

MERCIA LEARNING TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

MERCIA LEARNING TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P.D. Smith G. Burke A. Singh T. Khan B. Abrams
Trustees	P.D. Smith, Chair S. Pearson R.A Dodds J. Millward D. Angrave F. Benoist (appointed 25 November 2021) M. Butler (appointed 6 December 2021)
Company registered number	08119703
Company name	Mercia Learning Trust
Principal and registered office	Mercia Learning Trust 79 Glen Road Sheffield S7 1RB
Company secretary	C.F. Chance
Accounting officer and Chief Executive Officer	C. French
Senior leadership team	King Egbert School - P Haigh, Headteacher Newfield School - E. Anderson, Headteacher Totley Primary School - B. Paxman, Headteacher Woodlands Primary School - L. Johnstone, Headteacher The Nether Edge Primary School - M. Nott, Headteacher Mercia School - D Webster, Headteacher C Chance, Director of Finance and Operations
Independent auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers	Yorkshire Bank Fargate S1 1LL
	Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 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.

During the year the Trust operated three secondary schools and three primary schools providing education to pupils aged 3 to 18 across South West Sheffield. The schools have a combined pupil capacity of 4,707 and had a roll of 4,462 in the school census on 1 October 2022.

Structure, governance and management

a. Constitution

The Multi Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Multi Academy Trust.

The Trustees of Mercia Learning Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Mercia Learning Trust .

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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 are covered by the Academy Trust insurer for liability arising from negligent acts, errors and omissions committed in good faith.

c. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

When appointing new Directors/Governors, the Board will give consideration to the skills and experience mix of existing Directors/Governors in order to ensure that the Board has the necessary skills to contribute fully to the Mercia Learning Trust's development.

d. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Structure, governance and management (continued)

e. Organisational structure

The management structure consists of 3 levels, the Board of Directors (Strategic Board), the Local Governing Bodies and the Senior Leadership Teams of each school. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Strategic Board is responsible for strategic direction and planning, approving the academies' budgets, monitoring individual academy performance and making major decisions about the direction of the Trust. The Local Governing Bodies are responsible for setting individual school policies, approving the school improvement plan, authorisation of spending within agreed budgets, including local capital expenditure, and staff appointments.

The Senior Leadership Teams comprise of Headteachers, Co Headteachers, Deputy Headteachers and Assistant Headteachers. These senior leaders control each academy at an executive level implementing the policies laid down by the Trust. The Chief Executive officer works closely with all the Senior Leadership Teams within the Trust as well as brokering support for schools outside the Trust.

f. Arrangements for setting pay and remuneration of key management personnel

Using research carried out by an independent HR consultant and benchmarking with similar trusts, a pay scale was constructed for the post of Chief Executive Officer. With the assistance of the Trust's School Improvement Partner, accountabilities and expectations are set for each year by a panel of trustees. The role of the Chief Executive Officer is then assessed by a panel of trustees against the accountabilities and the Trust's expectations and recommendations for future payments are made by the panel.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	7
Full-time equivalent employee number	6

Percentage of time spent on facility time

<i>Percentage of time</i>	Number of employees
0%	-
1%-50%	7
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£
Total cost of facility time	2,930
Total pay bill	280,074
Percentage of total pay bill spent on facility time	1 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
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h. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Multi Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Multi Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Multi Academy Trust's equal opportunities policy, the Multi Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Multi Academy Trust's offices.

Structure, governance and management (continued)

i. Engagement with suppliers, customers and others in a business relationship with the Multi Academy Trust

Throughout the year, the trustees have worked hard to maintain strong relationships with all stakeholders (especially parents) and other business partners.

Objectives and activities

a. Objects and aims

The Trust's object is specifically restricted to the following: 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 a school offering a broad and balanced curriculum.

b. Objectives, strategies and activities

Our trust mission is as follows. Working as individual schools, and in partnership, our singular intention is to ensure every pupil, whatever their background, will attend an exceptional school. We believe pupils should enjoy school, feel safe and fully supported, be inspired to learn, develop character and aspiration, and realise their full potential.

As part of the Mercia Learning Trust, schools will receive exceptional support and challenge. We will pool expertise and resources, operate strategically and often in alignment to provide a higher quality of education than could be achieved individually.

Strategic objectives and priorities are detailed in a Mercia Learning Trust Improvement Plan. Some of these reflect individual school priorities which form the basis of support and scrutiny by Local Governing Bodies, whilst others are about the continued development and growth of the Trust.

The continued sensible growth of the Trust will achieve greater capacity to support school improvement, further economies of scale and value for money. Opportunities for staff to work across a number of schools will secure high quality recruitment and retention. The Chief Executive Officer will work with schools to deploy staff across the Trust to provide best value in terms of curriculum management and specific academy needs. Succession planning will ensure that future leaders emerge from within the Trust providing capacity into the future for all educational phases.

The trust objectives for 2021-22

The preceding 18 months had been substantially disrupted by the covid 19 pandemic. It was vital that schools tried to return to greater normality and more conventional improvement and effectiveness priorities. The prospect of Ofsted inspections in a number of schools added to the urgency of this work. Additionally, that the Trust continued to operate coherently and even more effectively in support of its schools.

The objectives for 2021-2022 set below are very general, however, specific targets are apparent within the MLT strategic priorities document.

1. Great Schools – Secure outstanding educational provision in all of our schools so that children and young people are happy, safe & cared for, grow as future citizens, learn, transition strongly to the next phase of education, and ultimately acquire gateway qualifications that give them choice and opportunity.

Objectives and activities (continued)

2. Great Trust – Maintain & develop our position as an effective, efficient and viable trust within which our schools can thrive. In so doing contribute positively to community stability, the wider education system, city and city-region.
3. Great Employer – Maintain and further develop our offer to support and develop our staff, and further develop the culture within which they feel valued and cared for.

Impact of the COVID-19 global pandemic

It was difficult to anticipate the impact of COVID-19 at the start of the academic year. Although not as disruptive as previous, staff and pupil absence rates were affected in a number of schools up until late winter. As before this was specific to individual school communities with some substantially and others almost free of impact.

Our Offer:

At all Mercia Learning Trust schools, our pupils will benefit from:

A fully inclusive approach, maximising the attainment and achievement of every pupil

- A broad and balanced curriculum, with high quality teaching that responds to individual needs
- Promotion of resilience and self-reliance in our learners, thus enabling them to meet the challenges and opportunities of the changing world
- Support to develop and maintain positive wellbeing in all aspects of life
- High standards of orderly behaviour rooted in strong moral values
- Continual investment in the professional development of all our staff, as the foundation of our offer to pupils.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The charitable company's aims are set out in this report. The Trustees have complied with their duty under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission and Trustees have paid due regard to this guidance in deciding what activities the Charitable company should undertake.

Strategic report

Achievements and performance

a. Key performance indicators

The Board of Trustees uses both financial and non-financial key performance indicators to manage the Trust. The Trust maintains a strong management information function which is focused on regular and accurate reporting including the issue of termly financial information during the year to the Trust inclusive of a financial commentary. Financial KPI's are measured continuously. A view of individual school effectiveness is disclosed in this report under Review of Activities.

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of Trustees have 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.

c. Promoting the success of the company

The Trustees confirm that as directors, they have acted in a way most likely to promote the success of the Trust as required in Section 172 of the Companies Act 2016 and in doing so, have had regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term – The core strategic objective is to sustain and improve the quality and effectiveness of all aspects of each school and the Trust as a whole. All strategy and decision making (short, medium and long-term) is carefully considered by all trustees, and always has recourse back to the impact on this core objective.
- b) the interests of the Trust's employees – The health, safety, well-being, workload, support, development and retention of staff is a core trust commitment enshrined in its 'pledge' to staff. Procedures, policy and monitoring ensure that these commitments are delivered consistently and the interests of employees are always considered.
- c) the need to foster the Trust's business relationships with suppliers, customers and others – The Trust has clear protocols and expectations which it maintains at all times.
- d) the impact of the Trust's operations on the community and the environment – The Trust and each school is very aware of its importance and impact within the community and environment. Whenever possible, actions attempt to reduce this impact, and foster strong external community links.
- e) the desirability of the Trust maintaining a reputation for high standards of business conduct – The trust is committed to maintaining a strong reputation and the highest standards of business conduct.
- f) the need to act fairly as between members of the company – the Trust works with its members, keeping them suitably informed of the trust's activities, plans and governance arrangements so that they are able to fulfil their role effectively.

Strategic report (continued)

Achievements and performance (continued)

d. Review of activities

King Egbert School

Of all the trust schools KES was most affected by the on-going impact of covid. This meant leaders and staff had to be quite operational during the autumn and winter terms, leaving only the second half of the year to strongly drive school improvement.

Although a year of 'two halves' the school continued to further improve key aspects of its practice. Specifically:

1. The communication of its ethos, values, and expectations.
2. Basic routines linked to attendance, punctuality, and movement around school.
3. Behaviour, with a specific focus on a small minority of more vulnerable pupils
4. The quality of education, with a specific focus on those with SEN and lower ability.
5. The re-introduction of the full personal development offer.

Leaders were extremely focused on securing strong impact through plans, and even more rigorous assurance activity. School leaders / governors, in anticipation of changing needs, amended the school leadership structure so that it was very well positioned for the 2022-23 academic year.

Despite the re-introduction of KS4 and KS5 examinations pupil outcomes were very strong in relation to local and national averages, which continues to show the on-going strength and effectiveness of the school.

The school continued to contribute its best practice to other schools.

King Egbert School (KES) was inspected by Ofsted in May 2013 and graded as Outstanding. The new Ofsted Inspection Framework means that it is no longer exempt from routine inspection. Because of another strong year, KES continues to be a very effective and improving school and is well placed to secure a strong Ofsted grade when inspection occurs.

School expansion

For many years the school has been over-subscribed within mainstream and the Integrated Resource for Autism. This catchment over-subscription will be compounded as Totle Primary School (as a result of phased expansion) adds a further 30 pupils from September 2023. During 2021-22 KES leaders, the trust, the LA and DFE agreed to construct a new extension to the school to accommodate a new Pupil Admission Number (PAN) of 240 (from 193) from September 2023. This was a lengthy and complex process which focused on 1) school catchment need 2) the implications of a new PAN 3) choosing an area of the site for construction 4) designing a new fit for purpose building 5) accessing substantial capital resource 6) Seeking permission from the DFE 7) Securing planning and other permissions 8) Tendering for a construction contractor 9) Agreeing a construction timeline. This was a major achievement which will lead to the separate construction of a new teaching block during 2022-23.

Newfield School

Although affected by Covid-19 during the early part of the year, school leaders drove an ambitious improvement strategy that focused upon:

Strategic report (continued)

Achievements and performance (continued)

1. Basic routines linked to attendance, punctuality, and movement around school.
2. Behaviour, with a specific focus on a small minority of more vulnerable pupils
3. The quality of education, with a specific focus on those with SEN and lower ability.
4. The re-introduction of the full personal development offer.

Leaders were extremely focused on securing strong impact through plans, and even more rigorous assurance activity.

The school was graded as good by Ofsted in March 2017. During March 2022 it was re-inspected and graded as securely good. This was a well-deserved external recognition of school effectiveness and shows the tremendous impact leaders and staff have brought since its sponsorship in 2015, and under the sole leadership of the current Headteacher since 2018. The opening paragraphs of the report stated:

Newfield Secondary School continues to be a good school.

This is an inclusive school with a diverse and happy community. Pupils and staff value and respect each other's differences. Pupils are polite and courteous and typically treat people with respect. Staff plan carefully for pupils' personal development. Pupils develop the characteristics which will help them to contribute to modern Britain. Pupils feel safe in school. They can ask adults for help if they need it. Leaders resolve any rare incidents of bullying quickly and effectively. The school has clear behaviour policies which pupils understand. Pupils are rewarded for positive behaviours and achievements in all aspects of school life.

The headteacher and all other staff have high expectations of how pupils should approach their studies. They do all that they can do to help pupils do well in school. Pupils, including those with special educational needs and/or disabilities (SEND) and disadvantaged pupils, achieve well. Pupils benefit from studying a wide range of interesting subjects.

Despite the re-introduction of KS4 examinations, pupil outcomes were secure in relation to local and national averages, which continues to show the on-going strength and effectiveness of the school.

School continued to contribute its best practice to other schools.

Given its profile, and the weight of community support, it continues to be heavily oversubscribed. Despite the challenges, 2021-22 was an exceptional year for the school, and the school reputation was further enhanced.

Mercia School

The school continued to unwaveringly deliver its educational vision to children and families. As usual additional pupils required leaders to carefully plan the use of the building and tweak some routines to ensure no diminution in expectations or standards. The school continued to recruit exceptional new staff.

For the first time, pupil expansion moved into Key Stage 4 and GCSE courses. Critically substantial planning for the launch of the sixth form (2023) had to be undertaken to ensure the vision, curriculum offer and approach were ready to be marketed by year end and into 2022-23.

The level of parental support (and understanding) was exemplified by the school having the highest rate of first preference applications and over-subscription of any in the city.

School continued to contribute its best practice to other schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

2021-22 was an exceptional year for the school, and the school reputation was enhanced. Ofsted did not inspect the school as expected but Mercia is well placed to be graded an exceptional school.

Totley Primary School

Although partially affected by Covid-19 during the early part of the year, school leaders drove an ambitious improvement strategy that focused upon:

1. Behaviours for learning linked to the school values / expectations
2. The quality of education, with a specific focus on foundation subjects, SEN, and lower ability pupils.
3. The re-introduction of the full personal development offer.

Leaders were extremely focused on securing strong impact through plans, and even more rigorous assurance activity.

The rolling expansion (from 30 to 60 pupils each year) continued into Year 5. This was carefully managed whilst school continued to maintain and develop its ethos. (By 2022-23 this will mean the school has 60 pupils in every class and a total capacity in excess of 400+ pupils).

Despite the re-introduction of SATS, pupil outcomes were above expectations and were well above local and national averages for attainment and progress. This with other obvious metrics shows the on-going strength and effectiveness of the school. School continued to contribute its best practice to other schools.

As a result of its reputation and popularity, it continues to be heavily oversubscribed.

Totley Primary School was inspected by Ofsted in July 2015 and judged to be Outstanding. The new Ofsted Inspection Framework means that it is no longer exempt from routine inspection. It continues to be well placed to secure a strong Ofsted judgement when it is next inspected.

Despite the challenges, 2021-22 was an exceptional year for the school, and the school reputation was enhanced.

Woodlands Primary School

Valley Park School was officially re-named as Woodlands Primary School at the start of 2022. This was one -year after the appointment of the new Headteacher and a key staging post in an incredible period of transformation for the school.

Following a Requires Improvement inspection judgement in 2018, it was re-inspected by Ofsted in February 2022. The school was graded as securely Good in all areas. The opening paragraphs of the report stated:

This is a school that staff, pupils, and parents are proud of. The school is a caring and welcoming environment. Pupils feel happy and safe in the school. One pupil told an inspector, 'Teachers are really caring and always solve problems.' The school is a calm and stimulating environment. The focus on reading and personal development is clear in every corridor, room and space.

Staff know the pupils and families well. Pupils are keen to do well and take part fully in lessons. Pupils play and learn in a respectful and caring way. They are aware of each other and want everyone to feel included.

Pupils told inspectors that bullying is exceedingly rare. Behaviour and attitudes are built on the school's family values

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

which include resilience, empathy, self-respect, punctuality, curiosity, enthusiasm and talk. Pupils are eager to behave and do well.

The staff have high expectations for all pupils and provide care and support to help pupils on their journey through the school. The school provides pupils with a broad range of wider opportunities, including woodlands enrichment, trips, residential, sporting activities and working with local charities

The transformation of the school, led by the Headteacher and her team, was the 'stand-out' achievement across any trust school and the Trust as a whole in 2021-22. The impact of having a great school to serve local children and the community is vital, and the trust's objective set in 2015 following sponsorship was met for the first time.

The rapid and wide-ranging transformation of the school continued to enhance its reputation to local parents. By year end over 50 additional pupils had been added to pupil admissions, making the school over-subscribed in almost all years for the first time.

In parallel, school transformation attracted the notice of other local schools, and in late summer the Local Authority commissioned the school to provide support to another.

2021-22 was an exceptional year for the school and it continues to go from strength to strength.

Nether Edge Primary School

Due to turbulence in senior leadership, the school embarked on the year with a strong interim solution. As such it was able to drive an ambitious improvement strategy that focused upon:

1. Behaviours for learning linked to the school values / expectations / routines
2. The quality of education, with a specific focus on foundation subjects, SEN, and lower ability pupils.
3. The re-introduction of the full personal development offer.

Leaders were extremely focused on securing strong impact through plans, and even more rigorous assurance activity.

As a result, the school continued to operate at a strong level, had a positive local reputation, and was once again over-subscribed.

Ofsted judged Nether Edge to be outstanding in 2015. The new Ofsted Inspection Framework means that it is no longer exempt from routine inspection. It is well placed to secure a strong judgement when this takes place in the future.

Despite the challenges, 2021-22 was a strong year for the school, and the school reputation was enhanced.

Trust Developments

The Trust continued to operate strongly and in full support of individual schools. Given the greater return to normality, support focused on school improvement. Specifically; 1) School values and ethos and how this translated into consistent pupil behaviours 2) Basic routines 3) Quality of Education with a particular focus on primary foundation subjects, SEN and lower ability pupils, and the quality of teaching 4) Personal Development 5) Safeguarding 6) Ofsted preparation and 7) Leadership effectiveness.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

School Improvement - This strategy was enhanced by a larger central improvement team including more capacity to lead safeguarding and SEN, and even higher levels of external scrutiny from School Improvement Partners (SIPs). The judgements from two Ofsted inspections and the on-going progress of other schools shows how effective this aspect of the trust is.

The trust central team were all strongly led, compliant (as required) and followed agreed high-quality processes. Feedback from schools shows that this support from experts is invaluable, trusted, and freeing senior leaders to focus on school improvement.

Finance - systems continued to be robust, and even more effective processes to set and monitor spending plans and engage with governors were introduced during the year. Internal scrutiny was also focused on other aspects of finance.

Payroll – continued to function smoothly without error.

Estates – as before the trust estates policy (including compliance) was followed, and pooled capital resources ensured substantial investment took place in all schools. This was especially evident in Woodlands and Nether Edge Primary Schools. The trust also helped manage the process to secure planned expansion of King Ecgbert, but also major bridge maintenance at Newfield Secondary, and major site works at Mercia School, including new perimeter fencing, a new carpark and clarification of the site boundary.

IT – the plan to up-grade Inter-active whiteboards (& other devices) across all schools began, as did a major plan to up-grade primary infra-structure (switches, servers, and wireless capacity) and telephony. Critically the trust stopped primary external IT technical support contracts and replaced these with a bespoke and better offer and capacity from the trust IT team. Finally, following the Cyber Security audit, new controls were introduced.

Human Resources – a focus on alignment of policy and practice, staff wellbeing, staff absence monitoring and reporting were priorities.

Marketing and design – the team continued to ensure trust schools enjoyed a strong media profile. However, there were several major campaigns the largest of which was the re-naming / badging of Woodlands, and on-going refinement of websites and publication of trust information (MLTogether and documents). Towards the end of the year the team were strongly involved in trust marketing in the light of the new Education White Paper.

Governance – priorities focused on Academy Handbook adherence, governor recruitment and training.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Financial review

a. Results for the year

For the year ended 31 August 2022, there was a surplus on GAG funds of £924,460 (2021: £280,905) and a deficit of £140,278 (2021: surplus of £18,328) on unrestricted funds.

At 31 August 2022, the net book value of fixed assets was £64,899,695 (2021: £66,131,227) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trust received an actuarial assessment of pension scheme deficit in accordance with FRS 102. The deficit balance is included within the balance sheet as at 31 August 2022 and supporting notes to the accounts (see note 25).

b. Reserves policy

Free reserves are considered to be unrestricted funds and the GAG fund.

The trust's policy is that the level of free reserves should:

- Ensure fluctuations in income (e.g. phased implementation of a National Funding Formula) is managed effectively.
- Enable a robust programme for the renewal and replacement of school assets, particularly ICT, to be developed and maintained

In achieving this, the Trustees will be mindful that existing students are not disadvantaged through the retention of excessive reserves.

Trust policy is that each school's annual spending plan operates within the parameters of annual income and expenditure. Trust free reserves should not fall below a minimum agreed level of 4% of income (£1,036,718), and discretionary reserves above this amount will fund trust priorities as defined by the Board.

At 31 August 2022, the trust held unrestricted funds of £952,179 (2021: £1,172,457) and GAG funds of £1,681,834 (2021: £712,655) i.e. free funds of £2,634,013 (2021: £1,885,112) which equates to 9.3% (2021: 7.3%) of income. The Trust has allocated £1,713,629 of the £2,634,013 to support cost of living increases (unfunded pay rises and energy costs), backdated support staff pay rises and in-year deficits.

c. Investment policy

During this period, the Trust has held all its funds in either interest bearing current or deposit accounts.

d. Principal risks and uncertainties

The Trust's main source of income is funding from the ESFA that is paid monthly throughout the year. Given this and the planned reserves at each school, the Trust board do not consider they have a cash flow or liquidity risk.

The Trust board has considered and agreed an ongoing risk register.

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TRUSTEES' REPORT (CONTINUED)
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Fundraising

- The Trustees accept they have overall responsibility and accountability for fundraising.
- All fundraising is coordinated by staff, pupils and parents and we do not involve professional fundraisers or commercial participators to undertake any fundraising activities.
- The Trust does not subscribe to any fundraising standards or scheme for fundraising regulation.
- The Trust ensures fundraisers acting on our behalf are supervised and is not aware of any failure to comply with fundraising standards .
- The Trust has received no complaints within the year regarding fundraising activity.

Streamlined energy and carbon reporting

The Multi Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2022	2021
Energy consumption used to calculate emissions (kWh)	4,717,814	5,034,205
<i>Energy consumption breakdown (kWh):</i>		
Gas	2,974,813	3,473,191
Electricity	1,728,824	1,557,695
Transport fuel	14,177	3,319
<i>Scope 1 emissions (in tonnes of CO2 equivalent):</i>		
Gas consumption	546.98	638.62
Owned transport	2.87	0.80
<i>Total scope 1</i>	549.85	639.42
<i>Scope 2 emissions (in tonnes of CO2 equivalent):</i>		
Purchased electricity	403.06	363.16
<i>Scope 3 emissions (in tonnes of CO2 equivalent):</i>		
Business travel in employee-owned or rental vehicles	1.30	0.20
<i>Total gross emissions (in tonnes of CO2 equivalent):</i>	954.21	1,002.78
<i>Intensity ratio:</i>		
Tonnes of CO2 equivalent per pupil	0.22	0.24

Quantification and Reporting Methodology

We have followed the HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting (continued)

Intensity measurement

The chosen intensity measurement ratio at 0.65 is the total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures Taken to Improve Energy Efficiency

We use technology such as remote access to reduce the need to travel between sites as well as increasing video conferencing/training for eg online inset days. We are currently in the process of converting all lighting to LED across all sites. Our largest non-PFI school uses solar panels and a Building Management System to efficiently control energy usage.

Plans for future periods

The legal objects of the Mercia Learning Trust are to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, managing and developing schools, and offering a broad and balanced curriculum for all pupils regardless of their starting points.

Mercia Learning Trust will continue to raise standards with our relentless focus on progress and learning as the top priority. A particular focus will be the progress of disadvantaged youngsters and white boys. This will ensure opportunity and bright futures for all of our students at 16+ and 18+, whether into employment or into further/higher education, and the avoidance of young people becoming classed NEET (not in education, employment or training). Our mission is to foster social mobility. Mercia Learning Trust has ambitions to support even more young people and communities through careful growth. The majority of the youngsters in our Trust primary schools continue their secondary education in Mercia schools. This partnership working will enable us to provide high quality education for children from 3 to 18 in the communities which we serve.

White Paper and growth


Following the publication of the Education White Paper trustees agreed to consider future growth with appropriate local schools.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 16, 2022 and signed on its behalf by:


philip.smith (Dec 16, 2022 13:14 GMT)

P.D. Smith
Chair of Trustees

MERCIA LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Mercia Learning 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 Mercia Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P.D. Smith, Chair	6	6
S. Pearson	6	6
R.A Dodds	6	6
J. Millward	4	6
D. Angrave	3	6
F. Benoist	3	5
M. Butler	4	6

It is scheduled that the impact and effectiveness of the board of trustees will be reviewed annually during the Spring Term by an external School Improvement Partner.

The Finance Risk and Audit Committee normally meet every term to discuss finance and audit matters and provide assurance over the suitability of, and compliance with its financial systems and controls. Circumstances meant they only formally met twice during 2021-22 therefore a risk update was provided at the Board Meeting in the summer.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
David Angrave	1	2
Sarah Pearson	2	2
Phil Smith	1	2
Rhona Dodds	2	2
Jo Milward	1	2

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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 whilst delivering on key priorities. During the year we have:

- appointed a trust wide School Improvement Director
- appointed a trust wide Safeguarding Lead to develop and implement the Safeguarding Gold Standard
- appointed a trust wide SEN lead
- reviewed the staffing structure at one of our primary schools and removed the projected in-year deficit whilst employing more teaching assistants to support growing numbers of SEND students
- applied our finance policy to ensure best value

The purpose of the system of internal scrutiny

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 Mercia Learning Trust for the year 1 September 2020 to 31 August 2021 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 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 ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 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 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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- identification and management of risks

The Board of Trustees appointed an internal auditor, Duncan and Toplis to perform additional checks during 2021/22.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems with a particular focus this year on payroll and purchase systems.

On a periodic basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The appointee has delivered their schedule of work as planned. No material control issues arose as a result of the appointee's work.

The Trust's programme of internal scrutiny for 2021/22 also focused on Cyber Essentials certification.

Trustees considered the audit report and monitored the progress in addressing any recommendations.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Risk and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:

Philip Smith
Philip Smith (Dec 16, 2022 13:14 GMT)

P.D. Smith
Chair of Trustees

Date: Dec 16, 2022

Chris French
Chris French (Dec 16, 2022 13:16 GMT)

C. French
Accounting Officer

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Mercia Learning Trust I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi Academy Trust, under the funding agreement in place between the Multi Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Multi Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Multi Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academies Financial 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 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.

Chris French
[Chris French \(Dec 16, 2022 13:16 GMT\)](#)

C French
Accounting Officer
Date: Dec 16, 2022

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial . 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 of 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 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 and signed on its behalf by:


philip smith (Dec 16, 2022 13:14 GMT)

.....
P.D. Smith

Chair of Trustees

Date: Dec 16, 2022

MERCIA LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MERCIA LEARNING TRUST

Opinion

We have audited the financial statements of Mercia Learning Trust (the 'multi academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Multi Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 Multi Academy Trust'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.

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

MERCIA LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MERCIA LEARNING TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 (incorporating the strategic report and the directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and the directors report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MERCIA LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MERCIA LEARNING TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

We gained an understanding of the legal and regulatory framework applicable to the trust and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focussed on laws and regulations relevant to the trust which could give rise to a material misstatement in the financial statements. These laws and regulations include, but are not limited to, those issued by or relating to Ofsted, ESFA, GDPR, Safeguarding and Health and Safety. Our testing included discussions with management and directors with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, reviewing legal expenses and reviewing Ofsted reports. We also reviewed the trusts' website to ensure the required disclosures had been made in line with the Academies Trust Handbook. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

MERCIA LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MERCIA LEARNING TRUST (CONTINUED)

Use of our report

This report is made solely to the Multi Academy Trust'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 Multi Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Allsop
Philip Allsop (Dec 16, 2022 13:49 GMT)

Philip Allsop (senior statutory auditor)

for and on behalf of

BHP LLP

2 Rutland Park

Sheffield

S10 2PD

Date: Dec 16, 2022

MERCIA LEARNING TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 11 September 2020 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 Mercia Learning Trust during the year 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 Mercia Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mercia Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mercia Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mercia Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mercia Learning Trust's funding agreement with the Secretary of State for Education dated 20 February 2012 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 year 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. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that regularity threats have been addressed.

MERCIA LEARNING TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.

Philip Allsop
Philip Allsop (Dec 16, 2022 13:49 GMT)

Philip Allsop (Senior statutory auditor)
BHP LLP

Date: Dec 16, 2022

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	2,563	257,265	478,266	738,094	672,521
Other trading activities	5	682,255	-	-	682,255	472,548
Investments	6	10,553	-	-	10,553	213
Charitable activities:	4					
Educational operations		228,256	26,596,491	-	26,824,747	24,440,392
Teaching school hub		-	152,865	-	152,865	332,277
Total income		923,627	27,006,621	478,266	28,408,514	25,917,951
Expenditure on:						
Raising funds	8	187,411	278,194	-	465,605	178,116
Charitable activities:	9					
Educational operations		905,384	27,082,853	2,011,252	29,999,489	27,267,060
Teaching school hub		-	182,114	-	182,114	297,062
Total expenditure		1,063,905	27,572,051	2,011,252	30,647,208	27,742,238
Net expenditure		(140,278)	(565,430)	(1,532,986)	(2,238,694)	(1,824,287)
Transfers between funds	18	(80,000)	44,719	35,281	-	-
Net movement in funds before other recognised gains/(losses)		(220,278)	(520,711)	(1,497,705)	(2,238,694)	(1,824,287)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	12,684,000	-	12,684,000	(1,648,000)
Net movement in funds		(220,278)	12,163,289	(1,497,705)	10,445,306	(3,472,287)

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
 (CONTINUED)
 FOR THE YEAR ENDED 31 AUGUST 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	1,172,457	(14,803,508)	66,607,480	52,976,429	56,448,716
Net movement in funds	(220,278)	12,163,289	(1,497,705)	10,445,306	(3,472,287)
Total funds carried forward	952,179	(2,640,219)	65,109,775	63,421,735	52,976,429

The Statement of financial activities includes all gains and losses recognised in the year.

MERCIA LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08119703

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	64,899,695	66,131,227
		<u>64,899,695</u>	<u>66,131,227</u>
Current assets			
Debtors	16	783,199	766,504
Cash at bank and in hand		3,903,460	3,163,853
		<u>4,686,659</u>	<u>3,930,357</u>
Creditors: amounts falling due within one year	17	(1,739,619)	(1,403,155)
Net current assets		<u>2,947,040</u>	<u>2,527,202</u>
Net assets excluding pension liability		<u>67,846,735</u>	<u>68,658,429</u>
Defined benefit pension scheme liability	25	(4,425,000)	(15,682,000)
Total net assets		<u><u>63,421,735</u></u>	<u><u>52,976,429</u></u>
Funds of the Multi Academy Trust			
Restricted funds:			
Fixed asset funds	18	65,109,775	66,607,480
Restricted income funds	18	1,784,781	878,492
		<u>66,894,556</u>	<u>67,485,972</u>
Restricted funds excluding pension liability	18	66,894,556	67,485,972
Pension reserve	18	(4,425,000)	(15,682,000)
Total restricted funds	18	<u>62,469,556</u>	<u>51,803,972</u>
Unrestricted income funds	18	<u>952,179</u>	<u>1,172,457</u>
Total funds		<u><u>63,421,735</u></u>	<u><u>52,976,429</u></u>

MERCIA LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08119703

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 28 to 65 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

philip smith

philip smith (Dec 16, 2022 13:14 GMT)

.....
P.D. Smith

Date: Dec 16, 2022

The notes on pages 33 to 65 form part of these financial statements.

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	As restated 2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	541,089	594,795
Cash flows from investing activities	21	198,518	(106)
Change in cash and cash equivalents in the year		739,607	594,689
Cash and cash equivalents at the beginning of the year		3,163,853	2,569,164
Cash and cash equivalents at the end of the year	22, 23	3,903,460	3,163,853

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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.

Mercia Learning Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income

All incoming resources are recognised when the Multi 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 entitlement is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the 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 in full when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund.

1. Accounting policies (continued)

1.3 Income (continued)

• **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

1.4 Expenditure

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the Multi 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 Multi Academy Trust's educational operations, including support costs and costs relating to the governance of the Multi Academy Trust apportioned to charitable activities.

1.5 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 Multi Academy Trust 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 Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Multi 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.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Long term leasehold property	- Straight line over 60 years
Furniture and fixtures	- Straight line over 35 months
Computer equipment	- Straight line over 35-36 months

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

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Multi Academy Trust; this is normally upon notification of the interest paid or payable by the bank.

1.10 Taxation

The Multi Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Multi Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1. Accounting policies (continued)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 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 Multi 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. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.14 Financial instruments

The Multi Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academy Trust and their measurement bases 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Multi 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 Multi 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Multi Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.16 Agency arrangements

The trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid any balances held are disclosed.

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	2,563	-	-	2,563	2,488
School fund income	-	257,265	-	257,265	33,432
Capital grants	-	-	478,266	478,266	507,001
Donated equipment	-	-	-	-	129,600
	<u>2,563</u>	<u>257,265</u>	<u>478,266</u>	<u>738,094</u>	<u>672,521</u>
Total 2021	<u>2,488</u>	<u>33,432</u>	<u>636,601</u>	<u>672,521</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Multi Academy Trust's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Education				
DfE/ESFA grants				
General Annual Grant	-	23,109,856	23,109,856	20,504,034
Other DfE/ESFA grants				
Pupil Premium	-	1,315,044	1,315,044	1,243,294
Teachers' Pay and Pension Grant	-	123,016	123,016	973,313
Other	91,631	754,561	846,192	576,969
	91,631	-	25,394,108	23,297,610
Other Government grants				
Local authority grants	13,147	911,847	924,994	800,558
	13,147	911,847	924,994	800,558
Other income from the Multi Academy Trust's education				
	123,478	4,575	128,053	40,204
COVID-19 additional funding (DfE/ESFA)				
Catch-up/recovery premium	-	166,322	166,322	213,200
School led tutoring	-	169,054	169,054	-
	-	335,376	335,376	213,200
COVID-19 additional funding (non-DfE/ESFA)				
Other Covid-19 funding	-	42,216	42,216	88,820
	-	42,216	42,216	88,820
Total Education	228,256	26,596,491	26,824,747	24,440,392

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Multi Academy Trust's educational operations (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Teaching school hub				
DfE/ESFA grants	-	89,816	89,816	155,583
Other Government grants	-	60,595	60,595	173,973
Other income	-	2,454	2,454	2,721
	-	152,865	152,865	332,277
	228,256	26,749,356	26,977,612	24,772,669
	136,570	24,636,099	24,772,669	
Total 2021				

The above COVID catch-up premium and school-led tutoring income was all spent during the year.

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	39,583	-	39,583	15,785
School to school support	26,005	-	26,005	20,000
Other	616,667	-	616,667	436,763
	682,255	-	682,255	472,548
	425,217	47,331	472,548	
Total 2021				

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	10,553	10,553	213
Total 2021	213	213	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on school fund:					
Direct costs	-	-	229,402	229,402	24,271
Expenditure on fundraising trading activities:					
Direct costs	19,570	-	216,633	236,203	153,845
Education:					
Direct costs	19,030,827	1,293,558	2,015,828	22,340,213	20,280,938
Allocated support costs	2,779,248	3,609,506	1,270,522	7,659,276	6,986,122
Teaching school hub:					
Direct costs	-	-	1,870	1,870	60,489
Allocated support costs	73,930	-	106,314	180,244	236,573
	21,903,575	4,903,064	3,840,569	30,647,208	27,742,238
Total 2021	19,991,166	4,466,446	3,284,626	27,742,238	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Expenditure on raising funds

Costs of raising voluntary income

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
School fund expenditure	229,402	229,402	24,271
Total 2021	24,271	24,271	

Fundraising trading expenses

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other expenses	187,411	29,222	216,633	135,178
Wages and salaries	-	16,098	16,098	15,413
Social security costs	-	1,025	1,025	911
Pension costs	-	2,447	2,447	2,343
	187,411	48,792	236,203	153,845
Total 2021	114,076	39,769	153,845	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	22,340,213	7,659,276	29,999,489	27,267,060
Teaching school hub	1,870	180,244	182,114	297,062
	<u>22,342,083</u>	<u>7,839,520</u>	<u>30,181,603</u>	<u>27,564,122</u>
Total 2021	<u>20,341,427</u>	<u>7,222,695</u>	<u>27,564,122</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education	Teaching	Total	Total
	2022	school hub	funds	funds
	£	2022	2022	2021
		£	£	£
Staff costs	2,670,785	73,930	2,744,715	2,553,093
Depreciation	228,275	-	228,275	222,176
Other support costs	988,666	36,086	1,024,752	990,682
Recruitment and support	42,062	-	42,062	35,950
Maintenance of premises and equipment	716,935	-	716,935	472,863
Cleaning	99,656	-	99,656	111,082
Rent and rates	96,695	-	96,695	100,728
Energy costs	184,886	-	184,886	141,250
Insurance	170,138	-	170,138	158,726
Catering	9,971	4	9,975	5,892
Technology costs	3,043	70,224	73,267	86,113
PFI property costs	2,283,059	-	2,283,059	2,159,348
Bank interest and charges	2,031	-	2,031	1,380
Legal costs - other	25,721	-	25,721	50,295
Governance costs	137,353	-	137,353	133,117
	<u>7,659,276</u>	<u>180,244</u>	<u>7,839,520</u>	<u>7,222,695</u>
Total 2021	<u>6,986,122</u>	<u>236,573</u>	<u>7,222,695</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Net expenditure

Net expenditure for the year includes:

	2022	2021
	£	£
Operating lease rentals	46,495	21,276
Depreciation of tangible fixed assets	1,521,833	1,481,174
Fees paid to auditor for:		
- audit	20,845	20,240
- other services	8,445	5,085
	<u>8,445</u>	<u>5,085</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	15,298,445	14,473,553
Social security costs	1,509,796	1,360,005
Pension costs	4,594,337	3,923,675
	<u>21,402,578</u>	<u>19,757,233</u>
Agency staff costs	500,997	233,933
	<u>21,903,575</u>	<u>19,991,166</u>

Staff restructuring costs comprise:

	2022	2021
	£	£
Severance payments	-	27,743
	<u>-</u>	<u>27,743</u>

b. Special staff severance payments

Included in staff restructuring costs are no non-statutory/non-contractual severance payments (2021: £5,711).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

c. Staff numbers

The average number of persons employed by the Multi Academy Trust during the year was as follows:

	2022	2021
	No.	No.
Teachers	244	223
Management	39	40
Admin and support	273	249
	<u>556</u>	<u>512</u>

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	214	198
Management	35	36
Admin and support	220	199
	<u>469</u>	<u>433</u>

d. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	10	9
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	2
In the band £120,001 - £130,000	1	-
In the band £160,001 - £170,000	1	1
	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

e. Key management personnel

The key management personnel of the Multi Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi Academy Trust was £1,022,000 (2021 £810,852).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Central services

The Multi Academy Trust has provided the following central services to its academies during the year:

- Accounting Officer support
- Chief Finance Officer support
- Human Resources/Occupational Health services
- Health and Safety support
- Safeguarding Training
- Legal Services support
- IT support
- Business Manager support
- In-house payroll
- Design Service
- Estates Manager
- Trust Improvement Plan Lead
- Senior Secondary Curriculum Lead
- Director of Primary phase
- School Improvement Partner

The Multi Academy Trust charges for these services on the following basis:

Flat percentage of GAG income - 4.5%.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. Central services (continued)

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
King Ecgbert School	358,949	331,000
Newfield School	298,049	274,602
Totley School	68,845	57,206
Woodlands (previously Valley Park)	87,210	78,379
Nether Edge	79,347	77,316
Mercia School	147,544	94,325
Total	1,039,944	912,828

14. Trustees' and Officers' insurance

The Multi Academy Trust has opted into the Department of 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	71,965,759	642,028	1,118,508	95,882	73,822,177
Additions	-	116,015	174,286	-	290,301
Disposals	-	(825)	(96,083)	-	(96,908)
At 31 August 2022	71,965,759	757,218	1,196,711	95,882	74,015,570
Depreciation					
At 1 September 2021	6,540,255	416,715	690,968	43,012	7,690,950
Charge for the year	1,136,599	134,539	219,030	31,665	1,521,833
On disposals	-	(825)	(96,083)	-	(96,908)
At 31 August 2022	7,676,854	550,429	813,915	74,677	9,115,875
Net book value					
At 31 August 2022	64,288,905	206,789	382,796	21,205	64,899,695
At 31 August 2021	65,425,504	225,313	427,540	52,870	66,131,227

Included in land and buildings is land at valuation of £9,298,000 (2021: £9,298,000) which is not depreciated.

16. Debtors

	2022 £	2021 £
Trade debtors	40,958	97,394
Other debtors	258,775	104,407
Prepayments and accrued income	483,466	564,703
	783,199	766,504

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,063,546	813,559
Other taxation and social security	84,485	72,844
Other creditors	2,284	2,538
Accruals and deferred income	589,304	514,214
	<hr/> 1,739,619 <hr/>	<hr/> 1,403,155 <hr/>
	2022	2021
	£	£
Deferred income at 1 September 2021	236,561	208,680
Resources deferred during the year	298,247	236,561
Amounts released from previous periods	(236,561)	(208,680)
	<hr/> 298,247 <hr/>	<hr/> 236,561 <hr/>

At the financial year end £298,247 (2021: £236,561) was recognised in deferred income in relation to income received which relates to the following financial year. The majority of this deferred income related to local government growth funding, Universal infant income and school trips.

MERCIA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<i>Unrestricted funds</i>						
General funds	1,172,457	923,627	(1,063,905)	(80,000)	-	952,179
<i>Restricted general funds</i>						
GAG	712,655	23,109,856	(22,185,396)	44,719	-	1,681,834
Pupil premium	-	1,315,044	(1,315,044)	-	-	-
School fund	68,069	257,265	(230,907)	-	-	94,427
Post opening grant	-	121,000	(121,000)	-	-	-
Other DfE/ESFA grants	-	504,445	(504,445)	-	-	-
Rates funding	-	97,701	(97,701)	-	-	-
PE grant	-	57,730	(57,730)	-	-	-
UIFSM grant	-	134,045	(134,045)	-	-	-
FEL funding	-	328,863	(328,863)	-	-	-
Growth fund	-	174,774	(174,774)	-	-	-
Teaching school	37,768	152,865	(182,113)	-	-	8,520
Summer school	-	7,495	(7,495)	-	-	-
Teachers Pay	-	32,156	(32,156)	-	-	-
Teachers Pension	-	90,860	(90,860)	-	-	-
COVID-19 fund	60,000	211,270	(271,270)	-	-	-
Other restricted funds	-	15,452	(15,452)	-	-	-
Local government IR funding	-	179,467	(179,467)	-	-	-
Local government banded funding	-	216,333	(216,333)	-	-	-
Pension reserve	(15,682,000)	-	(1,427,000)	-	12,684,000	(4,425,000)
	(14,803,508)	27,006,621	(27,572,051)	44,719	12,684,000	(2,640,219)

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

***Restricted fixed
asset funds***

Restricted fixed asset funds	66,607,480	478,266	(2,011,252)	35,281	-	65,109,775
<i>Total Restricted funds</i>	51,803,972	27,484,887	(29,583,303)	80,000	12,684,000	62,469,556
<i>Total funds</i>	52,976,429	28,408,514	(30,647,208)	-	12,684,000	63,421,735

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

Unrestricted funds

The unrestricted funds represent funds available to the governors to apply for the general purposes of the trust.

Restricted general funds

General Annual Grant (GAG) - The Academy Trust's principal funding stream received from the Education and Skills Funding Agency. This must be used to fund the normal running costs of the Trust for the benefit of existing students.

Pupil Premium (ESFA) - DfE funding to address the current underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers by ensuring that funding to tackle the disadvantage reaches the pupils who need it most.

School Fund - Funds received for activities, trips and fundraising which will be paid to suppliers and charities.

Post Opening Grant - The SCC grant provides funding in two elements as a free school grows, one for resources and one for leadership.

Rates Funding - Academies can claim full funding from the ESFA for national non-domestic rates costs.

PE grant - the ESFA provided Primary Schools with a PE and Sport Premium to improve the quality of the PE and sport activities they offer their pupils.

UIFSM grant - The universal infant free school meals (UIFSM) grant enables schools to provide free school meals to all pupils in reception, year 1 and year 2.

Early years funding grant (FEL) - Providers of Free Early Learning (FEL) for 2, 3 and 4 year olds are able to claim funding from the Early Years Block of Dedicated Schools Grant held by the Local Authority.

18. Statement of funds (continued)

Growth fund - The local authority plan places in schools across the city where growth in numbers is expected - the school then receives an amount per planned pupil place.

Teaching school - Mercia Learning Alliance receives grant funding to ensure the quality of system leadership remains as high as possible.

Covid-19 - ESFA funding to cover costs associated with Covid or to provide catch up tuition.

Local Government Funded Projects - Grants ringfenced for specific projects.

Local Government IR Funding - SCC per pupil funding for youngsters in the Integrated Resource.

Local Government Banded Funding - Local authorities allocate funding for pupils with low cost, high incidence SEN.

Other - miscellaneous funding towards specific purposes.

Defined benefit pension liability - The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the ESFA Accounts Direction.

Restricted fixed asset funds

Assets donated to the trust from the local authority on conversion of schools, fixed assets purchased from GAG and other funds , DfE/ESFA capital grants and Local Choice funding for capital expenditure.

Transfers

A transfer of £80,000 has been made from unrestricted funds to GAG to fund recharged salaries in Tottle Primary School.

A transfer has been made out of GAG to restricted fixed asset funds of £35,281 to reflect asset purchased out of GAG funding.

Under the funding agreement with the Secretary of State, the Multi Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	1,154,129	564,488	(609,746)	63,586	-	1,172,457
Restricted general funds						
GAG	431,750	20,467,332	(20,625,937)	439,510	-	712,655
Pupil premium	-	1,262,154	(1,262,154)	-	-	-
School fund	58,908	33,432	(24,271)	-	-	68,069
Post opening grant	-	152,500	(152,500)	-	-	-
Rates funding	8,716	99,670	(95,482)	(12,904)	-	-
PE grant	-	57,430	(57,430)	-	-	-
UIFSM grant	-	155,736	(92,150)	(63,586)	-	-
FEL funding	5,452	313,335	(313,335)	(5,452)	-	-
Growth fund	-	165,700	(165,700)	-	-	-
Teaching school	2,553	332,277	(297,062)	-	-	37,768
Summer school	-	61,799	(61,799)	-	-	-
Teachers Pay	-	718,899	(718,899)	-	-	-
Teachers Pension	-	254,414	(254,414)	-	-	-
COVID-19 fund	-	347,986	(287,986)	-	-	60,000
Local government IR funding	-	114,486	(114,486)	-	-	-
Local government banded funding	-	179,712	(179,712)	-	-	-
Pension reserve	(13,086,000)	-	(948,000)	-	(1,648,000)	(15,682,000)
	(12,578,621)	24,716,862	(25,651,317)	357,568	(1,648,000)	(14,803,508)

MERCIA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

***Restricted fixed
asset funds***

Restricted fixed asset funds	67,873,208	636,601	(1,481,175)	(421,154)	-	66,607,480
<i>Total Restricted funds</i>	55,294,587	25,353,463	(27,132,492)	(63,586)	(1,648,000)	51,803,972
<i>Total funds</i>	56,448,716	25,917,951	(27,742,238)	-	(1,648,000)	52,976,429

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
King Ecgbert School	813,607	584,095
Newfield School	604,247	575,538
Totley School	42,571	60,873
Woodlands Primary School (previously Valley Park)	268,803	231,378
Nether Edge Primary School	100,367	92,031
Mercia School	517,116	178,624
Mercia Learning Trust	390,249	328,410
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,736,960	2,050,949
Restricted fixed asset fund	65,109,775	66,607,480
Pension reserve	(4,425,000)	(15,682,000)
	<hr/>	<hr/>
Total	63,421,735	52,976,429
	<hr/> <hr/>	<hr/> <hr/>

MERCIA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
King Ecgbert School	5,848,161	741,397	221,184	1,913,160	8,723,902	8,058,374
Newfield School	4,730,045	696,204	256,992	1,749,987	7,433,228	6,805,517
Totley School	1,103,883	360,949	154,280	344,744	1,963,856	1,763,320
Woodlands Primary School (previously Valley Park)	1,809,003	510,058	152,487	388,962	2,860,510	2,583,944
Nether Edge Primary School	1,437,440	352,441	154,284	398,290	2,342,455	2,215,183
Mercia School	2,511,731	443,466	106,840	444,951	3,506,988	2,510,981
Mercia Learning Trust	674,560	684,237	135,663	799,976	2,294,436	2,323,745
Multi Academy Trust	18,114,823	3,788,752	1,181,730	6,040,070	29,125,375	26,261,064

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2022

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	64,899,695	64,899,695
Current assets	952,179	3,524,400	210,080	4,686,659
Creditors due within one year	-	(1,739,619)	-	(1,739,619)
Provisions for liabilities and charges	-	(4,425,000)	-	(4,425,000)
Total	952,179	(2,640,219)	65,109,775	63,421,735

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	66,131,227	66,131,227
Current assets	2,575,612	878,492	476,253	3,930,357
Creditors due within one year	(1,403,155)	-	-	(1,403,155)
Provisions for liabilities and charges	-	(15,682,000)	-	(15,682,000)
Total	1,172,457	(14,803,508)	66,607,480	52,976,429

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2022

20. Reconciliation of net expenditure to net cash flow from operating activities

	2022	As restated
	£	2021
		£
Net expenditure for the year (as per Statement of financial activities)	(2,238,694)	(1,824,287)
Adjustments for:		
Depreciation	1,521,833	1,481,174
Capital grants from DfE and other capital income	(478,266)	(507,001)
Interest receivable	(10,553)	(213)
Defined benefit pension scheme cost less contributions payable	1,151,000	701,000
Defined benefit pension scheme finance cost	276,000	247,000
(Increase)/decrease in debtors	(16,695)	126,532
Increase in creditors	336,464	370,590
Net cash provided by operating activities	541,089	594,795

21. Cash flows from investing activities

	2022	As restated
	£	2021
		£
Dividends, interest and rents from investments	10,553	213
Purchase of tangible fixed assets	(290,301)	(507,320)
Capital grants from DfE Group	478,266	507,001
Net cash provided by/(used in) investing activities	198,518	(106)

22. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	3,903,460	3,163,853
Total cash and cash equivalents	3,903,460	3,163,853

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	3,163,853	739,607	3,903,460
	<u>3,163,853</u>	<u>739,607</u>	<u>3,903,460</u>

24. Capital commitments

	2022 £	2021 £
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	-	36,414
	<u>-</u>	<u>36,414</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Pension commitments

The Multi 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 South Yorkshire 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 full-time 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
- 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, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,388,209 (2021 - £2,231,203).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,340,000 (2021 - £1,223,000), of which employer's contributions totalled £1,057,000 (2021 - £970,000) and employees' contributions totalled £ 283,000 (2021 - £253,000). The agreed contribution rates for future years are 16.4 per cent for employers and 5.5 - 12 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Multi Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi Academy Trust at the balance sheet date.

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

	2022	2021
	%	%
Rate of increase in salaries	4.05	4.05
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.70

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

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2022

25. Pension commitments (continued)

	2022	2021
	Years	Years
Retiring today		
Males	22.6	22.5
Females	25.4	25.3
Retiring in 20 years		
Males	24.1	24.0
Females	27.3	27.2

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(397)	(616)
Salary increase +0.1%	58	72
Mortality assumption - 1 year increase	640	830
CPI rate +0.1%	343	629

Share of scheme assets

The Multi Academy Trust's share of the assets in the scheme was:

	At 31 August	At 31 August
	2022	2021
	£	£
Equities	8,099,000	5,105,716
Bonds	2,314,000	2,236,388
Property	1,041,300	907,214
Cash and other liquid assets	115,700	105,490
Other	-	2,194,192
Total market value of assets	11,570,000	10,549,000

The actual return on scheme assets was £(197,000) (2021 - £1,535,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	(2,208,000)	(1,671,000)
Interest income	190,000	133,000
Interest cost	(466,000)	(380,000)
Total amount recognised in the Statement of Financial Activities	(2,484,000)	(1,918,000)

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
At 1 September	26,231,000	21,101,000
Current service cost	2,208,000	1,671,000
Interest cost	466,000	380,000
Employee contributions	283,000	253,000
Actuarial (gains)/losses	(13,063,000)	3,028,000
Actuarial (gains)/losses not recognised	(4,000)	-
Benefits paid	(130,000)	(202,000)
At 31 August	15,991,000	26,231,000

Changes in the fair value of the Multi Academy Trust's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	10,549,000	8,015,000
Administration expenses	-	(20,000)
Interest income	190,000	153,000
Actuarial (losses)/gains	(379,000)	1,380,000
Employer contributions	1,057,000	970,000
Employee contributions	283,000	253,000
Benefits paid	(130,000)	(202,000)
At 31 August	11,570,000	10,549,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Amounts recognised in the balance sheet		
Present value of the defined benefit obligations	15,991,000	26,231,000
Fair value of the academy trust's share of scheme assets	(11,570,000)	(10,549,000)
Schemes in surplus not recognised in the balance sheet	4,000	-
	4,425,000	15,682,000

The net pension surplus of £4,000 for the Central Trust at 31 August 2022, assessed in accordance with FRS 102, is not recognised in the balance sheet as the academy trust is unable to recover this surplus from the pension scheme.

26. Operating lease commitments

At 31 August 2022 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	64,253	39,884
Later than 1 year and not later than 5 years	55,853	47,584
	120,106	87,468

27. Related party transactions

Owing to the nature of the Multi Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Multi Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Charlotte Chance, the Director of Finance and Operations, has a daughter who worked as a play worker at Totle Primary School during the year. This appointment was made in open competition with this Director having no involvement in the decision making process regarding the appointment. The employee is paid within the normal pay scale for this role and receives no special treatment as a result of their relationship with the Director.

During the year a transaction was notified to the ESFA involving £870 paid to Mentor Model Agency Limited for photography services. Mentor Model Agency Limited is owned by the wife of Dean Webster, Headteacher of Mercia School. In entering into this transaction Trustee and CEO approval was sought and the service provided was deemed as good value for money.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

28. Financial commitments under PFI arrangements

At 31 August 2022 the trust had future commitments under PFI arrangements as follows:

	2022	2021
	£	£
Amounts payable:		
Within 1 year	2,494,895	2,194,533
Between 1 and 5 years	9,979,580	8,778,132
After more than 5 years	17,246,263	15,187,988
Total	29,720,738	26,160,653

The academy trust occupies premises which are subject to private finance initiative (PFI) contracts. The above relates to commitments to operating payments including costs for premises, energy, water, and other ancillary services.

29. Agency arrangements

The Multi Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £20,667 (2021: £23,065) and disbursed £20,667 (2021: £23,065) from the fund.

30. 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.



**79 Glen Road
Sheffield
S7 1RB**

Chief Executive Officer: Chris French
Telephone: 0114 349 4230

**Mercia Learning Trust
79 Glen Road
Sheffield S7 1RB
Company number: 08119703**

BHP LLP
Rutland Park
SHEFFIELD
S10 2PD

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy trust's financial statements and, as relevant, your assurance engagement on regularity for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 11 September 2020, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy trust have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy trust, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.

- 5 The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 9 The academy trust has satisfactory title to all assets and there are no liens or encumbrances on the academy trust's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 12 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

- 13 The academy trust has not granted any advances or credits to, or made guarantees on behalf of directors other than those disclosed in the financial statements.

Legal claims

- 14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Law and regulations

- 15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 16 Related party relationships and transactions, comply with the academy trust's financial regulations, relevant requirements of the Academies Financial Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Subsequent events

- 17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 18 We believe that the academy trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy trust's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy trust's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

- 19 Grants made by the Department of Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
- 20 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

Restricted grants and donations are as follows / listed overleaf:

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully

philip smith
philip smith (Dec 16, 2022 13:14 GMT)

.....
Signed on behalf of the board of trustees

Date. Dec 16, 2022



79 Glen Road
Sheffield
S7 1RB

Chief Executive Officer: Chris French
Telephone: 0114 349 4230

Mercia Learning Trust

BHP LLP
Rutland Park
SHEFFIELD
S10 2PD

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to Mercia Learning Trust and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

General

- 1 I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between Mercia Learning Trust and the Secretary of State for Education dated 20 February 2012 and the Academies Financial Handbook 2021.
- 2 I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
- 3 I acknowledge my responsibility to notify the governing body and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academies Financial Handbook 2021 in performing this duty.
- 4 Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.
- 5 Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
- 6 Full and free access has been granted to all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully

Chris French
Chris French (Dec 16, 2022 13:16 GMT)

Accounting Officer

Date Dec 16, 2022

Appendix 1: Surplus/(deficit) reconciliation

We set out below the identified audit misstatements that have been adjusted in the financial statements and show a reconciliation between the surplus/(deficit) per the trial balance/management accounts provided at the planning stage and that reported in the financial statements.

	Total £
Surplus / (deficit) per MAT trial balance	(960,248)
Funds b/fwd correction	67
Late client adjustment - PE Sports Brookfield Partnership accrual	(5,193)
Adjustment for incorrectly accrued 'PO accruals'	433,376
FRS102 pension adjustment	(748,000)
Actuarial gain on defined benefit pension scheme	5,857,000
Utility cost accrual correction	96,761
Rounding	(2)
Surplus / (deficit) per the draft financial statements	4,673,761

On behalf of the Board, I hereby approve the adjustments summarised above:

Signed: 
Charlotte Chance (Dec 16, 2022 14:31 GMT)

Name: Charlotte Chance

Date: Dec 16, 2022












Mercia Learning Trust 2022

Final Audit Report

2022-12-16


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