for approval and ratification as well as all recommendations for appointment of governors to the Local Governing Bodies.

Policies and procedures adopted for the induction and training of Trustees

Trustees bring a variety of experience from a number of different backgrounds in both education and industry and commerce. Induction sessions are available to all new Trustees and Governors. A comprehensive training programme covering areas such as induction, finance, safeguarding and risk management is available to Trustees and Governors. In addition online e-learning tools are also available to trustees and governors. Trustees are routinely involved with meetings which report on finance matters including financial performance and budgets and other information necessary to enable them to carry out their roles. Assistance and advice is always available from trust staff or professional advisors.

Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education (DfE) and the scheme of delegation for each Academy within the trust. The Terms of Reference also provide the framework for how decisions are made and agreed by the committees in operation and the Board. The Chief Executive Officer (CEO) is designated the Accounting Officer for the Trust.

Arrangements for setting pay and remuneration of key management personnel

Remuneration of existing teacher employees is reviewed annually through the Pay Committee and decisions are made by relevant trustees who have been delegated the responsibility. The purpose of the Pay Committee is to oversee the staff appraisal process and the process for determining performance-related pay progression for staff at all the schools of the Trust. The committee will be responsible each year for making recommendations to the Board of Trustees on performance related pay progression for all staff. In making its recommendations the Committee will comply with the Trust's Performance Management, Pay and Appraisal Policies. Any recommendations approved by the Trust Board will be back dated to 1 September of the year in question which is the following academic year after the year during which performance was measured.

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel *(continued)*

In addition for key management personnel the following is also in place:

- Annual appraisal of executives' and school leaders' performance undertaken by two governors (one of whom must be a Trustee) and the CEO
- Mid-year appraisal meetings of the same
- Recorded objectives and notes of meetings, analysed annually for consistency
- An appeal process if executives and school leaders believe they have not been fairly treated
- An annual pay committee of the Trust board at which all pay decisions are ratified and minutes of this confidential meeting formally recorded
- The appointment of a pay reviewing officer (the Vice Chair of the Trust) if appeals are to be made
- The involvement of an external education consultant with extensive experience of pay in the sector to advise the Chair of the Trust Board and the Chair of the Pay Committee.

Trade union facility time

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

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
3	2.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	–
1% - 50%	3
51% - 99%	–
100%	–

Percentage of pay bill spent on facility time

Total cost of facility time	£15,606
Total pay bill	£16,799,308
Percentage of the total pay bill spent on facility time, calculated as:	0.09%
(total cost of facility time ÷ total pay bill) x 100	

Trade union facility time

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	100%

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

Related parties and other connected charities and organisations

Mulberry Schools Trust has trustee/governor representation within the Richard Street Education Trust which is a charity and company limited by guarantee. The Trustees form three out of six Trustees within the Richard Street Education Trust, which provides community facilities within the Mulberry and Bigland Green Centre which borders the Mulberry School for Girls school site and the site of a neighbouring primary school. There are also three governors within the trust from the neighbouring primary school. Mulberry School for Girls makes a financial contribution to the Richard Street Education Trust as a contribution towards the running costs of the organisation.

The Trust has oversight and operates the bank account of the Mulberry School (Tower Hamlets) Trust (Charity registration number 1075745). This was set up under the previous predecessor school for the advancement of education and in particular the advancement of education of pupils attending Mulberry School for Girls. The Charity is a connected party.

Objectives and activities

Objects and aims

The Academy Trust's objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

Also to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives and activities

Objectives, strategies and activities

Our aim is to develop the very highest aspirations in the young people who attend any school belonging to The Mulberry Schools Trust because we believe this enables them to lead successful, happy and fulfilled lives, making a contribution to their own community and to wider British society. Mulberry pupils are proud of their identity, which includes strong British values as well as a rich and diverse cultural and religious heritage from England, Bangladesh, Somalia, Pakistan, Morocco, Egypt, Europe and Russia.

Every pupil will be given an education that has three key aims:

1. To engender high levels of academic and technical ambition with knowledge of how to learn and how to communicate one's learning with strong understanding through high quality, confident writing and speaking. Pupils will learn the intellectual skills and technical language for the subjects they study so that they can perform at the highest level. Pupils will be taught how to be independent learners and how to work together to support each other in successful learning.

2. To provide rich personal development (character education) that includes a strong moral, spiritual and social foundation, to foster a highly developed imagination and creativity. Pupils will be taught to think critically and analytically, to be enquiring, thoughtful and questioning and to be open-minded with a strong understanding of the world around them. Pupils will be supported to develop confidence, resilience and security in their abilities and identity and to extend their talents. Pupils will be helped to develop their 'voice' and will be provided with a variety of platforms from which they can develop their skills in public speaking and ensure they are confident in making their voices heard in constructive, powerful ways.

3. To enable the development of pupils' high aspirations and self-determination through opportunities for leadership, engagement with higher education and the professional workplace and experience of different cultures. Pupils will become global ambassadors - for the school, their community and for British society - able to encounter challenge, to negotiate solutions and to make peace and prosperity a realistic prospect for all those with whom they live and work. Pupils will actively work for positive social change.

All schools belonging to the Trust will benefit from what has been achieved in Mulberry School for Girls through understanding the wider world for which we are preparing our pupils, upholding social cohesion and a good social mix as well as the impact of systemic disadvantage on educational achievement and social mobility, working hard to open doors for older students.

Public benefit

In setting the objectives and planning activities the trustees have given careful consideration to ensuring compliance with the Charity Commissions general guidance on public benefit.

Strategic report

Achievements and performance

The Trust measures success partly through a range of performance indicators. These comprise:

- Secondary Key Stage 4 Performance
- Sixth Form Key Stage 5 Performance
- Self-Evaluation against Ofsted Criteria
- Attendance
- Admissions
- Resources (Finance and Staffing)

The Trust also measures itself against the successful establishment of new school provision such as, in 2017, the opening of a new school in Bow and from September 2018 the transfer into the Trust of an existing Secondary School and Sixth Form (Mulberry Academy Shoreditch), the Trust also provides school to school support when required to other local schools.

The key highlights for the 2018/19 Academic Year outcomes for Mulberry School for Girls were:

Key Stage 4 - 2019 (Provisional) performance indicators

- Progress 8: **+0.48**
- Attainment 8: **47**
- 9-5 English and Maths: **42%**
- EBacc average points score **4.73** (England average 4.06)

Within this cohort, 59% of students attracted pupil premium and 90% had EAL (English as an additional language). Students studied a broad and balanced but traditional curriculum, with the vast majority of students studying 10 GCSEs and 94% of students studying the EBacc. This compared to a national average of only 28% students entering the EBacc in 2018. 27% of all grades awarded were 9-7.

Key Stage 5 – 2019 (Provisional) performance indicators

The un-validated results for Key Stage 5 (all qualifications) show;

- 97% pass rate
- 38% A*-B grade or equivalent
- 71% A*-C grades or equivalent
- 87% of applicants gained places at University (24% Russell Group universities)

Our student attendance for 2018/2019 was 95.9%. We firmly believe that high attendance and academic success are linked. We have well-established relationships with our parents/carers and others in the community that ensures our students are in the classroom, focused on their learning.

Strategic report (continued)

Achievements and performance *(continued)*

The key highlights for the 2018/19 Academic Year outcomes for Mulberry UTC in its first year were:

Key Stage 4 - 2019 (Provisional) performance indicators

- 9-4 English and Maths: 65.4%
- 9-5 English and Maths: 23%
- Progress 8 score: -0.55
- Attainment 8 score: 41.50

This was the UTC's first cohort of Year 11 students. A large majority of this year group were extremely vulnerable individuals, with low starting points and low confidence in their academic abilities. Many students had low attendance in their previous schools and most had received internal exclusions, fixed term exclusions and/or were at risk of permanent exclusion. All students made significant progress during their time at Mulberry UTC and many achieved significantly beyond the level expected of them when they joined the school. It was particularly pleasing that there was no significant gap between the achievement of disadvantaged and non-disadvantaged students.

Key Stage 5 – 2019 (Provisional) performance indicators

The un-validated results for Key Stage 5 (all qualifications) show:

- Overall APS per student 73.87
- Applied General VA -0.08 and Average Grade: M+
- Digital Media Completion and Attainment: 0.88 and average grade D+
- A Level VA -0.54
- 100% of students who applied gained a place at university, 11% at Russell Group institutions

This was the UTC's first cohort of Year 13 students to complete their studies at the school. The vast majority of students passed their qualifications and went on to higher education, with 7% of students choosing instead to go into higher apprenticeships, training or work. We are proud that so many students achieved well in both their academic and in their technical/vocational qualifications. It is also pleasing that 97.5% of disadvantaged students pass their qualifications and secured their destinations.

The key highlights for the 2018/19 Academic Year outcomes for Mulberry Academy Shoreditch in its first year in the Trust were:

Key Stage 4 - 2019 (Provisional) performance indicators

- Progress 8: **+0.06**
- Attainment 8: **46**
- 9-5 English and Maths: **44.6%**
- EBacc average points score **4.27** (England average 4.06)

Strategic report (continued)

Achievements and performance *(continued)*

Key Stage 4 - 2019 (Provisional) performance indicators (continued)

Within this cohort, 80% of students attracted pupil premium and 76% were EAL (English as an additional language).Whilst acknowledging that the achievements of the most able is very important, what gave the Academy the greatest sense of accomplishment is that many students made progress, irrespective of their ability or starting point. We also believe passionately in the arts and creativity at the Academy. We provide our students with a diverse range of creative and cultural experiences of the highest quality, to equip students for learning and life.

Key Stage 5 – 2019 (Provisional) performance indicators

The un-validated results for Key Stage 5 (all qualifications) show;

- 96.5% pass rate
- 19.0% A*-B grade or equivalent
- 63.0% A*-C grades or equivalent
- 81% of applicants gained places at University (13% Russell Group universities)

Student attendance at Mulberry Academy Shoreditch for 2018/2019 was an impressive 96.6% representing a very high performance. We firmly believe that high attendance and academic success are linked. We have well-established relationships with our parents/carers and others in the community that ensures our students are in the classroom, focused on their learning.

Mulberry School for Girls is 'Outstanding' in all categories with exceptional leadership (Ofsted – 2013).

The Mulberry Schools Trust completed in September 2017 a six-year project to establish a new school – Mulberry University Technical College. A new building and site worth over £25m was finished in Parnell Road, transforming the Roman Road Market area of Tower Hamlets with the creation of a state of the art facility for technical learning. The project is a significant achievement, representing the commitment of Mulberry School and its partners – including Bank of America Merrill Lynch, Barts Health NHS Trust, the British Film Institute, Goldsmiths University and the National Theatre – to making a wider and lasting contribution to education within the borough.

Two new free school applications were approved in 2016 – 2017, fulfilling part of the Trust's strategy for establishing new growth. In respect to one of these applications Mulberry Schools Trust is working with the DfE and the London Borough of Tower Hamlets to build a new school – Mulberry Academy London Dock, this is scheduled to open in September 2022.

The Trust also contributed significantly to its commitment to support other schools and delivered a number of national projects – a Women's Leadership Development programme and an academic writing programme called Fetch Me a Pen, both of which brought in funding to the Trust.

Strategic report (continued)

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 total income for the period was £32,654,177 (2018 - £15,014,898), including £9,081,062, in respect of the Mulberry Academy Shoreditch joining the Trust.

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted. The grants received from the ESFA during the period ended 31 August 2019 of £21,520,530 (2018 - £12,749,550) and the associated expenditure of £21,557,815 (2018 - £12,867,235) are shown as restricted funds in the Statement of Financial Activities. A high proportion of this spend is in relation to wages and salaries and support costs to deliver the trust's primary objective of the provision of education. At the end of the financial period, the trust had total funds of £30,222,937 (2018 - £23,998,788).

Reserves policy

The Trustees are aware of the requirement to balance current and future needs and has an approved Reserves Policy which requires minimum Trust balances of £500,000 each year. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,991,204 (2018 - £1,685,697). This is mainly made up of balances transferred from the predecessor schools.

The Trustees review a medium term financial plan for the trust, which looks at the projected overall surplus of the Trust over a 5 year period. Based on the financial projections, decisions are made to mitigate any risks of a future deficit based on projections of income and expenditure.

Due to the accounting rules for the Local Government Pension Scheme under FRS 102, the Trust is recognising a significant pension fund deficit of £5,974,000 (2018 - deficit of £1,599,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of employer contributions over a number of years.

Investment policy

The trust currently holds all its working capital within the Trusts bank accounts and does not actively invest its cash elsewhere. Should the Trust decide to invest its funds in future this will be on the basis of an Investment Policy which adheres to the principals outlined within the Academies Financial Handbook.

Strategic report (continued)

Principal risks and uncertainties

The Trust maintains a risk register identifying the major risks to which the Trust is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to the risks outlined are monitored by the Board of Trustees. The principal risks facing the Trust are those outlined below.

As a Trust the level of financial risk is relatively low, although there continues to be significant uncertainty over school funding but there are rigorous controls in place to ensure the Trust remains within its financial means. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The other principal risks and uncertainties facing the trust are as follows:

- The main source of funding for the Trust is the General Annual Grant provided by the ESFA. There has been some uncertainty around changes to national formula funding for education up to Key Stage 4, this was finalised in July 2017 with the outcome of the Department for Education's consultation. The picture is more manageable than initially thought however the main risk of inflationary pressures on goods and services and pay increases having to be met from within existing resources remains. The Comprehensive Spending Review in 2019 will contain important information to aid medium term financial planning for the Trust.

- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees review this process through the Board meeting and Committees structure which review that adequate controls and appropriate measures are in place to mitigate these risks. The internal auditor also plays a role in this through an agreed internal audit programme each year.

- Reputational – the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. Mulberry School for Girls is an oversubscribed school, however with new schools within the Trust opening, such as the UTC, recruitment of pupils in line with projections in financial plans will be crucial and tightly monitored.

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

- Staffing – the success of the schools within the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring that there is not over reliance on individual staff and that there is succession planning.

- Fraud and mismanagement of funds – The Trust has appointed internal auditors to carry out checks on financial systems and records, the internal auditors carry out checks as required by the Academies Financial Handbook and also carry out deeper reviews in line with an agreed schedule on specific areas.

Fundraising

The Trust did not actively carry out any fundraising activity in the year other than for a designated charity for whom the academy is raising charitable donations, such as non-uniform days and pupil cake bake sales. The Trust does not engage with any commercial participators or professional fundraisers and no complaints were received during the year ended 31 August 2019.

Plans for future periods

The plans of the Trust are for a family of schools in a Mulberry partnership collectively providing an outstanding education for all the young people in our care. As well as expanding its more traditional provision to nursery and primary schooling and co-educational schooling, the Trust is offering an equally rigorous provision for those who seek an alternative to an academic education through its University Technical College (UTC) – an alternative that is the equivalent in technical learning to the A' level 'gold standard'.

Thus, schools within the Trust will initially include Mulberry School for Girls (which is the founding school) and Mulberry UTC, which opened in September 2017. The Mulberry Academy Shoreditch also transferred into the Trust in September 2018. The Trust plans to extend its provision over the next five years as follows:

- Mulberry School for Girls (the founding school)
- Mulberry UTC September 2017
- Mulberry Academy Shoreditch September 2018
- Mulberry Academy London Dock 2022

Whilst the Trust will open new schools, it is also committed to system-wide school improvement and to making a full contribution to the development of a 'world-class' school system in England. Since Mulberry was designated a National Support School in 2011, we have worked tirelessly to carry out 'school to school support' in London, Somerset and Norfolk as well as establishing the City Excellence in Teaching partnership locally in Tower Hamlets. This has resulted in some significant improvements for schools. We have also led partnership work for schools in the arts, women's education and global education. The Trust is committed to continuing this work.

Whilst the Trust will open new schools, it is also committed to system-wide school improvement and to making a full contribution to the development of a 'world-class' school system in England. Since Mulberry was designated a National Support School in 2011, we have worked tirelessly to carry out 'school to school support' in London, Somerset and Norfolk as well as establishing the City Excellence in Teaching partnership locally in Tower Hamlets. This has resulted in some significant improvements for schools. We have also led partnership work for schools in the arts.

Funds Held as Custodian Trustee on Behalf of Others

The Trust has oversight and operates the bank account of the Mulberry School (Tower Hamlets) Trust (Charity registration number 1075745). This was set up under the previous predecessor school for the advancement of education and in particular the advancement of education of pupils attending Mulberry School for Girls by implementing and enhancing the educational provision of the school. There is currently a balance of £121,451 (2018 - £121,336) held within this Charity, this balance is not expected to increase. The Charity is currently a connected party, however, it is the intention to formally bring this charity within the Mulberry Schools Trust over the next academic year.

Auditor

In so far as the governors are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2019 and signed on the board's behalf by:



Jane Farrell
Chair of Trustees

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Mulberry Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
S. Barrow	5	5
L. Bromley	5	5
I. Chivers	4	5
A. Crawley	4	5
J. Farrell (Chair)	5	5
D. Jones	4	5
Dr V. Ogden	5	5
N. Okezie	4	5
S. Sarwar	4	5
M. Traynor	4	5

Governance review

The Mulberry Schools Trust Board completed a board evaluation process from August to October 2017. The board evaluation provided an assessment of the strengths and capabilities of the Mulberry Schools Trust Board, committees and individual trustees.

The evaluation looked at the following:

- The balance of skills within the board;
- Attributes required for new appointments;
- Reviewing practices and procedures to improve efficiency and effectiveness; and
- Reviewing practices and procedures of the board's decision-making processes.

Governance review (continued)

The evaluation was divided into sections on strategy and risk management, performance assurance, external environment and board arrangements and processes. There was also an opportunity for trustees to provide further written feedback on how the business of the board is conducted.

The board evaluation included a review of the effectiveness of the Chair of the Mulberry Schools Trust Board and also a Governance Skills Audit. The audit was a useful way of assessing the needs of the trust board and also helped to identify any knowledge, experience, skills and behaviours that the trust board need to develop to deliver their roles effectively.

As a result of our board evaluation process we are confident that our trust board meet the six features of effective governance from the DfE's Competency Framework for Governance. We also have created a full year's training programme for the board in order to enhance their knowledge and skills. The Trust also had an internal audit review of its Governance processes and procedures during July 2018 and received a low risk audit rating. A formal external board evaluation is due to take place during the 2019/20 academic year.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to ensure oversight of all of the financial affairs of the Trust, including advising the Trust Board on setting the budget. This committee also examines the longer term financial sustainability of the Trust and its schools, monitoring performance against budget, ensuring an appropriate set of policies and procedures are in place to provide assurance that public funds are being used correctly and good value for money is being achieved.

Attendance at these finance committee meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
L. Bromley	3	3
I. Chivers	2	3
D. Cote	3	3
A. Crawley	2	3
J. Farrell	3	3
Dr V. Ogden	3	3
M. Traynor	3	3

The standards committee is also a sub-committee of the main board of trustees. Its purpose is to monitor overall academic standards across the Trust schools and to support the Local Governing Bodies in performing this function effectively for each school.

Attendance at standards committee meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
S. Barrow	3	3
J. Farrell	3	3
D. Jones	2	3
Dr V. Ogden	3	3
N. Okezie	2	3
S. Sarwar	2	3

Review of value for money

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

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

- Better Purchasing – The Trust has joined The Crescent Purchasing Consortium to get access to framework agreements which offer better value for money through the competition of providers and who have expertise in providing service's to Academy Schools. The Financial Regulations has a clear procurement policy with designated thresholds for the requirement of competitive quotes and tenders for the procurement of goods and services.

- Better Income Generation – The Academy has generated external income by maximising the application for specific grants and also through School to School support, although the primary aim of providing school to school support is not income generation it has nevertheless secured additional income for the Trust.

- Challenge and discipline in budget management – Much work has been carried out to illustrate the financial landscape and the challenges surrounding education funding over the medium term to internal budget holders as well as Trustees and Governors. This has led to more awareness throughout the organisation and will embed value for money principles as a result.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mulberry Schools Trust for the period 1 September 2018 to 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor for Mulberry Schools Trust, the internal audit function for the Trust is carried out by Buzzacott LLP.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out during 2018/19 included:

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/ bank reconciliations.

More specific reviews were also carried out during the year on Income and Non-Payroll expenditure. On an annual basis, the internal auditor will report to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

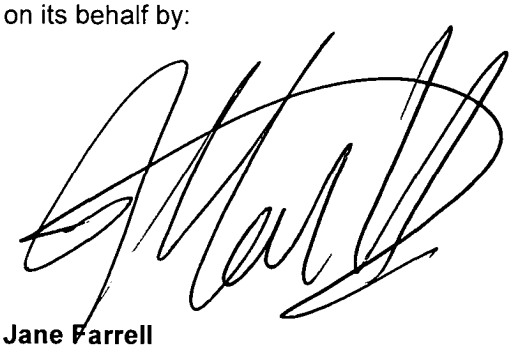
Review of Effectiveness

As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

Review of Effectiveness (continued)
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2019 and signed on its behalf by:





Jane Farrell
Chair of Trustees

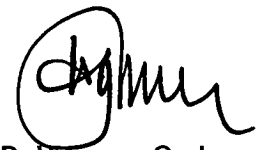
Dr Vanessa Ogden
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2019

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

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



Dr Vanessa Ogden

Accounting Officer

Date: 5/12/19

Statement of Trustees' responsibilities 31 August 2019

The trustees (who act as governors of Mulberry Schools Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3 December 2019 and signed on its behalf by:

Jane Farrell
Chair of Trustees



Independent auditor's report to the members of Mulberry Schools Trust

Opinion

We have audited the financial statements of Mulberry Schools Trust (the 'charitable company') for the period ended 31 August 2019 which the comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. 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), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2018 to 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of the charitable company's income and expenditure for the period 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 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 financial statements are authorised for issue.

Other information (covers the reference and administrative details, the report of the Trustees and strategic report and the governance statement)
The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the trustees report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees'report including the strategic report.

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

- adequate accounting records have not been kept by the charitable company; or

- the charitable company financial statements are not in agreement with the accounting records or returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
12 December 2019

Independent reporting accountant's assurance report on regularity to Mulberry Schools Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and 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 the Mulberry Schools Trust during the period from 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 Schools Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Mulberry Schools Trust and the 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 Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mulberry Schools Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mulberry Schools Trust's funding agreement with the Secretary of State for Education dated 22 April 2017 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 from 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 the 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.

Approach (continued)
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion
In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 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.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

12 December 2019

Statement of financial activities Year to 31 August 2019

	Notes	Unrestricted general fund £	Restricted funds: Restricted general fund £	Restricted funds: Fixed assets fund £	Year to 31 August 2019 Total funds £	Year to 31 August 2018 Total funds £
Income from:						
Donations and capital grants	1	6,798	—	715,347	**722,145**	1,183,145
. Transfer of existing academy into the Trust	1, 23	40,666	(1,707,170)	10,747,566	**9,081,062**	—
Charitable activities						
. Funding for the Trust's educational operations	4	138,201	22,357,203	—	**22,495,404**	13,578,177
. Teaching schools	23	—	135,700	—	**135,700**	213,700
. Other trading activities	2	215,853	—	—	**215,853**	37,368
. Investments	3	4,013	—	—	**4,013**	2,508
Total income		405,531	20,785,733	11,462,913	**32,654,177**	15,014,898
Expenditure on:						
Charitable activities						
. Trust's educational operations	6	90,008	23,472,036	1,004,284	**24,566,328**	15,802,767
. Teaching schools	23	—	135,700	—	**135,700**	213,700
Total expenditure	5	90,008	23,607,736	1,004,284	**24,702,028**	16,016,467
Net income (expenditure)		315,523	(2,822,003)	10,458,629	**7,952,149**	(1,001,569)
Transfers between funds	16	(10,016)	175,003	(164,987)	**—**	—
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	20	—	(1,728,000)	—	**(1,728,000)**	416,000
Net movement in funds		305,507	(4,375,000)	10,293,642	**6,224,149**	(585,569)
Reconciliation of funds						
Fund balances brought forward at 1 September 2018		1,685,697	(1,599,000)	23,912,091	**23,998,788**	24,584,357
Fund balances carried forward at 31 August 2019		1,991,204	(5,974,000)	34,205,733	**30,222,937**	23,998,788

All gains and losses are included in the statement of financial activities.

Balance sheet 31 August 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	13		**34,205,733**		23,912,091
Current assets					
Debtors	14	**1,462,306**		896,979	
Cash at bank and in hand		**4,674,367**		3,929,421	
		6,136,673		4,826,400	
Creditors: amounts falling due within one year	15	**(4,145,469)**		(3,140,703)	
Net current assets			**1,991,204**		1,685,697
Net assets excluding pension scheme liability			**36,196,937**		25,597,788
Pension scheme liability	22		**(5,974,000)**		(1,599,000)
Total net assets			**30,222,937**		23,998,788
Funds of the Trust					
Restricted funds					
. Fixed assets fund	16		**34,205,733**		23,912,091
. Restricted income	16		**—**		—
. Pension reserve	16		**(5,974,000)**		(1,599,000)
			28,231,733		22,313,091
Unrestricted funds					
. General fund	16		**1,991,204**		1,685,697
Total funds			**30,222,937**		23,998,788

The financial statements on page 27 to 51 were approved by the Trustees, and authorised for issue on 3 December 2019 and are signed on their behalf by:

(JANE FARRELL)

Chair of Directors of the Trust

Mulberry Schools Trust
Company Limited by Guarantee
Registration Number: 10035860 (England and Wales)

Statement of cash flows Year to 31 August 2019

		2019 Total funds £	2018 Total funds £
Net cash inflow from operating activities			
Net cash provided by operating activities	A	**583,972**	2,111,705
Cash flows from investing activities	B	**160,974**	468,190
Change in cash and cash equivalents in the year		**744,946**	2,579,895
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2018		**3,929,421**	1,349,526
Cash and cash equivalents at 31 August 2019	C	**4,674,367**	3,929,421

A Reconciliation of income to net cash flow from operating activities

	2019 Total funds £	2018 Total funds £
Net income for the year (as per the statement of financial activities)	**7,952,149**	(1,001,569)
Adjusted for:		
Inherited pension deficit (note 23)	**2,226,000**	—
Inherited tangible fixed assets	**(10,747,566)**	—
Depreciation (note 13)	**1,004,284**	805,069
Capital grants from DfE and other capital income	**(715,347)**	(1,181,231)
Interest receivable (note 3)	**4,013**	2,508
Defined benefit pension scheme cost less contributions payable (note 21)	**313,000**	219,000
Defined benefit pension scheme finance cost (note 21)	**108,000**	47,000
Decrease (increase) in debtors	**(565,326)**	5,877,359
(Decrease) increase in creditors	**1,004,766**	(2,656,431)
Net cash provided by operating activities	**583,972**	2,111,705

B Cash flows from investing activities

	2019 Total funds £	2018 Total funds £
Dividends, interest and rents from investments	**(4,013)**	(2,508)
Purchase of tangible fixed assets	**(550,360)**	(710,533)
Capital grants from DfE/ESFA	**715,347**	1,181,231
Net cash provided by investing activities	**160,974**	468,190

C Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	**4,674,367**	3,929,421

Statement of 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.

Basis of preparation

The financial statements 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.

The financial statements are presented in sterling to the nearest pound. Comparative information is shown for the year ended 31 August 2018.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is 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.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Income (continued)

***Grants** (continued)*
Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

Transfer of existing academies into the trust
Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within donations and capital grant income.

Expenditure
Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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

Freehold buildings	Over 50 years
Plant and machinery	Over 15 - 25 years
Fixtures, fittings and equipment	Over 5 years
Motor vehicles	Over 5 years
Computer hardware	Over 3 years

Depreciation is charged from the month of acquisition.

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.

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.

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 as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Financial instruments (continued)

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

Taxation

The Academy 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 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.

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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.

Fund accounting

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

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

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority.

Critical accounting estimates and areas of judgement

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.

Local Government Pension Scheme

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability.

Buildings held under PFI contract

Mulberry School for Girls joined the Trust on 1 May 2017, and is subject to a contract under the Private Finance Initiative (PFI). Under this contract the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy.

These transactions have been accounted for as a leasing transaction. As the Academy only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy does not hold substantially all of the risks and rewards of ownership of the premises and the property is therefore accounted for as a financial commitment. The premises are not therefore recognised as an asset in the Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	**2019 Total funds £**
Capital grants	—	—	715,347	**715,347**
Other donations	6,798	—	—	**6,798**
	6,798	—	715,347	**722,145**
Conversion of existing Academy (note 23)	40,666	(1,707,170)	10,747,566	**9,081,062**
	47,464	(1,707,170)	11,462,913	**9,803,207**

	Unrestricted funds £	*Restricted funds £*	*Restricted fixed asset funds £*	*2018 Total funds £*
Capital grants	—	—	*1,181,231*	*1,181,231*
Other donations	*1,914*	—	—	*1,914*
	1,914	—	*1,181,231*	*1,183,145*

Donations and capital grants includes £521,750 in respect of building work funded by the ESFA but which the ESFA has been responsible for the payment of costs.

2 Other trading activities

	Unrestricted funds £	Restricted funds £	**2019 Total funds £**
Hire of facilities	133,514	—	**133,514**
School trips	39,381	—	**39,381**
Other income	42,958	—	**42,958**
	215,853	—	**215,853**

	Unrestricted funds £	*Restricted funds £*	*2018 Total funds £*
School trips	*31,346*	—	*31,346*
Other income	*6,022*	—	*6,022*
	37,368	—	*37,368*

3 Investment income

	Unrestricted funds £	Restricted funds £	**2019 Total funds £**
Interest receivable	4,013	—	**4,013**

	Unrestricted funds £	*Restricted funds £*	*2018 Total funds £*
Interest receivable	*2,508*	—	*2,508*

4 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	**2019 Total funds £**
DfE / ESFA grants			
. General Annual Grant (GAG)	—	20,101,406	**20,101,406**
. Start Up Grants	—	87,058	**87,058**
. Other DfE / ESFA	—	1,332,066	**1,332,066**
	—	21,520,530	**21,520,530**
Other government grants			
. Local Authority grants	—	836,673	**836,673**
	—	836,673	**836,673**
Other income from the academy trust's educational operations	138,201	—	**138,201**
	138,201	22,357,203	**22,495,404**

	Unrestricted funds £	*Restricted funds £*	*2018 Total funds £*
DfE / ESFA grants			
. General Annual Grant (GAG)	—	*12,067,316*	*12,067,316*
. Other DfE / ESFA	—	*682,234*	*682,234*
	—	*12,749,550*	*12,749,550*
Other government grants			
. Local Authority grants	—	*700,674*	*700,674*
	—	*700,674*	*700,674*
Other income from the academy trust's educational operations	*127,953*	—	*127,953*
	127,953	*13,450,224*	*13,578,177*

5 Expenditure

	Staff costs £	Non pay expenditure: Premises £	Non pay expenditure: Other costs £	2019 Total funds £
Charitable activities:				
. Direct costs	13,588,204	1,004,284	1,237,667	**15,830,155**
. Allocated support costs	3,524,104	2,641,162	2,570,907	**8,736,173**
Teaching school	42,900	—	92,800	**135,700**
2019 total funds	17,155,208	3,645,446	3,901,374	**24,702,028**

Net expenditure for the period includes:	2019 Total funds £
Depreciation	**1,004,284**
Fees payable to auditor:	
. Audit	**14,500**
. Other services	**20,444**

	Staff costs £	*Non pay expenditure: Premises £*	*Non pay expenditure: Other costs £*	*2018 Total funds £*
Charitable activities:				
. Direct costs	*9,116,100*	*805,069*	*1,007,709*	*10,928,878*
. Allocated support costs	*1,110,869*	*1,886,754*	*1,876,266*	*4,873,889*
Teaching school	*166,765*	*—*	*46,935*	*213,700*
2019 total funds	*10,393,734*	*2,691,823*	*2,930,910*	*16,016,467*

Net expenditure for the period includes:	*2018 Total funds £*
Depreciation	*805,069*
Fees payable to auditor:	
. Audit	*11,900*
. Other services	*12,725*

6 Charitable activities – Trust's educational operations

	2019 Total funds £	2018 Total funds £
Direct costs	**15,830,155**	10,928,878
Support costs	**8,736,173**	4,873,889
	24,566,328	15,802,767

6 Charitable activities – Trust's educational operations (continued)

Analysis of support costs	2019 Total funds £	2018 Total funds £
Support staff costs	**3,524,104**	1,277,634
Technology costs	**256,206**	437,955
Premises costs	**2,641,162**	1,886,754
Other support costs	**2,177,578**	1,183,844
Governance costs	**137,123**	87,702
Total support costs	**8,736,173**	4,873,889

7 Governance costs

Analysis of governance costs	2019 Total funds £	2018 Total funds £
Legal and professional fees	**86,112**	53,577
Governors' and meeting expenses	**16,067**	9,500
Auditor's remuneration:		
. Audit of financial statements	**14,500**	11,900
. Other	**20,444**	12,725
Total governance costs	**137,123**	87,702

8 Staff

(a) Staff costs

	2019 Total funds £	2018 Total funds £
Wages and salaries	**12,312,387**	7,509,101
Social security costs	**1,441,523**	868,589
Pension costs	**2,179,270**	1,314,698
	15,933,180	9,692,388
Supply teacher costs	**1,092,430**	686,705
Staff restructuring costs	**86,698**	14,641
	17,112,308	10,393,734

(b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £86,698 (2018 - £14,641). Individually the payments were for £20,000, £19,447, £18,459, £13,458, £12,585 and £2,749.

8 Staff

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2019 was as follows:

Charitable activities	2019 No.	2018 No.
Teachers	**181**	99
Administration and support	**136**	84
Management	**27**	21
	344	204

(d) Higher paid staff

The number of employees whose emoluments fell within the following bands on an annualised basis bands was:

	2019 No.	2018 No.
£60,001 - £70,000	**19**	13
£70,001 - £80,000	**7**	5
£80,001 - £90,000	**4**	2
£90,001 - £100,000	**1**	1
£100,001 - £110,000	**3**	3
£110,001 - £120,000	**2**	—
£140,001 - £150,000	**1**	—
£160,001 - £170,000	**1**	1

Of the above employees, 34 (2018 – 22) participated in the Teachers' Pension Scheme and 4 (2018 – 3) participated in the Local Government Pension Scheme.

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £1,252,885 (2018 - £811,709).

9 Trustees' remuneration and expenses

One trustee has been paid remuneration and has received other benefits from employment with the academy trust (2018 – one). The Chief Executive Officer only received remuneration in respect of services they provided undertaking the role of Chief Executive Officer and Headteacher of Mulberry School for Girls, and not in respect to their services as a trustee. The value of trustees' remuneration and other benefits whilst in office was as follows:

	2019 £	2018 £
Dr V. Ogden, Chief Executive Officer, Headteacher and trustee		
. Remuneration	165,000 – 170,000*	165,000 – 170,000*
. Employer's pension contributions	25,000 – 30,000	25,000 – 30,000

9 Trustees' remuneration and expenses (continued)

* Remuneration of Dr V. Ogden consists of £130,000 - £135,000 for services as Headteacher, £30,000 - £35,000 for services as Chief Executive Officer and £nil for services as trustee.

Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees.

During the period to 31 August 2019, £713 of travel and subsistence expenses were reimbursed to three trustees (2018 - £1,270 reimbursed to three trustees) and trustees made donations to the Trust of £500 (2018 - £700).

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 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.

11 Central services

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

The schools within the Trust share some leadership, business management and support services. The costs of these were split between the schools as they arose. As such there were no centrally managed services during the period.

12 Comparative information

Analysis of income and expenditure in the year to 31 August 2018 between restricted and unrestricted funds:

	Unrestricted general fund £	Restricted funds: Restricted general fund £	Restricted funds: Fixed assets fund £	Year to 31 August 2018 Total funds £
Income from:				
Donations and capital grants	1,914	—	1,181,231	**1,183,145**
. Transfer from Local Authority on conversion	—	—	—	—
. Transfer of existing academy into the Trust	—	—	—	—
Charitable activities				
. Funding for the Trust's educational operations	127,953	13,450,224	—	**13,578,177**
. Teaching schools	—	213,700	—	**213,700**
. *Other trading activities*	37,368	—	—	**37,368**
. Investments	2,508	—	—	**2,508**
Total income	169,743	13,663,924	1,181,231	**15,014,898**
Expenditure on:				
Charitable activities				
. Trust's educational operations	693,091	13,833,909	1,275,767	**15,802,767**
. Teaching schools	—	213,700	—	**213,700**
Total expenditure	693,091	14,047,609	1,275,767	**16,016,467**
Net expenditure	(523,348)	(383,685)	(94,536)	**(1,001,569)**
Other recognised gains and losses				
Actuarial gains on defined benefit pension scheme	—	416,000	—	**416,000**
Net movement in funds	(523,348)	32,315	(94,536)	**(585,569)**
Reconciliation of funds				
Fund balances brought forward at 1 September 2017	2,209,045	(1,631,315)	24,006,627	**24,584,357**
Fund balances carried forward at 31 August 2018	1,685,697	(1,599,000)	23,912,091	**23,998,788**

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant equipment and furniture & fittings £	Computer equipment £	Motor vehicles £	Total funds £
Cost						
1 September 2018	24,075,859	—	344,293	278,153	51,360	**24,749,665**
Acquired on conversion of existing academy trust	—	12,035,528	278,966	202,526	—	**12,517,020**
Additions	—	360,186	185,315	4,859	—	**550,360**
Disposals	—	—	(189,119)	(149,587)	—	**(338,706)**
31 August 2019	24,075,859	12,395,714	619,455	335,951	51,360	**37,478,339**
Depreciation						
1 September 2018	703,646	—	12,806	101,972	19,150	**837,574**
Acquired on conversion of existing academy trust	1,347,489	—	236,579	185,386	—	**1,769,454**
Charge in period	704,196	204,356	25,617	62,802	7,313	**1,004,284**
Disposals	—	—	(189,119)	(149,587)	—	**(338,706)**
31 August 2019	2,755,331	204,356	85,883	200,573	26,463	**3,272,606**
Net book value						
31 August 2019	21,320,528	12,191,358	533,572	135,378	24,897	**34,205,733**
1 September 2018	23,372,213	—	331,487	176,181	32,210	**23,912,091**

Mulberry School for Girls joined the Trust on 1 May 2017, and is subject to a contract under the Private Finance Initiative (PFI). Under this contract the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy.

These transactions have been accounted for as a leasing transaction. As the Academy only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy does not hold substantially all of the risks and rewards of ownership of the premises and the expenditure relating to the property is therefore accounted for when incurred. The premises are not therefore recognised as an asset in the Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

14 Debtors

	2019 £	2018 £
Trade debtors	**42,966**	—
VAT recoverable	**238,269**	142,981
Other debtors	**759,129**	658,958
Prepayments and accrued income	**421,942**	95,040
	1,462,306	896,979

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	**661,544**	582,716
Payroll creditors	**1,503,195**	1,340,827
Taxation and social security	**382,231**	344,752
Accruals and deferred income	**1,042,124**	618,687
Amounts due to the ESFA – abatement of GAG	**233,091**	241,196
Capital creditors	**147,898**	—
Other creditors	**175,386**	12,525
	4,145,469	3,140,703

16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	**Balance at 31 August 2019 £**
Restricted general fund					
. General Annual Grant (GAG)	—	20,101,406	(20,276,409)	175,003	—
. Start Up Grant	—	87,058	(87,058)	—	—
. Pupil premium	—	1,214,348	(1,214,348)	—	—
. Other ESFA grants	—	135,700	(135,700)	—	—
. Pension reserve	(1,599,000)	(2,226,000)	(421,000)	(1,728,000)	**(5,974,000)**
. Local authority grants	—	836,673	(836,673)	—	—
. Other restricted grants	—	117,718	(117,718)	—	—
. Transfer of existing academy	—	518,830	(518,830)	—	—
	(1,599,000)	20,785,733	(23,607,736)	(1,552,997)	**(5,974,000)**
Fixed assets fund					
. Transfer on conversion	48,355	—	(1,373)	—	**46,982**
. Transfer of existing academy	21,940,298	10,747,566	(927,997)	—	**31,759,867**
. DfE/ESFA capital grants	1,923,438	715,347	(74,914)	(164,987)	**2,398,884**
	23,912,091	11,462,913	(1,004,284)	(164,987)	**34,205,733**
Total restricted funds	22,313,091	32,248,646	(24,612,020)	(1,717,984)	**28,231,733**
Unrestricted funds					
. General funds	1,685,697	405,531	(90,008)	(10,016)	**1,991,204**
Total unrestricted funds	1,685,697	405,531	(90,008)	(10,016)	**1,991,204**
Total funds	23,998,788	32,654,177	(24,702,028)	(1,728,000)	**30,222,937**

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

ESFA revenue grant fund and other restricted funds

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.

Other funds relate to monies received for specific purposes such as pupil premium funding.

16 Funds (continued)

Fixed asset fund

Restricted fixed assets funds were funded by government grants or donations. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

Pension reserve

The pension reserve relates to the local government pension scheme liability.

Analysis of fund balance by academy

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £	Total 2018 £
Mulberry School for Girls	**1,643,011**	2,036,176
Mulberry UTC	**(343,970)**	(350,479)
Mulberry Academy Shoreditch	**692,163**	—
Central Services	**—**	—
Total before fixed assets and pension reserve	**1,991,204**	1,685,697
Restricted fixed asset fund	**34,205,733**	23,912,091
Pension liability	**(5,974,000)**	(1,599,000)
Total	**30,222,937**	23,998,788

Mulberry UTC funds were in deficit as at 31 August 2019 due to additional costs being incurred in the first year of operation. Budgets for future years have been set which restore these funds to a positive position. As a result of this budgeting the deficit on funds has reduced in the year ended 31 August 2019 by £6,509.

16 Funds (continued)

Comparative information

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	**Balance at 31 August 2018 £**
Restricted general fund					
. General Annual Grant (GAG)	47,685	12,067,316	(12,115,001)	—	—
. Pupil premium	—	579,907	(579,907)	—	—
. Other ESFA grants	70,000	102,327	(172,327)	—	—
. Pension reserve	(1,749,000)	—	(266,000)	416,000	**(1,599,000)**
. Local authority grants	—	700,674	(700,674)	—	—
. Other restricted grants	—	213,700	(213,700)	—	—
	(1,631,315)	13,663,924	(14,047,609)	416,000	**(1,599,000)**
Fixed assets fund					
. Transfer on conversion	70,341	—	(21,986)	—	**48,355**
. Transfer of existing academy	22,684,227	—	(743,929)	—	**21,940,298**
. DfE/ESFA capital grants	1,252,059	1,181,231	(509,852)	—	**1,923,438**
	24,006,627	1,181,231	(1,275,767)	—	**23,912,091**
Total restricted funds	22,375,312	14,845,155	(15,323,376)	416,000	**22,313,091**
Unrestricted funds					
. General funds	2,209,045	169,743	(693,091)	—	**1,685,697**
Total unrestricted funds	2,209,045	169,743	(693,091)	—	**1,685,697**
Total funds	24,584,357	15,014,898	(16,016,467)	416,000	**23,998,788**

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	**Total 2019 £**
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	—	—	34,205,733	**34,205,733**
Current assets	1,991,204	4,145,469	—	**6,136,673**
Current liabilities	—	(4,145,469)	—	**(4,145,469)**
Pension scheme liability	—	(5,974,000)	—	**(5,974,000)**
Total net assets	1,991,204	(5,974,000)	34,205,733	**30,222,937**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	**Total 2019 £**
Mulberry School for Girls	7,215,979	1,631,876	638,743	2,729,709	**12,216,307**
Mulberry UTC	1,345,817	183,241	134,141	547,813	**2,211,012**
Mulberry Academy Shoreditch	5,459,712	1,312,498	608,786	1,468,429	**8,849,425**
Central services	—	—	—	—	—
Total expenditure	14,021,508	3,127,615	1,381,670	4,745,951	**23,276,744**

18 Capital commitments

	2019 £	2018 £
Contracted for, but not provided for in the financial statements	—	—

19 Members' liability

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

20 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 the London Borough of Tower Hamlets pension fund. Both are multi-employer defined benefit schemes.

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

20 Pension and similar obligations (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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 under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The academy trust has set out above the information available on the plan and the implications for the academy trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £1,301,022 (2018 - £1,041,698).

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £750,000 (2018 - £359,000), of which employer's contributions totalled £568,000 (2018 - £273,000) and employees' contributions totalled £182,000 (2018 - £86,000). The agreed contribution rates for future years are 22.1% for employers and 5.5% to 12.5% for employees, depending on their salary rate.

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.

Principal Actuarial Assumptions	**At 31 August 2019**	At 31 August 2018
Rate of increase in salaries	**2.1%**	2.1%
Rate of increase for pensions in payment / inflation	**2.3%**	2.3%
Discount rate for scheme liabilities	**1.9%**	2.8%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	**21.2**	22.1
Females	**23.2**	24.1
Retiring in 20 years		
Males	**22.2**	23.9
Females	**24.4**	25.8

Sensitivity analysis

Changes in the below assumptions impact the net liability as follows	**At 31 August 2019 £**	At 31 August 2018 £
Discount rate +0.5% (2018; +0.1%)	**1,718,000**	464,000
Discount rate -0.5% (2018; -0.1%)	**(1,718,000)**	(464,000)
CPI rate +0.5% (2018; +0.1%)	**1,368,000**	(351,000)
CPI rate -0.5% (2018; -0.1%)	**(1,368,000)**	351,000

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	**3,300,000**	937,440
Corporate bonds	**1,490,000**	221,340
Property	**479,000**	130,200
Cash and other liquid assets	**54,000**	13,020
Total market value of assets	**5,323,000**	1,302,000
Present value of scheme liabilities		
Funded	**(11,297,000)**	(2,901,000)
Deficit in the scheme	**(5,974,000)**	(1,599,000)

Amounts recognised in statement of financial activities	**2019 £**	2018 £
Current service cost	**881,000**	492,000
Interest income	**(130,000)**	(26,000)
Interest cost	**238,000**	73,000
Total amount recognised in the SOFA	**989,000**	539,000

Changes in the present value of defined benefit obligations were as follows:	**2019 £**	2018 £
At 1 September 2018	**(2,901,000)**	(2,618,000)
Inherited on conversion	**(5,241,000)**	—
Current service cost	**(881,000)**	(492,000)
Interest cost	**(238,000)**	(73,000)
Employee contributions	**(182,000)**	(86,000)
Actuarial gain/(loss)	**(1,932,000)**	368,000
Benefits paid	**78,000**	—
At 31 August 2019	**(11,297,000)**	(2,901,000)

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2019 £	2018 £
At 1 September 2018	**1,302,000**	869,000
Inherited on conversion	**3,015,00**	—
Actuarial gain	**204,000**	48,000
Expected return on assets	**130,000**	26,000
Employer contributions	**568,000**	273,000
Employee contributions	**182,000**	86,000
Benefits paid	**(78,000)**	—
At 31 August 2019	**5,323,000**	1,302,000

21 Related party transactions

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

During the period, the Trust paid £nil to The Richard Street Education Trust in respect of the upkeep of the Mulberry and Bigland Centre (2018 - £99,000). The students of Mulberry School for Girls are able to use the theatre and other parts of the centre on a regular basis as a result of the contribution it makes to the Richard Street Education Trust. This provides additional space for learning and a valuable resource for the school. At 31 August 2019, the total amount due to The Richard Street Education Trust was £nil (2018 - £33,000).

One of the Trustees is a Senior Partner at Bates Wells Braithwate. During the period, Bates Wells Braithwate provided £59,515 of professional services to the Trust (2018 - £79,284). At 31 August 2019, the Trust owed Bates Wells Braithwate £nil (2018 - £ nil).

The Chair of the Trust is a partner with significant control at EWP Group, AN Equality and Diversity Consultancy company. During the period, EW Group provided £4,800 (2018: £nil) of professional services to the Trust. At 31 August 2019, the Trust owed £nil, (2018: £nil) to EW Group.

The Trust has complied with the requirements of the Academies Financial Handbook 2018 in ensuring that relevant transactions have occurred at 'no more than cost'.

22 Transfer of existing academies to the trust

On 1 September 2018, Green Spring Education Trust, an existing academy, joined the Trust for £nil consideration. The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from existing Academy.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities. No fair value adjustments were made upon transfer.

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset fund £	**Total 2019 £**
Tangible fixed assets				
. Freehold land and buildings	—	—	10,688,039	**10,688,039**
. Other tangible fixed assets	—	—	59,527	**59,527**
Budget surplus on funds	40,666	518,830	—	**559,496**
LGPS Pension deficit	—	(2,226,000)	—	**(2,226,000)**
Net assets	40,666	(1,707,170)	10,747,566	**9,081,062**

23 Teaching school

	Year to 31 August 2019 Total funds £	**Year to 31 August 2019 Total funds £**	Year to 31 August 2018 Total funds £	Year to 31 August 2018 Total funds £
Direct income				
Teaching School Grants		**135,700**		213,700
Expenditure				
Direct costs	**92,800**		155,365	
Staff development	**31,700**		40,635	
Total direct costs	**124,500**		196,000	
Support staff costs	**7,800**		11,400	
Other support costs	**3,400**		6,300	
Total support costs	**11,200**		17,700	
Total expenditure		**(135,700)**		(213,700)
Surplus / deficit for the year		—		—

24 Contingent assets

In the year ended 31 August 2018, the Trust made a claim to cover additional costs from the delayed completion of the UTC construction work. The Trust anticipated that would receive up to £150,000 as a result of the claim.

During the year ended 31 August 2019 a settlement of £71,160 was reached in relation to this claim. This has been accrued as income in the year ended 31 August 2019.

25 Events after the reporting period

On 1 September 2019, the Trust obtained a controlling interest in the Richard Street Foundation. (2018 - On 1 September 2018, Mulberry Academy Shoreditch joined the Trust).

26 Agency arrangements

The academy trust distributes 16-18 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £125,818 and disbursed £125,818 from the fund. An amount of £nil is in included in creditors relating to undistributed funds that is repayable to ESFA.

27 Operating lease commitments

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

	2019 £	2018 £
Amounts due within one year	**25,406**	—
Amounts due between one and five years	**19,614**	—
Amounts due after five years	—	—