

Mulberry Schools Trust

Annual Report and Financial Statements

Year to 31 August 2022

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

Mulberry
Schools Trust

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Reference and administrative information

Members	S. Barrow E. Bromley (Appointed 13 th June 2022) C. Barker A. Crawley (Resigned 13 th June 2022) J. Earl (Appointed 13 th June 2022) J. Farrell (Resigned 13 th June 2022) M. Rahman
Trustees	S. Barrow I. Chivers (Resigned 30 th November 2021) A. Crawley J. Farrell (Chair) D. Gracie N. Hassan D. Jones Dr. V. Ogden (CEO and Accounting Officer) N. Okezie (Resigned 29 th June 2022) S. Sarwar M. Traynor N. Uddin
Company Secretary	S. Jameson
Senior Management Team:	
CEO	Dr. V.Ogden
Director of Operations & Performance	S. Mundy
Chief Finance Officer	P Doel
Executive Principal	R Holden
Director of Governance and Development	S. Jameson
Headteacher	A Ward
Headteacher	P. Bhutta
Acting Principal	S. Brian
Director of Education	R Smith
Company Name	Mulberry Schools Trust
Principal and Registered Office	Richard Street, Commercial Road, London E1 2JP
Company Registration Number	10035860 (England and Wales)
Independent Auditor	Buzzacott LLP 130 Wood Street London, EC2V 6DL
Bankers	Lloyds Bank Plc 25 Gresham Street London, EC2V 7HN
Solicitors	Bates Wells Braithwate 10 Queen Street Place London EC4R 1BE

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. 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 34 to 39 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 four secondary schools (including one university technical college) and one primary school (opened September 2022) serving a catchment area in East London. Its academies (including the primary) have a combined pupil capacity of 4,870 and had a roll of 4,679 at the October 2022 census date.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

When necessary, the Trust Board convenes 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.

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 relevant period	Full-time equivalent employee number
4	3.92

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	—
1%-50%	2
51%-99%	2
100%	—

Percentage of pay bill spent on facility time

Total cost of facility time	£11,996
Total pay bill	£26,240,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.046%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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Related Parties and other Connected Charities and Organisations

Mulberry Schools Trust has trustee/governor representation within the Richard Street Education Trust, which is a charity and company limited by guarantee. At 31 August 2022, the Trustees form two out of three Trustees within 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. The Foundation has been dormant since incorporation.

The Trust is currently in control 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 also 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.

As a Teaching School Hub, the Trust is passionate about staff training and continued professional development for its own staff.

The policies of the Trust show a commitment to the recruitment and retention of staff with disabilities. We have in place a robust system to provide support plans for staff, including making reasonable adjustments to support those staff that require assistance.

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

The trust forms strong partnerships with key suppliers to achieve economies of scale, value for money and focus on the quality and reliability of service. We aim to work with suppliers that demonstrate their employees are paid a fair wage and that sustainable environmental practises are in place. One of the principal examples of engagement with suppliers during 2021/22 has been the aspiration for employees of contractors to be paid the London Living Wage.

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, 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)

Due to the impact of the Covid-19 pandemic, the 2022 summer examination results below are the first externally assessed examinations since 2019.

Mulberry School for Girls

The key highlights for the 2021/22 Academic Year outcomes for Mulberry School for Girls were:

Key Stage 4 - 2022 performance indicators

Attainment 8 score of 5.9 (the national average in 2019 was 4.7)

- Provisional progress 8 score of +0.8
- 54% of students achieved grades 9–7 in English
- 88% of students achieved grades 9-5 across triple science and 54% of students achieved grades 9-5 in double science GCSEs
- 64% of students achieved grades 9–5 in both English and maths (43% national average in 2019)
- 80% of students achieved grades 9–4 in both English and maths
- 47 of students achieved a strong EBACC (grade 5 or above in English, maths, science, history or geography and a language) and 64% achieved a standard EBACC (grade 4 or above in the same subjects) 97% of students were entered for the Ebacc compared to a national average of 40% in 2019
- 30% of students achieved grades 9–7 in maths

*This figure uses the 2019 progress 8 mechanism and so compares this cohort's performance to the 2019 cohort.

Key Stage 5 – 2022 performance indicators

Overall attainment:

- Average Grade per entry B-
- 57% A*-B grade or equivalent
- 81% A*-C grades or equivalent
- 34% of students are now pursuing undergraduate studies at Russell Group universities
- 80% of disadvantaged students are now studying at university, with 26% of this cohort studying at Russell Group universities

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Ofsted Inspection (July 2013) –Overall Effectiveness: grade 1

Self-Evaluation 2021/22 – Overall Effectiveness grade 1

Attendance – Attendance levels for pre and post 16 students in 21/22 was 95.7% and 91% respectively.

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

Mulberry University Technical College

The key highlights for the 2021/22 Academic Year outcomes for Mulberry UTC were:

Key Stage 4 - 2022 performance indicators

- Overall Progress Score in Technical Qualifications +0.05*
- % of students achieving Level 2 pass (equivalent to a grade 4 at GCSE) in Performing Arts was 82%, in Health and Social Care 67% and Business 68%
- % of students achieving 5 'strong passes' (grade 5 or above) including English and Maths increased from 2019 to 20%

*this figure uses the 2019 progress 8 calculation.

Key Stage 5 – 2022 performance indicators

- Overall progress and attainment has improved compared to 2019 outcomes
- 1/3 of all CTEC Diploma grades are at Distinction* Distinction* (D*D*), the top possible grade
- equivalent to A*A*.
- Average grade in Business CTEC Distinction*, Value added +0.18
- Average grade in Creative Media Distinction*
- Applied Science foundation diploma average grade Distinction*, value added +0.57
- Health and Social Care diploma and extended diploma both average grade distinction*
- Improvements in attainment in Biology and Psychology A Level from 2019

Ofsted Inspection (March 2020) –Overall Effectiveness: Good

School Self-Evaluation 2021/22 – Overall Effectiveness: grade 2 (Good)

Attendance – Attendance levels for pre and post 16 students in 21/22 was 87% and 86% respectively.

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Mulberry Academy Shoreditch

The key highlights for the 2021/22 Academic Year outcomes for Mulberry Academy Shoreditch were:

Key Stage 4 - 2022 performance indicators

- Progress 8: +0.51*
- Attainment 8: 52.16
- 57.5 % of students achieved grades 9–5 in both English and maths
- 74.9% of students achieved grades 9–4 in both English and maths. 2% higher than national
- 26.2% of all grades awarded were 9–7, with 15% 9-8
- 82% of students were entered for the EBACC and 29% of students achieved a strong pass (grade 5 or above in English, maths, science, a humanity and a language)
- 27.2% of students achieved grades 9–7 in English
- 28.3% of students achieved grades 9–7 in maths

*This figure uses the 2019 progress 8 mechanism and so compares

Key Stage 5 – 2022 performance indicators

- Doubled our 2019 attainment at A*-B
- Average points score per A Level is a grade C

Ofsted Inspection (September 2022) –Overall Effectiveness: Good

Self-Evaluation 2021/22 – Overall Effectiveness: grade 1(Outstanding)

Attendance – Attendance levels for pre and post 16 students in 2021/22 was 96% and 94.2% respectively.

Mulberry Stepney Green Maths, Computing and Science College

The key highlights for the 2021/22 Academic Year outcomes for the school were:

Key Stage 4 - 2022 performance indicators

Key Highlights

- Provisional progress 8 score of +0.30
- 60.7% of students achieved grades 9–5 in both English and maths (43% national average in 2019)
- 75.3% of students achieved grades 9–4 in both English and maths
- 74% of students were entered for the EBACC and 33% of students achieved a strong pass (grade 5 or above in English, maths, science, a humanity and a language)

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Key Stage 5 – 2022 performance indicators

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

Overall attainment:

- Average Grade per entry C+
- 40% A*-B grade or equivalent
- 66% A*-C grades or equivalent
- 21% of students are now pursuing undergraduate studies at Russell Group universities

Ofsted Inspection (December 2021) – *Overall Effectiveness: Good*

School Self-Evaluation 2021/22 – Overall Effectiveness: grade 2 (Good)

Attendance – Attendance levels for pre and post 16 students in 21/22 was 96% and 94.8% respectively.

Going Concern

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

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 and Mulberry Stepney Green Maths, Computing and Science College

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.

STRATEGIC REPORT (continued)

Promoting the success of the company (continued)

In 2021/22 the trust entered into the second year of the successful innovative partnership with Mercedes-Benz Grand Prix Ltd and the Mulberry STEM Academy – a Saturday / holiday provision that provides a place of learning, inspiration and innovation for young people. It is a powerful supplementary provision for STEM (science, technology, engineering and maths) education and, working together with Mercedes-Benz Grand Prix Ltd, it offers 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 gives 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.

2021/22 was the second year of the Mulberry Schools Trust 'Teaching School Hub' (TSH) status. The TSH provides Initial Teacher Training, the Early Career Framework, National Professional Qualifications in leadership and Continuing Professional Development. The TSH is known as the 'East London Teaching School Hub', leading the delivery of this offer for teachers and support staff across Tower Hamlets and Hackney. The CEO of the Mulberry Schools Trust is a Department for Education designated National Leader in Education, contributing extensively to system-wide school improvement.

Financial Review

As at 31 August 2022, the total income for the period was £37.547m (2021 - £26.870m). The cash at bank and in hand was £9.919m (2021 - £6,736m) with net current assets of £4.744m (2021 - £3.598m). At the end of the financial period, the trust had total funds of £35.848m (2021 - £27.762m).

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 £3.823m. 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 2022/23.

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

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,722,000 (2021 – deficit £9,031,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

STRATEGIC REPORT (continued)

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 our Investment Policy which adheres to the principals outlined within the Academy Trust Handbook.

Principal Risks and Uncertainties

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 / paternity leave.

In addition, 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 risk register are: -

- ◆ The safe re-opening and continued operating of schools in the trust
- ◆ Impact of staff or pupils contracting Covid-19;
- ◆ 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.

STRATEGIC REPORT (continued)

Principal Risks and Uncertainties (continued)

- ◆ 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 Academy Trust Handbook and also carry out deeper reviews in line with an agreed schedule on specific areas.

Fundraising

The Trust does not use any external fundraisers. Academies themselves raise charitable donations for a small number of local and national charities. Academies also raise funds for specific Academy purposes such as equipment. 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 £121,539 (2021 - £121,523) held within this Charity, this balance is not expected to increase. The Charity is currently a connected party.

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for 1 September 2021 to 31 August 2022

	1st September 2021 to 31 August 2022	1st September 2020 to 31 August 2021
Estate wide Energy consumption used to calculate emissions (kWh)	6,268,800	3,899,645
Energy consumption break down		
Gas [kwh]	4,221,100	2,512,909
Electricity [kwh]	2,047,700	1,386,736
Transport Fuel [miles]	28,600	770
Scope 1 emissions in metric tonnes CO²e		
Gas consumption	776.13	462.05
Owned transport – mini-buses	8.7	0.23
Total scope 1	784.83	462.28
Scope 2 emissions in metric tonnes CO²e		
Purchased electricity	477.40	196.7
Scope 3 emissions in metric tonnes CO²e		
Business travel in employee owned vehicles	1.09	0
Total gross emissions in metric tonnes CO²e	1,263.32	658.98
Intensity ratio Tonnes CO²e per pupil	0.28	0.22

Quantification and Reporting Methodology

We have followed the 2022 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting (continued)

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

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 (after undertaking a vfm exercise)
- We continue to work 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 2022 - 2023, at the appropriate time and report the effect of annual initiatives

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 September 2017
- Mulberry Academy Shoreditch September 2018
- Mulberry Stepney Green Maths, Computing and Science College October 2021
- Mulberry Wood Wharf (primary) opened September 2022
- Mulberry Academy London Dock September 2023

During 2020/21 the Trust undertook legal and financial due diligence on the potential transfer of Canon Barnett Primary School into the Trust. The school is a maintained school located in Tower Hamlets. The transfer into the Trust has been delayed, but it is anticipated that the school will convert to academy status and transfer into the Trust during 2022/23. During 2021/22 the trust started discussions with a single academy trust with the potential for the school to transfer into the trust in 2022/23.

Trustees' report 31 August 2022

Auditor

Insofar 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 15th December 2022 and signed on the board's behalf by:

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

Jane Farrell

Chair of Trustees

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Barrow	4	4
I Chivers	1	1
A Crawley	4	4
J Farrell (Chair)	4	4
D Gracie	3	4
N Hassan	3	4
D Jones	4	4
V Ogden	4	4
N Okezie	4	4
S Sarwar	3	4
M Traynor	2	4
N Uddin	2	4

Conflicts of interest

The trust manages conflicts of interest through a number of processes;

- an up to date register of interests is in place;
- the terms of reference for each Committee;
- the trust's governors and trustees handbook and induction and training schedule is in place;
- a programme of recruitment to governor roles for any new school joining the trust;
- monitoring conflicts of interests is a risk on the trust's risk register and reviewed at each finance and risk committee meeting

Governance review

At the Trust Board Strategic Away Day in April 2022, trustees launched the strategic plan for 2022- 2027 and also reviewed the proposed governance transition plan. The plan is to ensure the governance structure can be sustainable in line with trust growth and the trust's equality and diversity strategy and succession planning.

Governance review (continued)

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 meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
I Chivers	1	1
A Crawley	3	3
J Farrell	2	3
D Gracie	3	3
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 meetings in the year was as follows:

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

Review of Value for Money (continued)

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mulberry Schools Trust for the period 1 September 2021 to 31 August 2022 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 2021 to 31 August 2022 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

The Risk and Control Framework (continued)

- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines
- ◆ delegation of authority and segregation of duties
- ◆ identification and management of risks

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out during 2021/22 included:

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

On an annual basis, the internal auditor will report to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

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

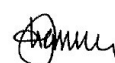
- ◆ the work of the internal auditor
- ◆ the work of the external auditor
- ◆ the financial management and governance self-assessment process
- ◆ the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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 ensures continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15th December 2022 and signed on its behalf by:



Jane Farrell
Chair of Trustees



Dr Vanessa Ogden
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2022

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

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



Dr Vanessa Ogden

Accounting Officer

Date: 15th December 2022

Statement of Trustees' responsibilities 31 August 2022

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 2021 to 2022
- ◆ 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
- ◆ 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 15th December 2022 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 year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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 2021 to 2022.

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 2022 and of its 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 2021 to 2022.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns;
or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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.



16 December 2022

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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



16 December 2022

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2022

		Restricted funds			Year to 31 August 2022 Total funds £'000	Year to 31 August 2021 Total funds £'000
	Notes	Unrestricted general fund £'000	Restricted general fund £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	2	—	319	321	914
. Transfer of existing academy into the Trust	25	1,050	(2,142)	446	(646)	—
Charitable activities						
. Funding for the Trust's educational operations	4	212	36,918	—	37,130	25,618
. Teaching school hub	4	—	387	—	387	152
Other trading activities	2	354	—	—	354	186
Investments	3	1	—	—	1	—
Total income		1,619	35,163	765	37,547	26,870
Expenditure on:						
Raising Funds		40	—	—	40	—
Charitable activities						
. Trust's educational operations	6	—	38,807	1,210	40,017	26,607
. Teaching school hub	5	—	387	—	387	149
Total expenditure	5	40	39,194	1,210	40,444	26,756
Net income (expenditure)		1,579	(4,031)	(445)	(2,897)	114
Transfers between funds	16	—	(76)	76	—	—
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension scheme	20	—	10,983	—	10,983	(2,176)
Net movement in funds		1,579	6,876	(369)	8,086	(2,062)
Reconciliation of funds						
Fund balances brought forward at 1 September 2021		2,244	(7,677)	33,195	27,762	29,824
Fund balances carried forward at 31 August 2022		3,823	(801)	32,826	35,848	27,762

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

Balance sheet 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible fixed assets	13		32,826		33,195
Current assets					
Debtors	14	1,607		1,523	
Cash at bank and in hand		9,919		6,736	
		11,526		8,259	
Creditors: amounts falling due within one year	15	(6,782)		(4,661)	
Net current assets			4,744		3,598
Net assets excluding pension scheme liability					
Pension scheme liability	20		(1,722)		(9,031)
Total net assets			35,848		27,762
Funds of the Trust					
Restricted funds					
. Fixed assets fund	16		32,826		33,195
. Restricted income	16		921		1,354
. Pension reserve	16		(1,722)		(9,031)
			32,025		25,518
Unrestricted funds					
. General fund	16		3,823		2,244
Total funds			35,848		27,762

The financial statements on page 31 to 59 were approved by the Trustees, and authorised for issue on 15th December 2022 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 2022

		2022 Total funds £'000	2021 Total funds £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	3,261	1,668
Cash flows from investing activities			
	B	(78)	273
Change in cash and cash equivalents in the year		3,183	1,941
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2021		6,736	4,795
Cash and cash equivalents at 31 August 2022	C	9,919	6,736
A Reconciliation of net (expenditure) income to net cash provided by operating activities			
		2022 Total funds £'000	2021 Total funds £'000
Net income for the year (as per the statement of financial activities)		(2,897)	114
Adjusted for:			
Depreciation (note 13)		1,210	1,077
Capital grants from DfE and other capital income		(319)	(841)
Inherited pension deficit		2,142	—
Inherited tangible assets		(445)	—
Interest receivable (note 3)		1	—
Defined benefit pension scheme cost less contributions payable (note 20)		1,343	600
Defined benefit pension scheme finance cost (note 20)		189	109
Increase in debtors		(84)	(210)
Increase in creditors		2,121	819
Net cash provided by operating activities		3,261	1,668
B Cash flows from investing activities			
		2022 Total funds £'000	2021 Total funds £'000
Dividends, interest and rents from investments		(1)	—
Purchase of tangible fixed assets		(396)	(568)
Capital grants from DfE/ESFA		319	841
Net cash (used in) provided by investing activities		(78)	273
C Analysis of cash and cash equivalents			
		2022 £'000	2021 £'000
Cash at bank and in hand		9,919	6,736
D Analysis of changes in net cash (debt)			
	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Cash	6,736	3,183	9,919
Total	6,736	3,183	9,919

Principal accounting policies Year to 31 August 2022

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling to the nearest thousand pounds. Comparative information is shown for the year ended 31 August 2021.

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 period ended 31 August 2022 the total income of Richard Street Education Trust was £nil (2021 - £nil) and total expenditure was £nil (2021 - £3,445). Its net current assets at 31 August 2022 were £5,752 (2021 - £9,238) and net assets were £5,752 (2021 - £12,364).

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 and inflationary pressures on pay and non-pay expenditure on the operations, activities, future plans and finances of the academy trust.

Principal accounting policies Year to 31 August 2022

Income

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

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

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.

Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net 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 academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

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.

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.

Principal accounting policies Year to 31 August 2022

Expenditure (continued)

Expenditure on raising funds

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

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

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

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

Freehold 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.

Principal accounting policies Year to 31 August 2022

Liabilities

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

Financial instruments

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

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

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 2022

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.

Critical accounting estimates and areas of judgement (continued)

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 2022. 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, Mulberry Stepney Green joined the Trust on 1 October 2021, and both are subject to contracts under the Private Finance Initiative (PFI). Under these contracts the Academies premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academies. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academies as a result of a 125 year lease granted to the Academies. These transactions have been accounted for as a leasing transaction. As the Academies only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academies do not hold substantially all of the risks and rewards of ownership of the premises and the properties are 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 2022

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2022 Total funds £'000	2021 Total funds £'000
Capital grants	—	—	319	319	513
Donated fixed assets	—	—	—	—	328
Other donations	2	—	—	2	73
	2	—	319	321	914
Transfer of an existing academy into the Trust	1,050	(2,142)	446	(646)	—
	1,052	(2,142)	765	(325)	914

Donated fixed assets received in 2021 included items of computer equipment received from the ESFA and other sources.

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2021 Total funds £'000
Capital grants	—	—	513	513
Donated fixed assets	—	328	—	328
Other donations	73	—	—	73
	73	328	513	914

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Hire of facilities	200	—	200	65
Other income	154	—	154	121
	354	—	354	186

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Hire of facilities	65	—	65
Other income	121	—	121
	186	—	186

Notes to the financial statements Year to 31 August 2022

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Interest receivable	1	—	1	—

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Interest receivable	—	—	—

4 Funding for academy trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	* 2021 Total funds £'000
Educational Operations				
DfE / ESFA grants				
. General Annual Grant (GAG)	—	33,108	33,108	21,768
Other DfE / ESFA Grants				
. Pupil Premium	—	1,536	1,536	1,111
. Other DfE Group grants	—	605	605	1,447
	—	35,249	35,249	24,326
Other government grants				
. Local Authority grants	—	1,219	1,219	723
	—	1,219	1,219	723
Other income from the academy trust's educational operations	212	—	212	160
Coronavirus additional funding				
DfE/ESFA				
. Catch up and recovery premium	—	158	158	163
. Other	—	292	292	—
Other coronavirus funding	—	—	—	94
		450	450	257
Total Educational Operations	212	36,918	37,130	25,466
Teaching School Hub				
DfE/ESFA	—	170	170	152
Other	—	217	217	—
	—	387	387	152
2022 total funds	212	37,305	37,517	25,618

Notes to the financial statements Year to 31 August 2022

4 Funding for academy trust's charitable activities (continued)

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	—	21,920	21,920
. Pupil Premium	—	1,111	1,111
. Other DfE Group grants	—	1,447	1,447
	—	24,478	24,478
<i>Other government grants</i>			
. Local Authority grants	—	723	723
	—	723	723
<i>Other income from the academy trust's educational operations</i>	160	—	160
<i>Coronavirus additional funding</i>			
<i>DfE / ESFA</i>			
. Catch-up premium	—	163	163
Other coronavirus funding	—	94	94
	—	257	257
<i>Total Educational Operations</i>	160	25,458	25,618
<i>Teaching School Hub</i>			
<i>DfE/ESFA</i>			
	—	152	152
<i>Other</i>			
	—	—	—
	—	152	152
<i>2021 total funds</i>	160	25,610	25,770

5 Expenditure

	Staff costs £'000	Non pay expenditure		2022 Total funds £'000	2021 Total funds £'000
		Premises £'000	Other costs £'000		
Raising Funds	—	—	40	40	—
<i>Charitable activities:</i>					
. Direct costs	20,358	1,209	2,616	24,183	17,660
. Allocated support costs	7,967	4,851	3,016	15,834	8,947
Teaching school	113	—	274	387	149
2022 total funds	28,438	6,060	5,946	40,444	26,756

Notes to the financial statements Year to 31 August 2022

5 Expenditure (continued)

	Staff costs £'000	Non pay expenditure		2021 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Charitable activities:</i>				
. Direct costs	15,381	1,077	1,202	17,660
. Allocated support costs	4,030	2,171	2,746	8,947
Teaching school	—	—	149	149
2021 total funds	19,411	3,248	4,097	26,756

	2022 Total funds £'000	2021 Total funds £'000
Net expenditure for the period includes:		
Depreciation	1,210	1,077
Operating lease costs – PFI*	2,864	1,212
Operating lease costs – Other	69	—
Fees payable to auditor:		
. Audit	22	17
. Other services	7	19

*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

	2022 Total funds £'000	2021 Total funds £'000
Direct costs – educational operations	24,183	17,660
Direct costs – teaching school hub	387	—
Support costs – educational operations	15,834	8,947
	40,404	26,607

	2022 Total funds £'000	2021 Total funds £'000
Analysis of support costs		
Support staff costs	7,967	4,030
Technology costs	954	386
Premises costs	4,851	2,171
Legal costs – prospective conversions	6	92
Legal costs – other	47	23
Other support costs	1,945	2,161
Governance costs	64	84
Total support costs	15,834	8,947

Notes to the financial statements Year to 31 August 2022

7 Governance costs

	2022 Total funds £'000	2021 Total funds £'000
Analysis of governance costs		
Professional fees	10	33
Governors' and meeting expenses	23	15
Auditor's remuneration:		
. Audit of financial statements	22	17
. Other	9	19
Total governance costs	64	84

8 Staff

(a) Staff costs

	2022 Total funds £'000	2021 Total funds £'000
Wages and salaries	20,014	14,112
Social security costs	2,348	1,589
Pension costs	5,221	3,308
	27,583	19,009
Supply teacher costs	831	392
Staff restructuring costs	24	10
	28,438	19,411

(b) Severance payments

The academy trust paid 1 severance payments in the year, disclosed in the following bands

	2022 No.
£0 - £25,000	1
£25,001 - £50,000	—
£50,001 - £100,000	—
£100,001 - £150,000	—
£150,000+	—

(c) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £23,517 (2021 - £9,552). Individually, the payments were for £23,517 (2021 - £6,000 and £3,552).

Notes to the financial statements Year to 31 August 2022

(d) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2022 was as follows:

	2022	2021
	No.	No.
Teachers	250	177
Administration and support	189	143
Management	37	24
	476	344

	2022	2021
	FTE.	FTE.
Teachers	237	164
Administration and support	137	107
Management	37	24
	411	295

(e) Higher paid staff

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

	2022	2021
	No.	No.
£60,001 - £70,000	47	32
£70,001 - £80,000	21	9
£80,001 - £90,000	8	6
£90,001 - £100,000	3	4
£100,001 - £110,000	1	2
£110,001 - £120,000	2	4
£120,001 - £130,000	3	—
£130,001 - £140,000	—	—
£140,001 - £150,000	2	1
£150,001 - £160,000	1	1

Of the above employees, 82 (2021 – 54) participated in the Teachers' Pension Scheme and 6 (2021 – 4) participated in the Local Government Pension Scheme.

(f) 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 £1,505,062 (2021 - £1,415,695).

9 Trustees' remuneration and expenses

One trustee has been paid remuneration and has received other benefits from employment with the academy trust (2021 – 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:

	2022 £'000	2021 £'000
Dr V. Ogden, Chief Executive Officer, Headteacher and trustee		
. Remuneration	150-155	150 – 155
. Employer's pension contributions	35-40	35 – 40

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 2022, no travel and subsistence expenses were reimbursed to any trustees (2021 - £nil) and trustees made donations to the Trust of £nil (2021 - £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

The group has provided the following central services to the academies during the year:

- finance services, human resources, estates services, educational support services

The central charges for these services are on the following basis:

- between 0.90% and 5% (2021 – nil) of pre-16 GAG funding and post 16 revenue funding.

The actual amounts charged during the year were as follows:

	2022 £'000	2021 £'000
Mulberry School for Girls	577	—
Mulberry Academy Shoreditch	453	—
Mulberry UTC	135	—
Mulberry Stepney Green	85	—
	1,250	—

Notes to the financial statements Year to 31 August 2022

12 Comparative information

Analysis of income and expenditure in the year to 31 August 2021 between restricted and unrestricted funds:

		Restricted funds			Year to 31 August 2021 Total funds £'000
	Notes	Unrestricted general fund £'000	Restricted general fund £'000	Fixed assets fund £'000	
Income from:					
Donations and capital grants	1	73	328	513	914
Charitable activities					
. Funding for the Trust's educational operations	4	160	25,458	—	25,618
. Teaching schools	4	—	152	—	152
. Other trading activities	2	186	—	—	186
. Investments	3	—	—	—	—
Total income		419	25,938	513	26,870
Expenditure on:					
Charitable activities					
. Trust's educational operations	6	161	25,369	1,077	26,607
. Teaching schools	5	—	149	—	149
Total expenditure	5	161	25,518	1,077	26,756
Net income (expenditure)		258	420	(564)	114
Transfers between funds	16	—	(55)	55	—
Other recognised gains and losses					
Actuarial losses on defined benefit pension scheme	20	—	(2,176)	—	(2,176)
Net movement in funds		258	(1,811)	(509)	(2,062)
Reconciliation of funds					
Fund balances brought forward at 1 September 2020		1,986	(5,866)	33,704	29,824
Fund balances carried forward at 31 August 2021		2,244	(7,677)	33,195	27,762

Notes to the financial statements Year to 31 August 2022

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 2021	24,565	12,946	547	398	78	38,534
Donated assets on acquisition	—	353	—	92	—	445
Additions	29	215	16	136	—	396
31 August 2022	<u>24,594</u>	<u>13,514</u>	<u>563</u>	<u>626</u>	<u>78</u>	39,375
Depreciation						
1 September 2021	2,806	2,059	162	254	58	5,339
Charge in period	716	333	70	80	11	1,210
31 August 2022	<u>3,522</u>	<u>2,392</u>	<u>232</u>	<u>334</u>	<u>69</u>	6,549
Net book value						
31 August 2022	<u>21,072</u>	<u>11,122</u>	<u>331</u>	<u>292</u>	<u>9</u>	32,826
1 September 2021	<u>21,759</u>	<u>10,887</u>	<u>385</u>	<u>144</u>	<u>20</u>	33,195

An exercise was undertaken in the year to review the recorded split of assets in each of the above categories. This led to revisions to amounts displayed under each of the above headings. No changes were made to the total cost, accumulated depreciation or net book value as at 1 September 2021.

Premises occupied by Mulberry School for Girls and Mulberry Stepney Green are subject to contracts under the Private Finance Initiative (PFI). Under these contracts the Academies premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academies. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academies as a result of a 125 year lease granted to the Academies.

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

	2022 £'000	2021 £'000
Trade debtors	91	232
VAT recoverable	497	443
Other debtors	114	79
Prepayments and accrued income	905	769
	<u>1,607</u>	<u>1,523</u>

Notes to the financial statements Year to 31 August 2022

15 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,568	1,352
Payroll creditors	1,783	1,621
Taxation and social security	373	512
Accruals and deferred income	2,918	1,094
Amounts due to the ESFA – abatement of GAG	28	28
Capital creditors	—	52
Other creditors	112	2
	6,782	4,661

16 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general fund					
. General Annual Grant (GAG)	1,332	33,108	(33,465)	(76)	899
. Pupil premium	—	1,536	(1,536)	—	—
. Teaching School hub	—	387	(387)	—	—
. Catch up and recovery premium		158	(158)	—	—
. Other Coronavirus funding	—	292	(292)	—	—
. Other restricted funds	22	605	(605)	—	22
. Local authority grants	—	1,219	(1,219)	—	—
. Pension reserve	(9,031)	(2,142)	(1,532)	10,983	(1,722)
	<u>(7,677)</u>	<u>35,163</u>	<u>(39,194)</u>	<u>10,907</u>	<u>(801)</u>
Fixed assets fund					
. Transfer on conversion	45	—	(2)	—	43
. Transfer of existing academy	29,798	446	(1,110)	—	29,134
. DfE/ESFA capital grants	3,178	319	(83)	—	3,414
. Other capital grants	57	—	(2)	—	55
. Capital expenditure from GAG	117	—	(13)	76	180
	<u>33,195</u>	<u>765</u>	<u>(1,210)</u>	<u>76</u>	<u>32,826</u>
Total restricted funds	<u>25,518</u>	<u>35,928</u>	<u>(40,404)</u>	<u>10,983</u>	<u>32,025</u>
Unrestricted funds					
. General funds	2,244	1,619	(40)	—	3,823
Total unrestricted funds	<u>2,244</u>	<u>1,619</u>	<u>(40)</u>	<u>—</u>	<u>3,823</u>
Total funds	<u>27,762</u>	<u>37,547</u>	<u>(40,444)</u>	<u>10,983</u>	<u>35,848</u>

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

16 Funds (continued)

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 2022.

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

Fixed asset fund

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

Pension reserve

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

Analysis of fund balance by academy

Fund balances at 31 August 2022 were allocated as follows:

	Total 2022 £'000	Total 2021 £'000
Mulberry School for Girls	2,259	2,162
Mulberry UTC	309	506
Mulberry Academy Shoreditch	631	930
Mulberry Stepney Green	1,106	—
Central Services	439	—
Total before fixed assets and pension reserve	4,744	3,598
Restricted fixed asset fund	32,826	33,195
Pension liability	(1,722)	(9,031)
Total	35,848	27,762

Notes to the financial statements Year to 31 August 2022

16 Funds (continued)

Comparative information

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

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<i>Restricted general fund</i>					
. General Annual Grant (GAG)	220	21,920	(20,753)	(55)	1,332
. Pupil premium	—	1,111	(1,111)	—	—
. Catch-up premium	—	163	(163)	—	—
. Other Coronavirus funding	—	94	(94)	—	—
. Teaching School	—	152	(152)	—	—
. Other restricted funds	60	1,775	(1,813)	—	22
. Local authority grants	—	723	(723)	—	—
. Pension reserve	(6,146)	—	(709)	(2,176)	(9,031)
	<u>(5,866)</u>	<u>25,938</u>	<u>(25,518)</u>	<u>(2,231)</u>	<u>(7,677)</u>
<i>Fixed assets fund</i>					
. Transfer on conversion	46	—	(1)	—	45
. Transfer of existing academy	30,767	—	(969)	—	29,798
. DfE/ESFA capital grants	2,768	513	(103)	—	3,178
. Other capital grants	59	—	(2)	—	57
. Capital expenditure from GAG	64	—	(2)	55	117
	<u>33,704</u>	<u>513</u>	<u>(1,077)</u>	<u>55</u>	<u>33,195</u>
<i>Total restricted funds</i>	<u>27,838</u>	<u>26,451</u>	<u>(26,595)</u>	<u>(2,176)</u>	<u>25,518</u>
<i>Unrestricted funds</i>					
. General funds	1,986	419	(161)	—	2,244
<i>Total unrestricted funds</i>	<u>1,986</u>	<u>419</u>	<u>(161)</u>	<u>—</u>	<u>2,244</u>
<i>Total funds</i>	<u>29,824</u>	<u>26,870</u>	<u>(26,756)</u>	<u>(2,176)</u>	<u>27,762</u>

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2022 £'000	Total 2021 £'000
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	—	—	32,826	32,826	33,195
Current assets	3,823	7,703	—	11,526	8,259
Current liabilities	—	(6,782)	—	(6,782)	(4,661)
Pension scheme liability	—	(1,722)	—	(1,722)	(9,031)
Total net assets	<u>3,823</u>	<u>(801)</u>	<u>32,826</u>	<u>35,848</u>	<u>27,762</u>

Notes to the financial statements Year to 31 August 2022

17 Analysis of net assets between funds (continued)

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2021 £'000
<i>Fund balances at 31 August 2021 are represented by:</i>				
Tangible fixed assets	—	—	33,195	33,195
Current assets	2,244	6,015	—	8,259
Current liabilities	—	(4,661)	—	(4,661)
Pension scheme liability	—	(9,031)	—	(9,031)
Total net assets	2,244	(7,677)	33,195	27,762

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 2022 £'000
Central Office	230	517	20	237	1,004
Mulberry School for Girls	6,904	2,423	916	2,851	13,094
Mulberry UTC	1,866	522	292	471	3,151
Mulberry Academy Shoreditch	5,405	2,532	715	1,893	10,545
Mulberry Stepney Green	5,251	1,444	484	2,729	9,908
Total expenditure	19,656	7,438	2,427	8,181	37,702

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2021 £'000
Mulberry School for Girls	7,530	1,653	530	2,777	12,490
Mulberry UTC	1,884	244	164	473	2,765
Mulberry Academy Shoreditch	5,587	1,911	612	1,605	9,715
Total expenditure	15,001	3,808	1,306	4,855	24,970

18 Capital commitments

	2022 £'000	2021 £'000
Contracted for, but not provided for in the financial statements	—	—

19 Members' liability

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

20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 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 2024.

The employer's pension costs paid to TPS in the period amounted to £2,903,000 (2021 - £2,121,000).

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 2022 was £1,115,000 (2021 - £820,000), of which employer's contributions totalled £863,000 (2021 - £545,000) and employees' contributions totalled £252,000 (2021 - £173,000). 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 2022	At 31 August 2021
Rate of increase in salaries	3.25%	2.9%
Rate of increase for pensions in payment / inflation	3.05%	3.1%
Discount rate for scheme liabilities	4.25%	1.7%

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.5	21.7
Females	23.7	23.9
<i>Retiring in 20 years</i>		
Males	22.7	23.0
Females	25.5	25.7

Sensitivity analysis

	At 31 August 2022 £'000	At 31 August 2021 £'000
Changes in the below assumptions decrease (increase) the net liability as follows		
Discount rate +0.1%	329	476
Discount rate -0.1%	(329)	(476)
1 year increase in member life expectancy	(507)	(718)
1 year decrease in member life expectancy	507	718
CPI rate +0.1%	(297)	(415)
CPI rate -0.1%	297	415

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

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	9,303	7,136
Corporate bonds	438	981
Property	1,095	714
Cash and other liquid assets	109	89
Total market value of assets	10,945	8,920
Present value of scheme liabilities		
Funded	(12,667)	(17,951)
Deficit in the scheme	(1,722)	(9,031)

Notes to the financial statements Year to 31 August 2022

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in statement of financial activities	2022 £'000	2021 £'000
Current service cost	2,206	1,230
Interest income	(370)	(127)
Interest cost	181	236
Total amount recognised in the SOFA	2,017	1,339

Changes in the present value of defined benefit obligations were as follows:	2022 £'000	2021 £'000
At 1 September 2021	(17,951)	(13,273)
Liabilities inherited upon academy joining the trust	(3,679)	—
Current service cost	(2,206)	(1,230)
Interest cost	(370)	(236)
Employee contributions	(252)	(190)
Actuarial gain (loss)	11,635	(3,185)
Benefits paid	156	163
At 31 August 2022	(12,667)	(17,951)

Changes in the fair value of the Academy's share of scheme assets:	2022 £'000	2021 £'000
At 1 September 2021	8,920	7,127
Liabilities inherited upon academy joining the trust	1,537	—
Actuarial (loss) gain	(652)	1,009
Expected return on assets	181	127
Employer contributions	863	630
Employee contributions	252	190
Benefits paid	(156)	(163)
At 31 August 2022	10,945	8,920

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.

The Trust has complied with the requirements of the Academy Trust Handbook 2021 in ensuring that relevant transactions have occurred at 'no more than cost'.

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.

Other than the transactions described above and those with trustees as described in note 9 to these financial statements, there are no other related party transactions requiring disclosure. One of the Trustees is a Senior Partner at Bates Wells Braithwate but Bates Wells Braithwate are not considered a related party as defined by FRS 102 or the Academy Trust Handbook. During the period, Bates Wells Braithwate provided £91,435 of professional services to the Trust (2021 - £113,232). This included legal advice relating to due diligence processes. At 31 August 2022, the Trust owed Bates Wells Braithwate £38,301 (2021 - £71,981).

22 Events after the reporting period

On 1 September 2022, the trust opened a new primary free school, Mulberry Wood Wharf.

23 Agency arrangements

The academy trust distributes 16-18 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the academy trust received £144,000 (2021 – £138,000) and disbursed £166,000 (2021 - £97,000) from the fund. An amount of £58,000 (2021 - £80,000) is included in creditors relating to undistributed funds that is repayable to ESFA.

24 Operating lease commitments

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	PFI commitments		Other	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts due within one year	3,014	1,251	83	73
Amounts due between one and five years	16,655	5,259	186	68
Amounts due in more than five years	2,885	3,803	—	—
	22,554	10,313	269	141

The academy trust occupies premises which are subject to a private finance initiative (PFI) contract. The trust itself is not party to this service concession contract, however the academy trust has entered into a supporting agreement towards the costs of the local authority. The above relates to commitments to operating payments including costs for cleaning, utilities, and other ancillary services.

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.

25 Transfer of existing academies to the trust

On 1 October 2021, Mulberry Stepney Green, 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 2022 £'000
Tangible fixed assets				
. Leasehold land and buildings	—	—	353	353
. Other tangible fixed assets	—	—	93	93
Budget surplus on funds	1,050	—	—	1,050
LGPS Pension deficit	—	(2,142)	—	(2,142)
Net assets	1,050	(2,142)	446	(646)