

Mulberry Schools Trust

Annual Report and Financial Statements

Period from 1 March 2016 to 31 August
2017

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

Mulberry
Schools Trust

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Reference and administrative information

Members	S. Barrow (From 1 March 2016) A. Crawley (From 1 March 2016) J. Farrell (From 1 March 2016) Dr. S. Kumar (From 1 March 2016) M. Rahman (From 1 March 2016)
Trustees	S. Barrow (From 1 March 2016) L. Bromley (From 13 July 2016) I. Chivers (From 13 July 2016) D. Cote (From 3 November 2016) A. Crawley (From 1 March 2016) J. Farrell (From 1 March 2016) D. Jones (From 13 July 2016) Dr. V. Ogden (From 13 July 2016) N. Okezie (From 13 July 2016) S. Sarwar (From 13 July 2016) M. Traynor (From 13 July 2016)
Company Secretary	S. Patni
Senior Leadership Team	Dr. V. Ogden (Chief Executive Officer) S. Patni (Director of Finance and Resources) S. Begum (Director of MAT Development) J. Tuffee (Associate Headteacher) R. Smith (Associate Headteacher) K. Vincent (Principal – UTC)
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

Trustees' report 31 August 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 March 2016 to 31 August 2017. 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 28 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 operated an academy for pupils aged 11 to 18 serving a catchment area in East London. It has a pupil capacity of 1,400 (1,050 pre-16 and 350 post 16) and had a roll of 1,396 (1,050 pre-16 and 346 post 16) in the October 2017 school census. The trust also opened a University Technical College in September 2017.

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.

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.

Structure, governance and management (continued)

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 this 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)

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, 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.

Objectives and activities (continued)

Objectives, strategies and activities (continued)

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 the significant assistance provided to a local school from February 2017, as well as other school to school support.

The key highlights for the 2016/17 Academic Year outcomes for Mulberry School for Girls were:

Key Stage 4 – 2017 performance

- ◆ Provisional progress 8 score: 0.67
- ◆ Attainment 8 score: 5.5 (national average 4.4)
- ◆ 75% of students achieving the Basics at a Standard Pass
- ◆ 59% of students achieving a Standard EBacc pass
- ◆ Progress 8 score for disadvantaged students of 0.8
- ◆ Two students achieving grade 9 in English language, English literature and maths; only achieved by 2,000 students nationally
- ◆ Progress scores far above national average in almost every subject

These impressive outcomes at Mulberry School for Girls, particularly in terms of progress made by the students in Year 11, confirm that students at the school attain better results than students in other schools nationally. Students have also made exceptional levels of progress, provisional data suggests that 75% of students have exceeded national expectations.

Strategic report (continued)

Achievements and performance (continued)

In terms of attainment 75% of students achieved a grade of 4 (broadly equivalent to a grade C) in English and Maths, compared to the national average of 58.5%. The 'Attainment 8' score of 5.5 equates to an average grade of B, achieving the target set. 57% of students achieved the standard English Baccalaureate, gaining the equivalent of A*-C in English, Maths, two Sciences, a Modern Foreign Language and either History or Geography.

Key Stage 5 – 2017 performance

The un-validated results for Key Stage 5 show:

- ◆ Highest ever attainment at A level - 57% A* to B, 87% A* to C
- ◆ Top 15% of sixth forms in the country for student progress at both AS level and A level as measured by Alps
- ◆ Attainment above national average for the first time
- ◆ Average grade for best three A levels B-
- ◆ 46 (37% of those that applied) students gained places at Russell Group
- ◆ 88 (67% of those that applied) gained places at top 50 institutions

A level performance this year has been outstanding, with Sixth Form students at Mulberry School for Girls achieving the highest grades to date, making progress that is above the national average. Vocational outcomes are exceptional as well with an average grade of Distinction.

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. Fully staffed and with relatively strong pupil recruitment in its opening year, the new principal is already delivering successfully a high quality, rigorous technical education for 160 young people.

Strategic report (continued)

Achievements and performance (continued)

Two new free school applications were approved in 2016 – 2017, fulfilling part of the Trust's strategy for establishing new growth. 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. The CEO was called upon to fulfil a role in school to school support, stepping in at a local school which lost its four most senior members of staff suddenly in February 2017. The Trust has delivered a stable school in and performance was not affected.

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 £29,058,617. Of this, £23,674,286 was in respect of the Mulberry School for Girls and Mulberry UTC joining the Trust and £1,388,749 related to capital grant funding for the construction work at Mulberry UTC.

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 2017 of £3,727,182 and the associated expenditure of £3,609,497 are shown as restricted fund 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 £24,585,357.

Reserves policy

The Trustees are aware of the requirement to balance current and future needs. 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 £2,256,730. This is mainly made up of balances transferred from the predecessor school, Mulberry School for Girls.

The Trustees review a medium term financial plan for the trust which looks at the projected overall surplus of the school 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. The trust will develop a reserves policy during the course of the next academic year.

Financial review (continued)

Reserves policy (continued)

Due to the accounting rules for the Local Government Pension Scheme under FRS 102, the Trust is recognising a significant pension fund deficit of £1,749,000. 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.

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. 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 has now been 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 pay and goods and services having to be met from within existing resources remains.
- ◆ 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.
- ◆ 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.

Financial review (continued)

Principal risks and uncertainties (continued)

- ◆ 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 predecessor school had appointed internal auditors to carry out checks on financial systems and records. The Trust will reconfirm the appointment of internal auditors to carry out checks as required by the Academies Financial Handbook.

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 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 Nursery and Primary School (September 2019)
- ◆ Mulberry Co-educational Academy (September 2020)

The Mulberry Nursery and Primary School will mean that we can offer (in effect) all-through education for children from the very start that will feed into the girls' and co-ed schools. Mulberry Co-educational Academy will be a local comprehensive school to partner the girls' school. During the next five years, these schools will form the start of planned growth of the Mulberry Family of Schools. Further ahead over the next ten years, we aim to grow to a family of about 10 schools, which will cover the breadth of school provision from 3 – 19. We will also include our family learning provision for parents through the Mulberry and Bigland Green Centre.

Plans for future periods (continued)

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.

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 £121,336 held within this Charity. 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 22 November 2017 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	4	5
L. Bromley	4	5
I. Chivers	3	5
D. Cote	1	2
A. Crawley	5	5
J. Farrell (Chair)	4	5
D. Jones	5	5
V. Ogden	5	5
N. Okezie	4	5
S. Sarwar	5	5
M. Traynor	3	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

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 intends to carry out a full evaluation on the impact of the board of trustees during the 2017/18 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
I. Chivers	1	1
D. Cote	1	1
A. Crawley	1	1
J. Farrell	1	1
M. Traynor	—	1

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	1	1
J Farrell	1	1
D Jones	1	1
N Okezie	1	1
S Sarwar	—	1

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 services 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 since conversion of Mulberry School for Girls on 1 May 2017 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 March 2016 to 31 August 2017 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 reconfirm the appointment of an internal auditor for Mulberry Schools Trust, the internal audit function for the predecessor school was carried out by PWC.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in December 2016 prior to Mulberry School for Girls conversion to an Academy included:

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

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:

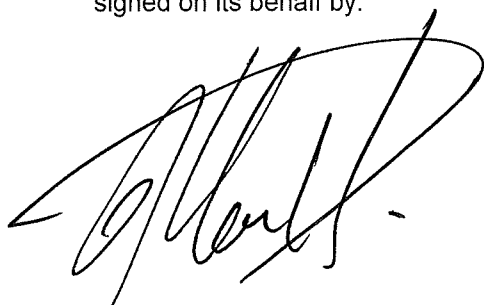
- ◆ the work of the internal auditor (within the predecessor school);
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and

Review of Effectiveness (continued)

- ◆ the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 22 November 2017 and signed on its behalf by:



Jane Farrell
Chair of Trustees



Dr Vanessa Ogden
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2017

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 2016.

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 2016.

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.

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



Dr Vanessa Ogden

Accounting Officer

22 November 2017

Statement of Trustees' responsibilities 31 August 2017

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 2016 to 2017;
- ◆ 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.

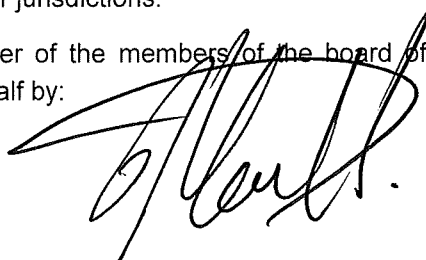
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 22 November 2017 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 2017 which comprise the statement of financial activities, the balance sheet, 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 2016 to 2017.

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.

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 2017 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 2016 to 2017.

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

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 including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees report including 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.

Matters on which we are required to report by exception (continued)

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 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.

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

29/11/17

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 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 March 2016 to 31 August 2017 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 2016, 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 2016 to 2017. 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 March 2016 to 31 August 2017 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 2016 to 2017 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.

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An 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 March 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott CP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

29/11/17

Statement of financial activities Period to 31 August 2017

	Notes	Un-restricted general fund £	Restricted funds		2017 Total funds £
			Restricted general fund £	Fixed assets fund £	
Income from:					
Donations and capital grants	1	839	10,000	1,388,749	1,399,588
. Transfer from Local Authority on conversion	1, 21	2,119,637	(1,394,720)	79,361	804,278
. Transfer of existing academy into the Trust	1, 22	—	174,264	22,695,744	22,870,008
Charitable activities					
. Funding for the Trust's educational operations	4	16,235	3,898,462	—	3,914,697
. Teaching schools		—	48,491	—	48,491
. Other trading activities	2	21,335	—	—	21,335
. Investments	3	220	—	—	220
Total income		<u>2,158,266</u>	<u>2,736,497</u>	<u>24,163,854</u>	<u>29,058,617</u>
Expenditure on:					
Charitable activities					
. Trust's educational operations	6	85,911	4,246,329	20,537	4,352,777
. Teaching schools		—	20,483	—	20,483
Total expenditure	5	<u>85,911</u>	<u>4,266,812</u>	<u>20,537</u>	<u>4,373,260</u>
Net income (expenditure) before transfers		2,072,355	(1,530,315)	24,143,317	24,685,357
Transfers between funds	15	136,690	—	(136,690)	—
Other recognised gains and losses					
Actuarial losses on defined benefit pension scheme	19	—	(101,000)	—	(101,000)
Net movement in funds		<u>2,209,045</u>	<u>(1,631,315)</u>	<u>24,006,627</u>	<u>24,584,357</u>
Reconciliation of funds					
Fund balances brought forward at 1 March 2016		—	—	—	—
Fund balances carried forward at 31 August 2017		<u>2,209,045</u>	<u>(1,631,315)</u>	<u>24,006,627</u>	<u>24,584,357</u>

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

Balance sheet 31 August 2017

	Notes	2017 £	2017 £
Fixed assets			
Tangible fixed assets	12		24,006,627
Current assets			
Debtors	13	6,774,338	
Cash at bank and in hand		1,349,526	
		<u>8,123,864</u>	
Creditors: amounts falling due within one year	14	<u>(5,797,134)</u>	
Net current assets			<u>2,326,730</u>
Net assets excluding pension scheme liability			
Pension scheme liability	19		26,333,357
			<u>(1,749,000)</u>
Total net assets			<u>24,584,357</u>
Funds of the Trust			
Restricted funds			
. Fixed assets fund	15		24,006,627
. Restricted income	15		117,685
. Pension reserve	15		<u>(1,749,000)</u>
			22,375,312
Unrestricted funds			
. General fund	15		<u>2,209,045</u>
Total funds			<u>24,584,357</u>

The financial statements on page 25 to 46 were approved by the Trustees, and authorised for issue on 22 November 2017 and are signed on their behalf by:



Chair of Directors of the Trust

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

Statement of cash flows Period to 31 August 2017

		2017 £
Net cash inflow from operating activities		
Net cash provided by operating activities	A	134,524
Cash flows from investing activities		
	B	1,215,002
Change in cash and cash equivalents in the year		<u>1,349,526</u>
Reconciliation of net cash flow to movement in net funds:		
Cash and cash equivalents at 1 March 2016		—
Cash and cash equivalents at 31 August 2017		<u>1,349,526</u>

A Reconciliation of income to net cash flow from operating activities

		2017 £
Net income for the year (as per the statement of financial activities)		24,685,357
Adjusted for:		
Inherited pension deficit (note 21)		1,566,000
Inherited tangible fixed assets		(22,775,105)
Depreciation (note 12)		20,537
Capital grants from DfE and other capital income		(1,388,749)
Interest receivable (note 3)		220
Defined benefit pension scheme cost less contributions payable (note 19)		65,000
Defined benefit pension scheme finance cost (note 19)		17,000
Increase in debtors		(6,774,338)
Increase in creditors		4,718,602
Net cash provided by operating activities		<u>134,524</u>

B Cash flows from investing activities

		2017 £
Dividends, interest and rents from investments		(220)
Purchase of tangible fixed assets		(173,527)
Capital grants from DfE/ESFA		1,388,749
Net cash provided by investing activities		<u>1,215,002</u>

C Analysis of cash and cash equivalents

		2017 £
Cash at bank and in hand		<u>1,349,526</u>

Principal accounting policies Period to 31 August 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling to the nearest pound.

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.

Principal accounting policies Period to 31 August 2017

Income (continued)

Grants (continued)

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.

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 on conversion

Where assets are received by the trust on conversion to an academy, 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. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

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.

Principal accounting policies Period to 31 August 2017

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
Fixtures, fittings and equipment	Over 5 years
Motor vehicles	Over 5 years

Principal accounting policies Period to 31 August 2017

Tangible fixed assets (continued)

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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 14. 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.

Principal accounting policies Period to 31 August 2017

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 19, 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 19, 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 an operating lease. 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.

Notes to the financial statements Period to 31 August 2017

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017 Total funds £
Capital grants	—	—	1,388,749	1,388,749
Conversion from Local Authority (note 21)	2,119,637	(1,394,720)	79,361	804,278
Conversion of existing Academy (note 22)	—	174,264	22,695,744	22,870,008
Other donations	839	10,000	—	10,839
	<u>2,120,476</u>	<u>(1,210,456)</u>	<u>24,163,854</u>	<u>25,073,874</u>

2 Other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £
School trips	19,492	—	19,492
Other income	1,843	—	1,843
	<u>21,335</u>	<u>—</u>	<u>21,335</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	2017 Total funds £
Interest receivable	220	—	220

4 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	2017 Total funds £
DfE / ESFA grants			
. General Annual Grant (GAG)	—	3,468,217	3,468,217
. Other DfE / ESFA	—	258,965	258,965
	<u>—</u>	<u>3,727,182</u>	<u>3,727,182</u>
Other government grants			
. Local Authority grants	—	171,280	171,280
	<u>—</u>	<u>171,280</u>	<u>171,280</u>
Other income from the academy trust's educational operations	16,235	—	16,235
	<u>16,235</u>	<u>3,898,462</u>	<u>3,914,697</u>

Notes to the financial statements Period to 31 August 2017

5 Expenditure

	Staff costs £	Non pay expenditure		2017 Total funds £
		Premises £	Other costs £	
Charitable activities:				
. Direct costs	2,692,012	20,537	477,407	3,189,956
. Allocated support costs	374,250	531,636	277,418	1,183,304
2017 total funds	3,066,262	552,173	754,825	4,373,260

	2017 Total funds £
Net expenditure for the period include:	
Depreciation	20,537
Fees payable to auditor:	
. Audit	7,250
. Other services	2,800

6 Charitable activities – Trust's educational operations

	2017 Total funds £
Direct costs	3,169,473
Support costs	1,183,304
	4,352,777

	2017 Total funds £
Analysis of support costs	
Support staff costs	374,250
Premises costs	531,636
Other support costs	221,293
Governance costs	56,125
Total support costs	1,183,304

7 Governance costs

	2017 Total funds £
Analysis of governance costs	
Legal and professional fees	44,408
Governors' and meeting expenses	1,667
Auditor's remuneration:	
. Audit of financial statements	7,250
. Other	2,800
Total governance costs	56,125

Notes to the financial statements Period to 31 August 2017

8 Staff

(a) Staff costs

Staff costs during the period were:

	2017 Total funds £
Wages and salaries	2,264,026
Social security costs	241,975
Pension costs	385,880
Apprenticeship levy	11,261
	<u>2,903,142</u>
Supply teacher costs	163,120
	<u>3,066,262</u>

(b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the period ended 31 August 2017 was as follows:

Charitable activities	2017 No
Teachers	93
Administration and support	79
Management	15
	<u>187</u>

(c) Higher paid staff

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

	2017 No
£60,001 - £70,000	9
£70,001 - £80,000	3
£80,001 - £90,000	2
£90,001 - £100,000	1
£100,001 - £110,000	2
£160,001 - £170,000	1

Of the above employees, 17 participated in the Teachers' Pension Scheme and one participated in the Local Government Pension Scheme.

8 Staff (continued)

(d) 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 £231,196.

9 Trustees' remuneration and expenses

One trustee has been paid remuneration and has received other benefits from employment with the academy trust. 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. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of trustees' remuneration and other benefits whilst in office was as follows:

	2017
Dr VJ Ogden, Chief Executive Officer, Headteacher and trustee	
. Remuneration	55,000 – 60,000
. Employer's pension contributions	5,000 – 10,000

During the period to 31 August 2017, £492 travel and subsistence expenses were reimbursed to two trustees.

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 services within the Trust share some leadership, business management and support services. The costs of these were split between the schools as they arose or were recharged from one to the other school on a basis agreed between them. As such there were no centrally managed services during the period.

12 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Computer equipment £	Motor vehicles £	Total funds £
Cost					
At 1 March 2016	—	—	—	—	—
Donated assets on acquisition	6,910,000	15,785,744	65,964	25,365	22,787,073
Additions	—	1,045,121	180,943	25,995	1,252,059
At 31 August 2017	6,910,000	16,830,865	246,907	51,360	24,039,132
Depreciation					
At 1 March 2016	—	—	—	—	—
Donated assets on acquisition	—	—	4,781	7,187	11,968
Charge in period	11,517	—	7,329	1,691	20,537
At 31 August 2017	11,517	—	12,110	8,878	32,505
Net book value					
At 31 August 2017	6,898,483	16,830,865	234,797	42,482	24,006,627
At 1 March 2016	—	—	—	—	—

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 an operating lease. 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.

13 Debtors

	2017 £
VAT recoverable	3,320,481
Other debtors	2,330,214
Prepayments and accrued income	1,123,643
	6,774,338

14 Creditors: amounts falling due within one year

	2017 £
Trade creditors	653,043
Payroll creditors	638,988
Taxation and social security	63,470
Accruals and deferred income	26,172
Amounts due to ESFA	3,219,013
Capital creditors	1,078,532
Other creditors	117,916
	<u>5,797,134</u>

15 Funds

	Balance at 1 March 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general fund					
. General Annual Grant (GAG)	—	3,468,217	(3,420,532)	—	47,685
. Pupil premium	—	163,365	(163,365)	—	—
. Other ESFA grants	—	95,600	(25,600)	—	70,000
. Pension reserve	—	(1,566,000)	(82,000)	(101,000)	(1,749,000)
. Local authority grants	—	171,280	(171,280)	—	—
. Other restricted grants	—	58,491	(58,491)	—	—
. Transfer on conversion	—	171,280	(171,280)	—	—
. Transfer of existing academy	—	174,264	(174,264)	—	—
	<u>—</u>	<u>2,736,497</u>	<u>(4,266,812)</u>	<u>(101,000)</u>	<u>(1,631,315)</u>
Fixed assets fund					
. Transfer on conversion	—	79,361	(9,020)	—	70,341
. Transfer of existing academy	—	22,695,744	(11,517)	—	22,684,227
. DfE/EFA capital grants	—	1,388,749	—	(136,690)	1,252,059
	<u>—</u>	<u>24,163,854</u>	<u>(20,537)</u>	<u>(136,690)</u>	<u>24,006,627</u>
Total restricted funds	<u>—</u>	<u>26,900,351</u>	<u>(4,287,349)</u>	<u>(237,690)</u>	<u>22,375,312</u>
Unrestricted funds					
. General funds	—	38,629	(24,438)	136,690	150,881
. Transfer on conversion	—	2,119,637	(61,473)	—	2,058,164
Total unrestricted funds	<u>—</u>	<u>2,158,266</u>	<u>(85,911)</u>	<u>136,690</u>	<u>2,209,045</u>
Total funds	<u>—</u>	<u>29,058,617</u>	<u>(4,373,260)</u>	<u>(101,000)</u>	<u>24,584,357</u>

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 2017.

Notes to the financial statements Period to 31 August 2017

15 Funds (continued)

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

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 2017 were allocated as follows:

	Total 2017 £
Mulberry School for Girls	2,320,437
Mulberry UTC	6,293
Central Services	—
Total before fixed assets and pension reserve	2,326,730
Restricted fixed asset fund	24,006,627
Pension liability	(1,749,000)
Total	24,584,357

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	—	—	24,006,627	24,006,627
Current assets	2,209,045	1,617,274	4,297,545	8,123,864
Current liabilities	—	(1,499,589)	(4,297,545)	(5,797,134)
Pension scheme liability	—	(1,749,000)	—	(1,749,000)
Total net assets	2,209,045	(1,631,315)	24,006,627	24,584,357

17 Capital commitments

	2017 £
Contracted for, but not provided for in the financial statements	426,211

18 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.

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2012 and of the LGPS 31 March 2016.

There were no contributions payable to the schemes at 31 August 2017.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

19 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £249,833.

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

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

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 2017 was £128,000, of which employer's contributions totalled £96,000 and employees' contributions totalled £32,000. The agreed contribution rates for future years are unknown pending valuation information.

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.

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Principal Actuarial Assumptions	At 31 August 2017
Rate of increase in salaries	2.2%
Rate of increase for pensions in payment / inflation	2.4%
Discount rate for scheme liabilities	2.5%

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 2017
<i>Retiring today</i>	
Males	22.1
Females	24.1
 <i>Retiring in 20 years</i>	
Males	23.9
Females	25.8

Sensitivity analysis	At 31 August 2017 £
Changes in the below assumptions impact the net liability as follows	
Discount rate +0.1%	82,800
Discount rate -0.1%	(82,800)
Mortality assumption – 1 year increase	28,750
Mortality assumption – 1 year decrease	(28,750)
CPI rate +0.1%	(57,800)
CPI rate -0.1%	57,800

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

	Fair value at 31 August 2017 £
Equities	599,000
Corporate bonds	139,000
Property	87,000
Cash and other liquid assets	44,000
Total market value of assets	869,000
 Present value of scheme liabilities	
Funded	(2,618,000)
Deficit in the scheme	(1,749,000)

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in statement of financial activities	2017 £
Current service cost	(161,000)
Interest income	9,000
Interest cost	(26,000)
Total amount recognised in the SOFA	(178,000)

Changes in the present value of defined benefit obligations were as follows:	2017 £
At 1 March 2016	—
Inherited on conversion	2,270,000
Current service cost	161,000
Interest cost	26,000
Employee contributions	32,000
Actuarial (gain)/loss	129,000
At 31 August 2017	2,618,000

Changes in the fair value of the Academy's share of scheme assets:	2017 £
At 1 March 2016	—
Inherited on conversion	704,000
Actuarial gain	28,000
Expected return on assets	9,000
Employer contributions	96,000
Employee contributions	32,000
At 31 August 2017	869,000

20 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 £33,000 to The Richard Street Education Trust in respect of the upkeep of the Mulberry and Bigland Centre. 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 2017, the total amount due to The Richard Street Education Trust was £33,000.

One of the Trustees is a Senior Partner at Bates Wells Braithwate. During the period, Bates Wells Braithwate provided £40,527 of professional services to the Trust. At 31 August 2017, the Trust owed Bates Wells Braithwate £14,336.

21 Transfer from Local Authority on conversion

On 1 May 2017, Mulberry School for Girls converted to an academy status under the Academies Act 2010 and all operations and assets and liabilities were transferred to the Mulberry Schools Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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.

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset fund £	Total 2017 £
Tangible fixed assets				
. Other tangible fixed assets	—	—	79,361	79,361
Budget surplus on LA funds	2,093,875	—	—	2,093,875
Budget surplus on other school funds	25,762	171,280	—	197,042
LGPS pension surplus/(deficit)	—	(1,566,000)	—	(1,566,000)
Net assets/(liabilities)	2,119,637	(1,394,720)	79,361	804,278

22 Transfer of existing academies to the trust

On 1 August 2017, Mulberry UTC, 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 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.

22 Transfer of existing academies to the trust (continued)

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset fund £	Total 2017 £
Tangible fixed assets				
· Freehold land and buildings	—	—	6,910,000	6,910,000
· Assets under constructions	—	—	15,785,744	15,785,744
Budget surplus on funds	—	174,264	—	174,264
VAT recoverable on building project	—	—	3,062,416	3,062,416
Accrued income	—	—	472,768	472,768
Amounts due to ESFA	—	—	(3,062,416)	(3,062,416)
Retention payable on building project	—	—	(472,768)	(472,768)
Net assets	—	174,264	22,695,744	22,870,008