

Mulberry Schools Trust

Annual Report and Financial Statements

Year to 31 August 2020

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

Mulberry
Schools Trust

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Governance statement	18
Statement of regularity, propriety and compliance	23
Statement of trustees' responsibilities	24
Independent auditor's report on the financial statements	25
Independent reporting accountant's report	28

Financial statements

Statement of financial activities	30
Balance sheet	31
Statement of cash flows	32
Principal accounting policies	33
Notes to the financial statements	39

Reference and administrative information

Members	S. Barrow C. Barker (from 15 June 2020) A. Crawley J. Farrell Dr. S. Kumar (until 11 June 2020) M. Rahman
Trustees	S. Barrow L. Bromley I. Chivers A. Crawley J. Earl J. Farrell (Chair) D. Gracie D. Jones Dr. V. Ogden (CEO and Accounting Officer) N. Okezie S. Sarwar M. Traynor
Company Secretary	S. Jameson
Senior Leadership Team	
Chief Executive Officer	Dr. V. Ogden
Chief Operating Officer	S. Patni (resigned 31 January 2020)
Chief Finance Officer	P. Doel
Executive Principal	R. Holden
Director of Governance and Development	S. Jameson
Associate Headteacher	R. Smith
Associate Headteacher	J. Tuffee
Associate Headteacher	A. Ward
Principal – UTC	K. Vincent
Registered address	Mulberry Schools Trust Richard Street Commercial Road London E1 2JP
Company registration number	10035860 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE

Trustees' report 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2020. 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 33 to 38 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).

The trust operates three secondary schools (including one university technical college) serving a catchment area in East London. From 1 May 2017, the trust has operated Mulberry School for Girls for pupils aged 11 to 18. It has a current pupil capacity of 1,490 (1,140 pre-16 and 350 post 16) and had a roll of 1,498 (1,135 pre-16 and 363 post 16) in the October 2020 school census. This is slightly more the pupil admission number (PAN) for the school and is manageable. The trust also opened a University Technical College in September 2017 and a further school, Mulberry Academy Shoreditch, joined the Trust on 1 September 2018, this also provides 11 to 18 provision for Boys and Girls. Mulberry UTC has a roll of 391 in the October 2020 census and is building towards the 800 PAN for the school. Mulberry Academy Shoreditch has a pupil capacity of 1,100 and had a roll of 1,118 at the October 2020 school census date. This is slightly above the PAN for the school and is manageable.

Structure, governance and management

Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Structure, governance and management (continued)

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

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

Policies and procedures adopted for the induction and training of Trustees

Trustees bring a variety of experience from a number of different backgrounds in education, 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. A full induction pack including Trustee Handbook, code of conduct, role descriptions, Scheme of Delegation and supporting documentation is also provided to Trustees upon appointment. In addition, online e-learning tools are also available to trustees and governors. Trustees are routinely involved with meetings, which report on finance matters including financial performance and budgets and other information necessary to enable them to carry out their roles. Assistance and advice is always available from trust staff or professional advisors.

Organisational structure

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

Arrangements for setting pay and remuneration of key management personnel

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

Structure, governance and management (continued)

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

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

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

Trade union facility time

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

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
4	3.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	—
1% - 50%	4
51% - 99%	—
100%	—

Percentage of pay bill spent on facility time

Total cost of facility time	£19,589
Total pay bill	£17,234,000
Percentage of the total pay bill spent on facility time, calculated as:	0.11%
<i>(total cost of facility time ÷ total pay bill) x 100</i>	

Trade union facility time

Paid trade union activities

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

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

Related parties and other connected charities and organisations

From 1 September 2019, Mulberry Schools Trust obtained control of the Richard Street Education Trust, which is a charity and company limited by guarantee, by virtue of the appointment of the majority of the board of trustees. As at 31 August 2020, the Trustees appointed by Mulberry Schools Trust form two out of three Trustees within the Richard Street Education Trust (2019 – three of six). The Richard Street Education Trust was set up to provide 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. During the year ended 31 August 2020 the lease relating to the Mulberry and Bigland Centre was transferred to Mulberry Schools Trust and it is the intention to dissolve The Richard Street Education Trust.

The Mulberry Schools Foundation was incorporated on 14 May 2019. Mulberry Schools Trust is the sole member of this entity, has the power to appoint trustees and the Chief Executive Officer of Mulberry Schools Trust is appointed as a trustee. There was no financial activity recorded in this entity during 2019/20.

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.

Engagement with employees (including disabled persons)

Mulberry Schools Trust values its staff. Membership of local governing bodies of each academy in the trust includes staff a representative, appointed by staff. There is strong dialogue with staff through regular meetings with staff union representatives and more informally via staff briefings. Teaching staff terms and conditions continue to follow those recommended by the School Teachers' Review Body. Non-teaching staff continue on the local government terms and conditions (as a minimum). The trust has clear, up to date staff related policies and, where required, consults with staff prior to amendment. The national lockdown from March meant this year was tremendously challenging for staff. Some staff worked remotely, while others attended trust sites to continue delivery and support of education for children of key workers. This required staff to quickly adapt to new ways of working and receive assurance that that when on site, the premises were safe places to work.

Engagement with suppliers, customers and others in a business relationship with the trust

One of the principal examples of engagement with suppliers during 2019/20 has been the support the Trust has provided to suppliers, particularly in the case of small local businesses, by negotiating payment in line with pre-existing contracts during the Covid-19 lockdown while deferring the delivery of these services until the schools returned in September 2020. This was in accordance with government procurement notices issued in the year.

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.

These objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values. As an educational charity, we are accountable to not only our funders and direct beneficiaries (our pupils) but also our parents and wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. We are a values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values. Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect (through the involvement of parents and local people on our local governing bodies and Trust Board) ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

Objectives and activities (continued)

Objectives, strategies and activities

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

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

1. To engender high levels of academic and technical ambition with knowledge of how to learn and how to communicate one's learning with strong understanding through high quality, confident writing and speaking. Pupils will learn the intellectual skills and technical language for the subjects they study so that they can perform at the highest level. Pupils will be taught how to be independent learners and how to work together to support each other in successful learning.
2. To provide rich personal development (character education) that includes a strong moral, spiritual and social foundation, to foster a highly developed imagination and creativity. Pupils will be taught to think critically and analytically, to be enquiring, thoughtful and questioning and to be open-minded with a strong understanding of the world around them. Pupils will be supported to develop confidence, resilience and security in their abilities and identity and to extend their talents. Pupils will be helped to develop their 'voice' and will be provided with a variety of platforms from which they can develop their skills in public speaking and ensure they are confident in making their voices heard in constructive, powerful ways.
3. To enable the development of pupils' high aspirations and self-determination through opportunities for leadership, engagement with higher education and the professional workplace and experience of different cultures. Pupils will become global ambassadors - for the school, their community and for British society - able to encounter challenge, to negotiate solutions and to make peace and prosperity a realistic prospect for all those with whom they live and work. Pupils will actively work for positive social change.

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

Public benefit

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

Strategic report

Achievements and performance

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

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

Mulberry School for Girls

The key highlights for the 2019/20 Academic Year outcomes for Mulberry School for Girls were:

Key Stage 4 - 2020 performance indicators

Progress 8 score of +1.22*

- 44 % of all grades awarded were 9–7 (equivalent to an A*–A grade)
- 51% of students achieved grades 9–7 in English
- 39% of students achieved grades 9-7 in double science or triple science
- 66% of students achieved grades 9–5 in both English and maths
- 84% of students achieved grades 9–4 in both English and maths
- 50% of students achieved a strong EBACC (grade 5 or above in English, maths, science, history or geography and a language)
- 31% of students achieved grades 9–7 in maths

*This figure uses the 2019 progress 8 mechanism and so compares this cohort's performance to last years. There is no progress 8 score to be published this year. The progress 8 score based on SISRA collaboration data is +0.9

Key Stage 5 – 2020 performance indicators

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

- Overall attainment – Average Grade per entry - B
- Overall progress - +0.5
- 43% A* - A grade or equivalent
- 70.6% A*-B grade or equivalent
- 93% A*-C grades or equivalent

Self-Evaluation 2019/20 – Overall Effectiveness grade 1

Attendance – Up to the point of the national lockdown in March 2020, the attendance levels for pre and post 16 students were 96% and 94% respectively. The targets for both was 98%. We firmly believe that high attendance and academic success are linked. We have well-established relationships with our parents/carers and others in the community that ensures our students are in the classroom, focused on their learning.

Strategic report (continued)

Achievements and performance (continued)
Mulberry University Technical College

The key highlights for the 2019/20 Academic Year outcomes for Mulberry UTC were:

Key Stage 4 - 2020 performance indicators

- 9-4 English and Maths: 85%
- 9-5 English and Maths: 62%
- Progress 8 score: 0.26
- Attainment 8 score: 58

This was the UTC's second cohort of Year 11 students. A large majority of this year group were extremely vulnerable individuals, with low starting points and low confidence in their academic abilities.

Key Stage 5 – 2020 performance indicators

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

- Overall APS per entry 33.76
- Overall average grade C+
- Overall 0.36
- 90% of students gained a place at university, 13% at Russell Group institutions

This was the UTC's second cohort of Year 13 students to complete their studies at the school.

Self-Evaluation 2019/20 – Overall Effectiveness grade 2

Attendance – Up to the point of the national lockdown in March 2020, the attendance levels for pre and post 16 students were 93% and 91% respectively.

Mulberry Academy Shoreditch

The key highlights for the 2019/20 Academic Year outcomes for Mulberry Academy Shoreditch were:

Key Stage 4 - 2020 performance indicators

- Progress 8: **+0.6***
- Attainment 8: **56**
- 9-5 English and Maths: **58%**
- EBacc average points score **5.11** (England average 4.06)

*This figure uses the 2019 progress 8 mechanism and so compares this cohort's performance to last years. There is no progress 8 score to be published this year.

Strategic report (continued)

Achievements and performance (continued)

Within this cohort, 65% of students attracted pupil premium and 73% were EAL (English as an additional language). Whilst acknowledging that the achievements of the most able is very important, what gave the Academy the greatest sense of accomplishment is that many students made progress, irrespective of their ability or starting point. We also believe passionately in the arts and creativity at the Academy. We provide our students with a diverse range of creative and cultural experiences of the highest quality, to equip students for learning and life.

Key Stage 5 – 2020 performance indicators

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

- Average points score per A Level grade B
- value added +1.01
- 100% pass rate
- 61% A*-B grade or equivalent
- 88% A*-C grades or equivalent

Self-Evaluation 2019/20 – Overall Effectiveness grade 1

Attendance – Up to the point of the national lockdown in March 2020, the attendance levels for pre and post 16 students were 96% and 95% respectively. The targets for both was 98%. We firmly believe that high attendance and academic success are linked. We have well-established relationships with our parents/carers and others in the community that ensures our students are in the classroom, focused on their learning.

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. In making their assessment, the trustees have considered the impact of the Covid-19 pandemic on the operations, activities, future plans and finances of the academy trust. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Strategic report (continued)

Covid-19 Pandemic

The Covid-19 pandemic had a significant impact on pupil attendance, but not on the dedication and efforts made by staff to ensure that pupils identified in the vulnerable or key worker groups were offered full-time provision, whilst all other pupils and families were supported with remote learning, alongside wide-ranging personalised pastoral support.

Covid-19 caused extensive operational issues for the Trust and required additional investment to ensure that the buildings were suitable to manage the implications of the pandemic. However, savings were made on some services that did not have a long-term contract in place and were therefore not covered by the governments PPN notice 02/20 and 04/20.

The return to full time education provision requires increased flexibility and contingency planning in responding to the challenges arising from the pandemic in order to ensure that pupils are supported to fulfil their potential academically, socially and emotionally.

Promoting the success of the company

Trustees, governors and staff have come together to create a family of schools that has at its heart inclusion and equality of opportunity. In all its work, the Mulberry Schools Trust aims to generate outstanding achievement for all. The Mulberry family of schools has its base in the area of Tower Hamlets, providing education in communities where there are high levels of child poverty. The areas where the Trust is based have a poverty index in the uppermost quintile. This is despite being amidst the wealth and affluence of the City, Docklands and the artistic, sporting and entrepreneurial business hubs of Spitalfields, Shoreditch, Tech City and the Olympic Park. Trustees believe that a great education is a life chance. It is the means by which young people can find their way into the jobs and other opportunities that exist locally. Equality and diversity issues in wider society continue to present barriers for our pupils and their families and this plays out in schools system wide, with social disadvantage presenting serious limitations to educational achievement in general. The Trust's aim is to change this. A strong foundation for this work has been established over the past twelve years at Mulberry School for Girls, Mulberry UTC and Mulberry Academy Shoreditch.

Schools in the Trust have led the way in developing education for children who have to deal with serious social and financial difficulties. Academic standards over the past decade and successive inspections show a track record of continuing improvement and outstanding outcomes. Never complacent, schools in the Trust strive to be the very best they can be.

The Mulberry Schools Trust is well-known for its agenda on equality and in particular for its promotion of the universal secondary and tertiary education of girls globally. As a result, there have been high profile visits from HRH the Duchess of Cornwall in 2012 and in 2015, when the First Lady of the United States of America Michelle Obama chose us to launch her campaign for girls' education at Mulberry School for Girls.

Strategic report (continued)

Financial review

The total income for the period was £24.227m (2019 - £32.654m, including £9.081m from Mulberry Academy Shoreditch joining the Trust).

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted. The grants received from the ESFA during the period ended 31 August 2020 of £22.291m (2019 - £21.520m) and the associated expenditure of £22.042m (2019 - £21.695m) are shown as restricted funds in the Statement of Financial Activities. A high proportion of this spend is in relation to wages and salaries and support costs to deliver the trust's primary objective of the provision of education. At the end of the financial period, the trust had total funds of £29.824m (2019 - £30.223m).

Reserves policy

The Trustees are aware of the requirement to balance current and future needs and has an approved Reserves Policy. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1.986m (2019 - £1.991m). This is mainly made up of balances transferred from the predecessor schools. The reserves policy stipulates a minimum level of reserve of £500,000, this will be reviewed during the course of 2020/21.

The Trustees review a medium term financial plan for the trust, which looks at the projected overall surplus of the schools over a 3-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.

Due to the accounting rules for the Local Government Pension Scheme under FRS 102, the Trust is recognising a significant pension fund deficit of £6.146m (2019 - deficit of £5.974m). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of employer contributions over a number of years.

Investment policy

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

Strategic report (continued)

Principal risks and uncertainties

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

As a Trust the level of financial risk is relatively low. 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 Trust set up a separate Risk register to manage the impact and effects of Covid-19 to the Trust. The main areas of risk identified in the latest version of this risk register are: -

- ◆ The safe re-opening and continued operating of schools in the trust;
- ◆ Impact of staff or pupils contracting Covid-19; and
- ◆ Loss of key roles for a significant period.

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. The next Comprehensive Spending Review will contain important information to aid medium term financial planning for the Trust.
- ◆ Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees review this process through the Board meeting and Committees structure which review that adequate controls and appropriate measures are in place to mitigate these risks. The internal auditor also plays a role in this through an agreed internal audit programme each year.
- ◆ Reputational – the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. Mulberry School for Girls is an oversubscribed school, however with new schools within the Trust, such as the UTC, recruitment of pupils in line with projections in financial plans will be crucial and tightly monitored.
- ◆ Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- ◆ Staffing – the success of the schools within the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring that there is not over reliance on individual staff and that there is succession planning.
- ◆ Fraud and mismanagement of funds – The Trust has appointed internal auditors to carry out checks on financial systems and records, the internal auditors carry out checks as required by the Academies Financial Handbook and also carry out deeper reviews in line with an agreed schedule on specific areas.

Strategic report (continued)

Fundraising

The impact of Covid-19 was devastating for the local community in Tower Hamlets. During the lockdown period in late March 2020, in addition to the continued delivery of on-site and remote learning for our students, the trust established the Mulberry Schools Trust Food and Care Service. Its mission was to provide food and support to students and their families from the Mulberry Schools Trust community during the Covid-19 pandemic. The service was supported by staff volunteers and community donations (of both money and products). Donations were received from a number of individuals and organisations. In two months, the service raised £94,000 in cash donations and a further £160,000 in food and non-food products. In twenty-one weeks, an average of 420 families accessed the service. The service provided 10,000 food packages, equivalent to 60,000 meals, 120,000 sanitary products and 20,000 nappies and baby products.

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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 £121,513 (2019 - £121,451) held within this Charity, this balance is not expected to increase. The Charity is currently a connected party, however, it is the intention to formally bring this charity within the Mulberry Schools Trust over the next academic year.

Strategic report (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for 1 September 2019 to 31 August 2020

Estate wide Energy consumption used to calculate emissions (kWh)	4,332,939
Energy consumption break down	
Gas (kwh)	2,791,166
Electricity (kwh)	1,540,818
Transport Fuel (miles)	800
Scope 1 emissions in metric tonnes CO²e	
Gas consumption	513.21
Owned transport – mini-buses	0.24
Total scope 1	513.45
Scope 2 emissions in metric tonnes CO₂e	
Purchased electricity	218.56
Scope 3 emissions in metric tonnes CO₂e	
Business travel in employee owned vehicles	0
Total gross emissions in metric tonnes CO²e	732.02
Intensity ratio Tonnes CO²e per pupil	0.27

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

CO²e per pupil based on 2743 students and Total gross emissions in metric tonnes CO²e of 732.02 tonnes = 0.27 | Tonnes CO²e per pupil

Measures planned to improve energy efficiency

- We plan multiple energy audits across the Estate in order to understand the actions we need to take to reduce our carbon footprint
- We will look to procure all our Electricity from EDF on their Green Tariff (Financial impact permitting)
- We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our Carbon Footprint
- We continue to take advantage of all affordable opportunities, across the Estate, where possible
- We will review 2020 - 2021, at the appropriate time and report the effect of annual initiatives

Strategic report (continued)

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'.

The Trust plans to extend its provision over the next five years as follows:

- ◆ Mulberry School for Girls (the founding school)
- ◆ Mulberry UTC (opened September 2017)
- ◆ Mulberry Academy Shoreditch (joined September 2018)
- ◆ Mulberry Academy London Dock (planned opening September 2023)

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, 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.

Over ten years (from 2017), the Trust aims to grow to a family of around 10 -15 schools, which will cover the breadth of school provision from 3 – 19. Whilst the Trust will open or take on 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 through its Teaching School.

In November 2020, the Trust announced an innovative new partnership with Mercedes-Benz Grand Prix Ltd and the launch of the Mulberry STEM Academy – a Saturday / holiday provision that will provide a place of learning, inspiration and innovation for young people. It will be a powerful supplementary provision for STEM (science, technology, engineering and maths) education and, working together with Mercedes-Benz Grand Prix Ltd, it will offer a world-class programme of vocational training, specialised study and masterclasses for students aged 7-18 within the Mulberry family of schools and beyond. The provision will give students access to inspirational role models, imaginative teaching and rich extra-curricular experiences over a five-year period. Graduates will leave with a passport into engineering, design and science-based industries and be highly desirable employees for Mercedes-Benz Grand Prix Ltd and other related sectors.

Strategic report (continued)

Auditor

In so far as the governors are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2020 and signed on the board's behalf by:

Jane Farrell

A handwritten signature in black ink, appearing to read 'J. Farrell', written in a cursive style.

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 6 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	6	6
L. Bromley	5	6
I. Chivers	5	6
A. Crawley	6	6
J. Earl	6	6
J. Farrell (Chair)	6	6
D. Jones	6	6
D. Gracie	5	6
Dr V. Ogden	6	6
N. Okezie	4	6
S. Sarwar	3	6
M. Traynor	5	6

Governance review

In 2019/20, the Board of Mulberry Schools Trust commissioned the Confederation of School Trusts to undertake a governance review, to provide an objective insight into the effectiveness of the Trust's governance arrangements. In summary, the review identified that the approach to governance is effective and well supported given the current size of the Trust. The Trust benefits from a Board that bring great experience and strong commitment including Trustees who contribute significant time to the strength of the Trust and its governance.

The review used lines of enquiry to provide an overview of the effectiveness of the Trust's governance. Sitting beneath the focus areas are aspects of the Department for Education's Competency Framework for Governance.

Governance review (continued)

The five headings are:

- ◆ Strategic governance and direction.
- ◆ The impact and effectiveness of governance.
- ◆ The governance community - people dimension.
- ◆ Schools and their committees.
- ◆ Members, Trustees, the Board and committees

As a result of our board evaluation process we are confident that our trust board meet features of effective governance from the DfE's Competency Framework for Governance.

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

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

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

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

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

Trustee	Meetings attended	Out of a possible
S. Barrow	3	3
J. Earl	3	3
J. Farrell	3	3
D. Jones	3	3
Dr V. Ogden	3	3
N. Okezie	2	3
S. Sarwar	1	3

Review of value for money

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

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

- ◆ Better Purchasing – The Trust has joined The Crescent Purchasing Consortium to get access to framework agreements which offer better value for money through the competition of providers and who have expertise in providing service's to Academy Schools. The Financial Regulations has a clear procurement policy with designated thresholds for the requirement of competitive quotes and tenders for the procurement of goods and services.
- ◆ Better Income Generation – The Academy has generated external income by maximising the application for specific grants and also through School to School support, although the primary aim of providing school to school support is not income generation it has nevertheless secured additional income for the Trust.
- ◆ Challenge and discipline in budget management – Much work has been carried out to illustrate the financial landscape and the challenges surrounding education funding over the medium term to internal budget holders as well as Trustees and Governors. This has led to more awareness throughout the organisation and will embed value for money principles as a result.

Covid-19 and the subsequent partial closure of schools has resulted in the Trust honouring a small number of contracts under PPN 02/20 and PPN 04/20 where the Trust was received either a reduced service. These included; supply agency contracts; catering contracts; cleaning contracts. For supply agency staff, they were able to provide support remotely during the full lockdown period. For catering, prior to the full introduction of the government's voucher scheme, the contractors provided food bags for students, For cleaning, the contractors were able to undertake 'deep cleans' of the schools prior to their re-opening.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor for Mulberry Schools Trust. For the year ended 31 August 2020 the internal audit function for the Trust was carried out by Buzzacott LLP, being the final year of the previously agreed work programme cycle.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out during 2019/20 included:

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

More specific reviews were also carried out during the year on Risk Management and Major Procurement. 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.

Governance statement 31 August 2020

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 3 December 2020 and signed on its behalf by:

Jane Farrell

Dr Vanessa Ogden



Chair of Trustees



Accounting Officer

Statement on regularity, propriety and compliance 31 August 2020

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 2019.

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 2019.

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



Dr Vanessa Ogden

Accounting Officer

Date: 3 December 2020

Statement of Trustees' responsibilities 31 August 2020

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 2019 and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3 December 2020 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 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2019 to 2020.

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 2020 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 2019 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information (covers the reference and administrative details, the report of the Trustees and strategic report and the governance statement)

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept by the charitable company; or
- ◆ the charitable company financial statements are not in agreement with the accounting records or returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



18.12.2020

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

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

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Mulberry Schools Trust during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Mulberry 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



Hugh Swainson
18.12.2020

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2020

		Restricted funds		Year to	Year to
	Unrestricted	Restricted	Fixed	31 August	31 August
	general	general	assets	2020	2019
	fund	fund	fund	Total	Total
Notes	£'000	£'000	£'000	funds	funds
				£'000	£'000
Income from:					
Donations and capital grants	1	36	60	538	722
. Transfer of existing academy into the Trust	1, 22	—	—	—	9,081
Charitable activities					
. Funding for the Trust's educational operations	4	256	22,959	—	22,495
. Teaching schools	23	—	211	—	136
. Other trading activities	2	161	—	—	216
. Investments	3	6	—	—	4
Total income		459	23,230	538	32,654
Expenditure on:					
Charitable activities					
. Trust's educational operations	6	464	23,295	1,069	24,566
. Teaching schools	23	—	211	—	136
Total expenditure	5	464	23,506	1,069	24,702
Net (expenditure) income		(5)	(276)	(531)	7,952
Transfers between funds	16	—	(29)	29	—
Other recognised gains and losses					
Actuarial gains (losses) on defined benefit pension scheme	20	—	413	—	(1,728)
Net movement in funds		(5)	108	(502)	6,224
Reconciliation of funds					
Fund balances brought forward at 1 September 2019		1,991	(5,974)	34,206	23,999
Fund balances carried forward at 31 August 2020		1,986	(5,866)	33,704	30,223

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

Balance sheet 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible fixed assets	13		33,704		34,206
Current assets					
Debtors	14	1,313		1,462	
Cash at bank and in hand		4,795		<u>4,674</u>	
		6,108		<u>6,136</u>	
Creditors: amounts falling due within one year	15	(3,842)		<u>(4,145)</u>	
Net current assets			2,266		1,991
Net assets excluding pension scheme liability					
Pension scheme liability	20		35,970		36,197
			(6,146)		<u>(5,974)</u>
Total net assets			29,824		<u>30,223</u>
Funds of the Trust					
Restricted funds					
. Fixed assets fund	16		33,704		34,206
. Restricted income	16		280		—
. Pension reserve	16		(6,146)		<u>(5,974)</u>
			27,838		28,232
Unrestricted funds					
. General fund	16		1,986		1,991
Total funds			29,824		<u>30,223</u>

The financial statements on page 30 to 56 were approved by the Trustees, and authorised for issue on 3 December 2020 and are signed on their behalf by:

Jane Farrell



Chair of Directors of the Trust

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

Statement of cash flows Year to 31 August 2020

		2020 Total funds £'000	2019 Total funds £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	263	584
Cash flows from investing activities			
	B	(142)	161
Change in cash and cash equivalents in the year		121	745
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		4,674	3,929
Cash and cash equivalents at 31 August 2020	C	4,795	4,674
A Reconciliation of net (expenditure) income to net cash provided by operating activities			
		2020 Total funds £'000	2019 Total funds £'000
Net income for the year (as per the statement of financial activities)		(812)	7,952
Adjusted for:			
Inherited pension deficit (note 22)		—	2,226
Inherited tangible fixed assets		—	(10,748)
Depreciation (note 13)		1,069	1,004
Capital grants from DfE and other capital income		(538)	(715)
Interest receivable (note 3)		6	4
Defined benefit pension scheme cost less contributions payable (note 20)		467	313
Defined benefit pension scheme finance cost (note 20)		225	108
Decrease (increase) in debtors		149	(565)
(Decrease) increase in creditors		(303)	1,005
Net cash provided by operating activities		263	584
B Cash flows from investing activities			
		2020 Total funds £'000	2019 Total funds £'000
Dividends, interest and rents from investments		(6)	(4)
Purchase of tangible fixed assets		(674)	(550)
Capital grants from DfE/ESFA		538	715
Net cash provided by investing activities		(142)	161
C Analysis of cash and cash equivalents			
		2020 £'000	2019 £'000
Cash at bank and in hand		4,795	4,674
D Analysis of changes in net cash (debt)			
	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash	4,674	121	4,795
Total	4,674	121	4,795

Principal accounting policies Year to 31 August 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling to the nearest pound. Comparative information is shown for the year ended 31 August 2019.

Basis of consolidation

Richard Street Educational Trust

The Academy Trust has had beneficial control of this charitable company since 1 September 2019 by virtue of having appointed the majority of the trustees. Consolidated financial statements are not prepared on the basis that the results of the charitable company are not deemed material. During the year ended 31 August 2020 the total income of the charitable company was £40,888 and total expenditure was £97,327. Its net current assets at 31 August 2020 were £10,108 and net assets were £15,809.

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.

In making their assessment, the trustees have considered the impact of the Covid-19 pandemic on the operations, activities, future plans and finances of the academy trust.

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.

Principal accounting policies Year to 31 August 2020

Income (continued)

Grants

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

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

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

Donations

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

Other income

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

Transfer of existing academies into the trust

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

Expenditure

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

Expenditure on raising funds

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

Principal accounting policies Year to 31 August 2020

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

Depreciation is charged from the month of acquisition.

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

Liabilities

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

Principal accounting policies Year to 31 August 2020

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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.

Principal accounting policies Year to 31 August 2020

Pensions benefits (continued)

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

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. 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. 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.

Principal accounting policies Year to 31 August 2020

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Buildings held under PFI contract

Mulberry School for Girls joined the Trust on 1 May 2017, and is subject to a contract under the Private Finance Initiative (PFI). Under this contract the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy. These transactions have been accounted for as a leasing transaction. As the Academy only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy does not hold substantially all of the risks and rewards of ownership of the premises and the property is therefore accounted for as a financial commitment. The premises are not therefore recognised as an asset in the Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

Notes to the financial statements Year to 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	—	—	479	479	715
Other donations	36	60	59	155	7
	36	60	538	634	722
Conversion of existing Academy (note 22)	—	—	—	—	9,081
	36	60	538	634	9,803

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2019 Total funds £'000
Capital grants	—	—	715	715
Other donations	7	—	—	7
	7	—	715	722
Conversion of existing Academy (note 22)	40	(1,707)	10,748	9,081
	47	(1,707)	11,463	9,803

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	101	—	101	134
School trips	52	—	52	39
Other income	8	—	8	43
	161	—	161	216

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Hire of facilities	134	—	134
School trips	39	—	39
Other income	43	—	43
	216	—	216

Notes to the financial statements Year to 31 August 2020

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Interest receivable	6	—	6	4

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Interest receivable	4	—	4

4 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE / ESFA grants				
. General Annual Grant (GAG)	—	20,140	20,140	20,101
. Start Up Grants	—	—	—	87
. Other DfE / ESFA	—	2,151	2,151	1,332
	—	22,291	22,291	21,520
Other government grants				
. Local Authority grants	—	668	668	837
	—	668	668	837
Other income from the academy trust's educational operations	256	—	256	138
	256	22,959	23,215	22,495

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
DfE / ESFA grants			
. General Annual Grant (GAG)	—	20,101	20,101
. Start Up Grants	—	87	87
. Other DfE / ESFA	—	1,332	1,332
	—	21,520	21,520
Other government grants			
. Local Authority grants	—	837	837
	—	837	837
Other income from the academy trust's educational operations	138	—	138
	138	22,357	22,495

Notes to the financial statements Year to 31 August 2020

5 Expenditure

	Non pay expenditure			2020 Total funds £'000	2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000		
Charitable activities:					
. Direct costs	14,323	1,069	803	16,195	15,830
. Allocated support costs	3,555	2,311	2,767	8,633	8,736
Teaching school	—	—	211	211	136
2020 total funds	17,878	3,380	3,781	25,039	24,702

	Non pay expenditure			2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000	
Charitable activities:				
. Direct costs	13,588	1,004	1,238	15,830
. Allocated support costs	3,524	2,641	2,571	8,736
Teaching school	43	—	93	136
2019 total funds	17,155	3,645	3,902	24,702

	2020 Total funds £'000	2019 Total funds £'000
Net expenditure for the period includes:		
Depreciation	1,069	1,004
Operating lease costs – PFI*	1,325	1,112
Operating lease costs – Other	20	20
Fees payable to auditor:		
. Audit	15	15
. Other services	21	20

*PFI costs disclosed above includes the cost of the provision and occupation of the building as well as maintenance charges.

6 Charitable activities – Trust's educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	16,195	15,830
Support costs	8,633	8,736
	24,828	24,566

Analysis of support costs	2020 Total funds £'000	2019 Total funds £'000
Support staff costs	3,555	3,524
Technology costs	284	256
Premises costs	2,311	2,641
Legal costs	6	63
Other support costs	2,384	2,178
Governance costs	93	74
Total support costs	8,633	8,736

7 Governance costs

Analysis of governance costs	2020 Total funds £'000	2019 Total funds £'000
Professional fees	22	23
Governors' and meeting expenses	35	16
Auditor's remuneration:		
. Audit of financial statements	15	15
. Other	21	20
Total governance costs	93	74

8 Staff

(a) Staff costs

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	12,885	12,312
Social security costs	1,468	1,442
Pension costs	2,881	2,179
	17,234	15,933
Supply teacher costs	644	1,092
Staff restructuring costs	—	87
	17,878	17,112

8 Staff (continued)

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

There were no non-statutory/non-contractual severance payments in the year (2019 - £86,698).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	165	170
Administration and support	128	130
Management	26	26
	319	326

(d) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	28	19
£70,001 - £80,000	6	7
£80,001 - £90,000	7	4
£90,001 - £100,000	2	1
£100,001 - £110,000	2	3
£110,001 - £120,000	3	2
£140,001 - £150,000	2	1
£160,001 - £170,000	—	1

Of the above employees, 43 (2019 – 34) participated in the Teachers' Pension Scheme and 4 (2019 – 4) participated in the Local Government Pension Scheme.

(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 employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £1,286,165 (2019 - £1,252,885).

9 Trustees' remuneration and expenses

One trustee has been paid remuneration and has received other benefits from employment with the academy trust (2019 – one). The Chief Executive Officer only received remuneration in respect of services they provided undertaking the role of Chief Executive Officer and Headteacher of Mulberry School for Girls, and not in respect to her services as a trustee. The value of trustees' remuneration and other benefits whilst in office was as follows:

	2020 £'000	2019 £'000
Dr V. Ogden, Chief Executive Officer, Headteacher and trustee		
. Remuneration	150 – 155	165 – 170
. Employer's pension contributions	35 – 40	25 – 30

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

During the period to 31 August 2020, £730 of travel and subsistence expenses were reimbursed to one trustees (2019 - £713 reimbursed to three trustees) and trustees made donations to the Trust of £nil (2019 - £500).

10 Trustees' and Officers' insurance

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

11 Central services

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

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

Notes to the financial statements Year to 31 August 2020

12 Comparative information

Analysis of income and expenditure in the year to 31 August 2019 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted funds		Year to 31 August 2019 Total funds £'000
		Restricted general fund £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	7	—	715	722
. Transfer of existing academy into the Trust	41	(1,707)	10,747	9,081
Charitable activities				
. Funding for the Trust's educational operations	138	22,357	—	22,495
. Teaching schools	—	136	—	136
. Other trading activities	216	—	—	216
. Investments	4	—	—	4
Total income	406	20,786	11,462	32,654
Expenditure on:				
Charitable activities				
. Trust's educational operations	90	23,472	1,004	24,566
. Teaching schools	—	136	—	136
Total expenditure	90	23,608	1,004	24,702
Net income (expenditure)	316	(2,822)	10,458	7,952
Transfers between funds	(10)	175	(165)	—
Other recognised gains and losses				
Actuarial losses on defined benefit pension scheme	—	(1,728)	—	(1,728)
Net movement in funds	306	(4,375)	10,293	6,224
Reconciliation of funds				
Fund balances brought forward at 1 September 2018	1,685	(1,599)	23,913	23,999
Fund balances carried forward at 31 August 2019	1,991	(5,974)	34,206	30,223

Notes to the financial statements Year to 31 August 2020

13 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant equipment and furniture & fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost						
1 September 2019	24,076	12,396	619	336	51	37,478
Additions	—	497	5	65	—	567
Disposals	—	—	(42)	(37)	—	(79)
31 August 2020	24,076	12,893	582	364	51	37,966
Depreciation						
1 September 2019	2,755	204	86	201	26	3,272
Charge in period	396	249	373	34	17	1,069
Disposals	—	—	(42)	(37)	—	(79)
31 August 2020	3,151	453	417	198	43	4,262
Net book value						
31 August 2020	20,295	12,440	165	166	8	33,704
1 September 2019	21,321	12,192	533	135	25	34,206

Included within leasehold land and buildings is £141,000 of assets under construction that have not been depreciated yet. Depreciation will start upon completion of the work.

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

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

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	209	43
VAT recoverable	117	238
Other debtors	246	759
Prepayments and accrued income	741	422
	1,313	1,462

Notes to the financial statements Year to 31 August 2020

15 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	767	662
Payroll creditors	1,070	1,503
Taxation and social security	311	382
Accruals and deferred income	1,414	1,042
Amounts due to the ESFA – abatement of GAG	—	233
Capital creditors	52	148
Other creditors	228	175
	3,842	4,145

16 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general fund					
. General Annual Grant (GAG)	—	20,140	(19,891)	(29)	220
. Pupil premium	—	1,127	(1,127)	—	—
. Other ESFA grants	—	1,235	(1,235)	—	—
. Local authority grants		668	(668)		—
. Other restricted funds		60	—		60
. Pension reserve	(5,974)	—	(585)	413	(6,146)
	(5,974)	23,230	(23,506)	384	(5,866)
Fixed assets fund					
. Transfer on conversion	47	—	(1)	—	46
. Transfer of existing academy	31,760	—	(993)	—	30,767
. DfE/ESFA capital grants	2,399	479	(75)	(35)	2,768
. Other capital grants	—	59	—	—	59
. Capital expenditure from GAG	—	—	—	64	64
	34,206	538	(1,069)	29	33,704
Total restricted funds	28,232	23,768	(24,575)	413	27,838
Unrestricted funds					
. General funds	1,991	459	(464)	—	1,986
Total unrestricted funds	1,991	459	(464)	—	1,986
Total funds	30,223	24,227	(25,039)	413	29,824

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 2020.

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

Notes to the financial statements Year to 31 August 2020

16 Funds (continued)

Fixed asset fund

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

Pension reserve

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

Analysis of fund balance by academy

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £'000	Total 2019 £'000
Mulberry School for Girls	1,653	1,642
Mulberry UTC	(98)	(343)
Mulberry Academy Shoreditch	711	692
Central Services	—	—
Total before fixed assets and pension reserve	2,266	1,991
Restricted fixed asset fund	33,704	34,206
Pension liability	(6,146)	(5,974)
Total	29,824	30,223

Mulberry UTC funds were in deficit as at 31 August 2020 due to additional costs being incurred in the first few years of operation. Budgets for future years have been set which restore these funds to a positive position. As a result of this budgeting the deficit on funds has reduced in the year ended 31 August 2020 by £245,000.

Notes to the financial statements Year to 31 August 2020

16 Funds (continued)

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general fund					
. General Annual Grant (GAG)	—	20,101	(20,276)	175	—
. Start Up Grant	—	87	(87)	—	—
. Pupil premium	—	1,214	(1,214)	—	—
. Other ESFA grants	—	136	(136)	—	—
. Pension reserve	(1,599)	(2,226)	(421)	(1,728)	(5,974)
. Local authority grants	—	837	(837)	—	—
. Other restricted grants	—	118	(118)	—	—
. Transfer of existing academy	—	519	(519)	—	—
	(1,599)	20,786	(23,608)	(1,553)	(5,974)
Fixed assets fund					
. Transfer on conversion	48	—	(1)	—	47
. Transfer of existing academy	21,940	10,748	(928)	—	31,760
. DfE/ESFA capital grants	1,924	715	(75)	(165)	2,399
	23,912	11,463	(1,004)	(165)	34,206
Total restricted funds	22,313	32,249	(24,612)	(1,718)	28,232
Unrestricted funds					
. General funds	1,686	405	(90)	(10)	1,991
Total unrestricted funds	1,686	405	(90)	(10)	1,991
Total funds	23,999	32,654	(24,702)	(1,728)	30,223

Notes to the financial statements Year to 31 August 2020

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2020 £'000	Total 2019 £'000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	—	33,704	33,704	34,206
Current assets	1,986	4,122	—	6,108	6,136
Current liabilities	—	(3,842)	—	(3,842)	(4,145)
Pension scheme liability	—	(6,146)	—	(6,146)	(5,974)
Total net assets	1,986	(5,866)	33,704	29,824	30,223

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2019 £'000
<i>Fund balances at 31 August 2019 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	34,206	34,206
<i>Current assets</i>	1,991	4,145	—	6,136
<i>Current liabilities</i>	—	(4,145)	—	(4,145)
<i>Pension scheme liability</i>	—	(5,974)	—	(5,974)
<i>Total net assets</i>	1,991	(5,974)	34,206	30,223

Expenditure incurred by each academy during the year, excluding LGPS pension adjustments and depreciation was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2020 £'000
Mulberry School for Girls	7,392	1,347	399	3,118	12,256
Mulberry UTC	1,572	194	129	449	2,344
Mulberry Academy Shoreditch	4,722	2,184	358	1,519	8,783
Central services	—	—	—	—	—
Total expenditure	13,686	3,725	886	5,086	23,383

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2019 £'000
<i>Mulberry School for Girls</i>	7,216	1,632	638	2,730	12,216
<i>Mulberry UTC</i>	1,346	183	134	548	2,211
<i>Mulberry Academy Shoreditch</i>	5,460	1,312	609	1,468	8,849
<i>Central services</i>	—	—	—	—	—
<i>Total expenditure</i>	14,022	3,127	1,381	4,746	23,276

18 Capital commitments

	2020 £'000	2019 £'000
Contracted for, but not provided for in the financial statements	285	—

19 Members' liability

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

20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £2,029,000 (2019 - £1,301,022).

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

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

Local Government Pension Scheme (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 2020 was £718,000 (2019 - £750,000), of which employer's contributions totalled £545,000 (2019 - £568,000) and employees' contributions totalled £173,000 (2019 - £182,000). The agreed contribution rates for future years are 23.5% for employers and 5.5% to 12.5% % for employees, depending on their salary rate.

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

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.2%	2.1%
Rate of increase for pensions in payment / inflation	2.4%	2.3%
Discount rate for scheme liabilities	1.7%	1.9%

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

Notes to the financial statements Year to 31 August 2020

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.5	23.2
<i>Retiring in 20 years</i>		
Males	22.6	22.2
Females	25.0	24.4

Sensitivity analysis

	At 31 August 2020 £'000	At 31 August 2019 £'000
Changes in the below assumptions impact the net liability as follows		
Discount rate +0.5%	1,822	1,718
Discount rate -0.5%	(1,822)	(1,718)
CPI rate +0.5%	1,553	1,368
CPI rate -0.5%	(1,553)	(1,368)

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	5,702	3,300
Corporate bonds	784	1,490
Property	570	479
Cash and other liquid assets	71	54
Total market value of assets	7,127	5,323
Present value of scheme liabilities		
Funded	(13,273)	(11,297)
Deficit in the scheme	(6,146)	(5,974)

	2020 £'000	2019 £'000
Amounts recognised in statement of financial activities		
Current service cost	1,012	881
Interest income	(107)	(130)
Interest cost	225	238
Total amount recognised in the SOFA	1,130	989

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September 2019	(11,297)	(2,901)
Inherited on conversion	—	(5,241)
Current service cost	(1,012)	(881)
Interest cost	(225)	(238)
Employee contributions	(173)	(182)
Actuarial gain/(loss)	(697)	(1,932)
Benefits paid	131	78
At 31 August 2020	(13,273)	(11,297)

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	5,323	1,302
Inherited on conversion	—	3,015
Actuarial gain	1,110	204
Expected return on assets	107	130
Employer contributions	545	568
Employee contributions	173	182
Benefits paid	(131)	(78)
At 31 August 2020	7,127	5,323

21 Related party transactions

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

On 1 September 2019 the Trust took beneficial control of The Richard Street Education Trust, a charitable company (Company registration number 07601747). As stated in the accounting policies, this charitable company has not been consolidated on the basis that its result are not material in the context of the Academy Trust. This charitable company was previously a connected entity by virtue of the Academy Trusts power to appoint up to half of the trustees of the charitable company. In September 2019 a licence to assign was signed to transfer the lease to occupy the Mulberry and Bigland Centre from The Richard Street Education Trust over to Mulberry Schools Trust. This transfer was made in preparation for the planned dissolution of The Richard Street Education Trust. In prior years the students of Mulberry School for Girls were able to use the theatre and other parts of the centre on a regular basis as a result of the financial contributions the Academy Trust had made to the Richard Street Education Trust. In the prior year the Academy Trust was able to use this space free of charge as a result of the cumulative contributions made in prior periods.

21 Related party transactions (continued)

One of the Trustees is a Senior Partner at Bates Wells Braithwate. During the period, Bates Wells Braithwate provided £10,265 of professional services to the Trust (2019 - £59,515). At 31 August 2020, the Trust owed Bates Wells Braithwate £nil (2019 - £nil).

The Chair of the Trust is a partner with significant control at EW Group, an Equality and Diversity Consultancy company. During the period, EW Group provided no (2019 - £4,800) professional services to the Trust. At 31 August 2020, the Trust owed £nil, (2019 - £nil) to EW Group.

The Trust has complied with the requirements of the Academies Financial Handbook 2019 in ensuring that relevant transactions have occurred at 'no more than cost'.

22 Transfer of existing academies to the trust

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

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

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total 2019 £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	10,687	10,687
. Other tangible fixed assets	—	—	60	60
Budget surplus on funds	41	519	—	560
LGPS Pension deficit	—	(2,226)	—	(2,226)
Net assets	41	(1,707)	10,747	9,081

Notes to the financial statements Year to 31 August 2020

23 Teaching school

	Year to 31 August 2020 Total funds £'000	Year to 31 August 2020 Total funds £'000	Year to 31 August 2019 Total funds £'000	Year to 31 August 2019 Total funds £'000
Direct income				
Teaching School Grants		211		136
Expenditure				
Direct costs	172		93	
Staff development	25		32	
Total direct costs	197		125	
Support staff costs	9		8	
Other support costs	5		3	
Total support costs	14		11	
Total expenditure		(211)		(136)
Surplus / deficit for the year		—		—

24 Events after the reporting period

There were no events after the reporting period. (2019 - On 1 September 2019, the Trust obtained a controlling interest in The Richard Street Education Trust).

25 Agency arrangements

The academy trust distributes 16-18 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £80,000 (2019 - £126,000) and disbursed £80,000 (2019 - £126,000) from the fund. An amount of £nil (2019 - £nil) is included in creditors relating to undistributed funds that is repayable to ESFA.

26 Operating lease commitments

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

	PFI commitments		Equipment	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due within one year	1,198	1,325	20	25
Amounts due between one and five years	4,912	4,863	—	20
Amounts due in more than five years	4,731	5,977	—	—

In addition to the above, on 3 September 2019 the Mulberry and Bigland Centre was transferred to the Mulberry Schools Trust from the Richard Street Education Trust. The lease provides for the foregoing of rent of £30,000 per annum in favour of one peppercorn if performance targets are met in relation to its use.