

MERCIA LEARNING TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

MERCIA LEARNING TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

	P.D. Smith L.A.Bowes (resigned 14 January 2020) G. Burke A. Singh T. Khan
Trustees	P.D. Smith, Chair and Parent Governor S. Pearson R.A Dodds J. Hope-Gill J. Millward J.F. Deal D. Angrave (appointed 21 October 2020)
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 Ecgbert School - P Haigh, Headteacher Newfield School - E. Anderson, Headteacher Totley Primary School - B. Paxman, Headteacher Valley Park Community Primary School - M. Knox, Headteacher - K. Hall, Co-Headteacher The Nether Edge Primary School - M. Nott, Co-Headteacher Mercia School - D Webster, Headteacher C Chance, Director of Finance and Operations

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
Bankers	Yorkshire Bank Fargate S1 1LL Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL Natwest 997 Abbeydale Road Sheffield S7 2QE
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

MERCIA LEARNING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. 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 3,797 and had a roll of 3,866 in the school census on 1 October 2020.

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 , 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

<i>Percentage of time</i>	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	972
Total pay bill	61,676
Percentage of total pay bill spent on facility time	2 %

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

Throughout the year, which for the second half was unprecedented due to Covid-19, 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

Our trust mission is to provide an outstanding education for pupils aged from 0 to 19. We are passionate that all our pupils should see their time at school as happy and fulfilling, with their potential developed to the utmost. Our approach is founded on partnership working, binding together our school, parents and their communities.

As part of the Mercia Learning Trust, the schools will pool expertise and resources, operating strategically to provide collectively 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. The continuing growth of the Trust will achieve 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 Head teachers of Trust 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 and are developed with support from the teaching school, providing capacity into the future for all educational phases.

The trust objectives for the 2019-20 year were to:

1. Improve all aspects of challenge and support to schools so that they achieve their individual and collective school improvement priorities. As a consequence, each school becomes demonstrably more effective.
2. Building on last year, substantially develop key aspects of trust partnership working to drive school improvement, achieve greater best practice alignment; and promote & exploit the benefit (dividend) of trust working.
3. Maintain & improve central trust functions so that our practices are fully compliant, our financial position is sustainable & improving; and services are consistency reliable, efficient & value for money.

Impact of the COVID-19 global pandemic

As a result of the global COVID-19 pandemic, trust schools were substantially closed for pupils and staff from March 2020 onwards, and only subject to limited re-opening in the final weeks of the academic year. As a result, new objectives for the second half of the year were to:

March – June

1. Provide high quality and safe school / hub provision for vulnerable children and the children of key workers.
2. Provide consistent remote safeguarding support to the most vulnerable children whilst not in school.
3. Provide high quality distance learning for all children not in school.
4. Sustain schools and the trust, its staff, students and communities, through this period of change.

June - August

1. Safely re-open schools for key year groups and staff.
2. Maintain support for all other pupils not attending school.
3. Plan to safely re-open for all year groups and staff from 1st September 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

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 well being 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. Educational outcomes at each School during the year are usually disclosed in this report under Review of Activities. However, the impact of COVID-19 has altered the report focus for this year.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

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 Trustee'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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

d. Review of activities

King Egbert School

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.

It was awarded the status of World Class School of the Year for the 2019-20 academic year and continues to successfully lead the Mercia Learning (teaching) Alliance (and be a key partner of the emerging Sheffield TSA). In February 2020 it was awarded Ed Tech Demonstrator status and identified as a lead school in the use of IT and technology. The national move to school closure in March meant that it is providing system support particularly around home learning and the use of remote technology. It clearly has a system leading reputation and role.

The school continues to be substantially over-subscribed. During the year it became apparent that current and future student admission numbers in its catchment are increasing and may require a permanent solution.

During 2019-20 it continued to operate at a very strong level, and at the time of school closure in March 2020, was continuing to strengthen its ethos and culture, further develop the quality of its curriculum and personal development offer. Summer outcomes at KS4 and Post 16 were on course to be very strong.

Following national lockdown the school rapidly responded to the new situation. As a result, it immediately established a 'hub' for the most vulnerable students and the children of key workers. During April and May this was provided in partnership with Totley and Nether Edge Primary Schools. This full-time provision operated until the end of the academic year.

Given that the majority of students (and staff) were working from home it provided home learning and remote safeguarding support. Supported by the Trust, and then latterly by government initiatives, the school provided free school meals to key families and children throughout the period, and loaned a large number of laptops to support home learning.

Following government advice, the school re-opened in mid-June for Year 10 and 12 students, and increased the number of 'vulnerable students' from other year groups into school. Despite the weakness of the national system to allocate summer 'results', the correct student outcomes were secured through robust teacher assessment evidence, so that progression into Post 16 and university was strongly maintained.

The months of July and August were spent carefully planning to re-open safely and fully on 1st September, which is exactly what happened.

Throughout this challenging period the school moved successfully into a virtual state, operated effectively, governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2019-20 was an exceptional year for the school, and the school reputation was enhanced.

Newfield School

The school was graded as good by Ofsted in March 2017. During the academic year it continued to improve and operate at a good level and it is possible that the school will be re-inspected during the 2020-21 academic year

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

The school continues to be substantially over-subscribed and the continues to attract support from parents in the local area.

During 2019-20 it continued to operate at a strong level, and at the time of school closure in March 2020, was continuing to strengthen its ethos and culture, further develop the quality of its curriculum and personal development offer. Summer outcomes at KS4 were on course to remain strong.

Following national lock down the school rapidly responded to the new situation. As a result, it immediately established a 'hub' for the most vulnerable students and the children of key workers. During April and May this was provided in partnership with Mercia Secondary School. This full-time provision operated until the end of the academic year.

Given that the majority of students (and staff) were working from home it provided home learning and exceptional remote safeguarding support. Supported by the Trust, and then latterly by government initiatives, the school provided free school meals to key families and children throughout the period, and loaned a large number of laptops to support home learning.

Following government advice, the school re-opened in mid-June for Year 10 students, and substantially increased the number of 'vulnerable students' from other year groups into school. Despite the weakness of the national system to allocate summer 'results', the correct student outcomes were secured through robust teacher assessment evidence, so that progression into Post 16 was strongly maintained.

The months of July and August were spent carefully planning to re-open safely and fully on 1st September, which is exactly what happened. During the summer break a summer school was provided for key students as a 'bridge' back into full-time school

Throughout this challenging period the school moved successfully into a virtual state, operated effectively, governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2019-20 was an exceptional year for the school, and the school reputation was enhanced.

Mercia School

Following an exceptional launch year in 2018-19 the school started the year substantially over-subscribed. During 2019-20 it continued to build a strong reputation for quality, consistency, rigour, ambition and care. Despite annual growth in student numbers and the appointment of new (and exceptional) staff, it maintained its unique approach, and the very high standards that permeate all aspects of the school. Consequently, applications for the new Year 9, to start in September 2020 were over 600, and the number of first choice preferences substantially exceeded the 180 places available. This means the school has established its aim of offering a robust alternative to local schools, and is challenging the previous status quo.

Given that the school is new, it is likely to have an Ofsted inspection in 2020-21.

Following national lock down the school rapidly responded to the new situation. As a result, it immediately established a 'hub' for the most vulnerable students and the children of key workers. During April and May this was provided in partnership with Newfield Secondary School.

Given that the majority of students (and staff) were working from home it provided home learning and exceptional remote safeguarding support. Supported by the Trust, and then latterly by government initiatives, the school provided

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

free school meals to key families and children throughout the period.

In later June it opened for almost all vulnerable and key worker children, and extended this provision into the summer holiday. In doing so this provided an intensive 'bridge' for students to catch up prior to the new academic year

The months of July and August were spent carefully planning to re-open safely and fully on 1st September, which is exactly what happened.

Throughout this challenging period the school moved successfully into a virtual state, operated effectively, governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2019-20 was an exceptional year for the school. Critically it has cemented its reputation and is now providing an exceptional alternative to other local schools, and carving out a clear catchment across all areas that it serves.

Totley Primary School

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.

During 2019-20 the rolling expansion (from 30 to 60 pupils in a year) continued into Year 3. By 2022-23 this will mean the school has 60 pupils in every class and a total capacity in excess of 400 pupils. As a result of its reputation and popularity, and a larger admission number, as expected it continues to be substantially over subscribed.

During 2019-20 it continued to operate at a strong level, and at the time of lockdown in March 2020, was continuing to strengthen its ethos and culture, further develop the quality reading, phonics and the overall curriculum and personal development offer. Summer outcomes in all key stages were on course to remain very strong.

Following national lock down the school rapidly responded to the new situation. As a result, it immediately established a 'hub' for the most vulnerable students and the children of key workers. During April and May this was provided in partnership with Nether Edge Primary and King Egbert Secondary Schools. Whilst this later reverted to site specific provision it continued throughout the academic year.

Given that the majority of students (and staff) were working from home it provided home learning and exceptional remote safeguarding support. Supported by the Trust, and then latterly by government initiatives, the school provided free school meals to key families and children throughout the period, and loaned a number of laptops to support home learning.

In later June it opened for Year 2 and 6, and substantially increased the attendance of vulnerable / key worker children. The months of July and August were spent carefully planning to re-open safely and fully on 1st September, which is exactly what happened.

Throughout this challenging period the school moved successfully into a virtual state, operated effectively, governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2019-20 was an exceptional year for the school.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Valley Park Primary School

Valley Park School was inspected by Ofsted in 2018 and judged to require improvement. It is likely that the school will be inspected during the 2020-21 academic year. It has a good local reputation, and pupil admission numbers are secure and the school is very substantially full.

During 2019-20 it continued to improve strongly, and at the time of lockdown in March 2020, was continuing to strengthen its ethos and culture, further develop the quality reading, phonics and the overall curriculum, personal development and provision for the most vulnerable. Summer outcomes in all key stages were on course to be secure.

Following national lock down the school rapidly responded to the new situation. As a result, it immediately established a 'hub' for the most vulnerable students and the children of key workers. This continued throughout the academic year.

Given that the majority of students (and staff) were working from home it provided home learning and exceptional remote safeguarding support. Supported by the Trust, and then latterly by government initiatives, the school provided free school meals to key families and children throughout the period, and loaned a large number of laptops to support home learning.

In later June it opened for Year 2 and 6, and substantially increased the attendance of vulnerable / key worker children. The months of July and August were spent carefully planning to re-open safely and fully on 1st September, which is exactly what happened. During the summer holiday it provided a two-week summer school to support children back into school

Throughout this challenging period the school moved successfully into a virtual state, operated effectively, governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2019-20 was an exceptional year for the school.

Nether Edge Primary School

Nether Edge was judged by Ofsted to be outstanding in 2015. The new Ofsted Inspection Framework means that it is no longer exempt from routine inspection.

It has a good local reputation, and pupil admission numbers are secure and the school is very substantially full.

During 2019-20 it continued to improve strongly, and at the time of lockdown in March 2020, was continuing to strengthen its ethos and culture, further develop the quality reading, phonics and the overall curriculum, personal development and provision for the most vulnerable. Summer outcomes in all key stages were on course to improve from 2019.

Following national lock down the school rapidly responded to the new situation. As a result, it immediately established a 'hub' for the most vulnerable students and the children of key workers with King Ecgbert Secondary and Totley Primary. Whilst this later reverted to site specific provision, this offer continued throughout the academic year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Given that the majority of students (and staff) were working from home it provided home learning and exceptional remote safeguarding support. Supported by the Trust, and then latterly by government initiatives, the school provided free school meals to key families and children throughout the period, and loaned a large number of laptops to support home learning.

In later June it opened for Year 2 and 6, and substantially increased the attendance of vulnerable / key worker children. The months of July and August were spent carefully planning to re-open safely and fully on 1st September, which is exactly what happened. During the summer holiday it provided a two-week summer school to support children back into school.

Throughout this challenging period the school moved successfully into a virtual state, operated effectively, governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2019-20 was an exceptional year for the school, and its local reputation was enhanced.

Trust Developments

The Trust continued to operate strongly and in full support of individual schools. Importantly, it further developed its ethos and values, communication across the trust, the support and challenge provided to schools, the strength of the central team, further alignment of practice and systems (where beneficial), governance and external scrutiny, financial strength and capital / ICT investment strategy.

Its primary focus was to support schools. Specifically, it supported the implementation of curriculum by promotion of the curriculum framework, and the introduction of much greater partnership between staff and schools. This led to substantial development, particularly in primary schools, in the teaching of reading, phonics and the development of a curriculum as a whole. The trust also commissioned a personal development framework, and specifically supported projects aimed at improving ethos, attendance and behaviour. The trust also hosted its second annual conference at the Lyceum Theatre (Sheffield) led by trust senior staff and eminent key note speakers.

The trust further clarified the roles of governance, and strengthened external scrutiny by the appointment of specialist primary and secondary school improvement partners. It also continued to adhere to the financial principles introduced in 2018-19, and pool capital resources and trust reserves. The significance of the central specialist team became increasing apparent which led to much greater efficiency. Capital investment was very substantial so that the school estate improved markedly, particularly in primary schools which had previously suffered from under investment.

In the New Year the Ambition Institute undertook a comprehensive review of the Trust, led by Sir David Carter (Former NSC). The executive summary stated;

'Mercia Learning Trust is a very effective organisation, delivering strong outcomes for many of its pupils in the Sheffield community that it serves. Over the past 18 months there has been considerable progress made towards the implementation of a new and different operating model. The trust is becoming more aligned around a range of key educational strategies and staff are extremely positive about this direction of travel. Governance at trust and academy level is strong and an experienced group of trustees whilst small in number appear to be getting the right balance of challenge and support for the CEO and his team'

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Following the national lock down the Trust had to rapidly re-focus its energy and priorities to support schools. It was instrumental in leading / supporting the logistical and safety planning in all schools, providing FSM meals to over 1000 families, deploying ICT devices into families, coordinating and strengthening cleaning and hygiene regimes, focusing the role of governors and trustees onto home learning and safeguarding priorities, meeting the additional costs associated with COVID-19, and keeping the trust operating in a virtual state. The role of the trust was substantial and support provided to schools showed the benefits of partnership strongly.

Despite the challenges, 2019-20 was an exceptional year for the Trust.

Financial review

a. Results for the year

For the year ended 31 August 2020, there was a surplus on GAG funds of £183,361 and a surplus of £122,159 on unrestricted funds.

At 31 August 2020, the net book value of fixed assets was £67,105,081 and movements in tangible fixed assets are shown in note 16 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 2020 and supporting notes to the accounts (see note 28).

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 (£948,751), and discretionary reserves above this amount will fund trust priorities as defined by the Board.

At 31 August 2020, the trust held unrestricted funds of £1,154,129 and GAG funds of £431,750 i.e. free funds of £1,585,879 which equates to 6.7% of income. The Trust has allocated £638,371 of the £1,585,879 to support priorities such as increased costs associated with COVID (including additional cleaning, supply costs or resources), in-year deficits and health and safety including cleaning.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

Mercia Learning Trust UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020 inclusive of all subsidiaries

	2019-20
Energy consumption used to calculate emissions (kWh)	4,083,462
Energy consumption break down (kWh) (optional):	
• gas	1,865,087
• electricity	2,187,114
• transport fuel	
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	342.93
Owned transport – mini-buses	7.16
Total Scope 1	350.10
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	509.90
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	2.16
Total gross emissions in metric tonnes CO2e	862.16
Intensity ratio Tonnes CO2e per pupil	0.22

Quantification and Reporting Methodology

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

Intensity measurement

The chosen intensity measurement ratio at 0.22 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.

MERCIA LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 16 December 2020 and signed on its behalf by:

phil smith
phil smith (Dec 18, 2020 11:28 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 and Parent Governor	6	6
S. Pearson	5	6
R.A Dodds	5	6
J. Hope-Gill	5	6
J. Millward (maternity leave)	3	6
J.F. Deal	6	6
D. Angrave	0	0

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 Risk and Audit Committee meet every term to discuss finance and audit matters and provide assurance over the suitability of, and compliance with its financial systems and controls

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Phil Smith	3	3
John Deal	3	3
Sarah Pearson	3	3

MERCIA LEARNING TRUST
(A company limited by guarantee)

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, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Using a Crescent Purchasing Consortium (CPC) contract for the provision of multifunctional devices and associated print services and supplies resulting in the cost per copy remaining the same regardless of the size of the contract.
- Centralising the Primary School Manager role to implement consistency across the 3 primary schools
- Centralising the Premises Team to ensure optimum cover, standardised policies and procedures and cost efficiencies associated with cover.

In March 2020, in accordance with the Cabinet Office Guidance (Procurement Policy Note - Supplier relief due to COVID-19) the Trust identified its suppliers considered to be at significant cash flow risk due to the national lock-down measures and loss of normal academy operation. Following HR advice, agencies providing long-term teaching and support staff were promptly paid in absence of their normal service to ensure they were able to resume normal contract delivery after that phase of the pandemic, thereby protecting cash-flow, the supply chain and jobs.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

MERCIA LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk (continued)

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

The Board of Trustees has decided:

- to engage the services of BHP LLP, the external auditor, as internal auditor.

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. In particular, the checks carried out in the current period included:

- testing of payroll reconciliations
- testing of salary details
- testing of payrises
- testing of severance procedures
- testing of joiners and leavers

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.

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 work of the external auditor;
- 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 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.

MERCIA LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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

phil smith
phil smith (Dec 18, 2020 11:28 GMT)

.....
P.D. Smith
Chair of Trustees
Date: Dec 18, 2020

Chris French
Chris French (Dec 18, 2020 09:41 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 2019.

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 2019.

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

Chris French

Chris French (Dec 18, 2020 09:41 GMT)

C French
Accounting Officer
Date: Dec 18, 2020

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020;
- 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:


phil smith (Dec 16, 2020 11:28 GMT)

.....
P.D. Smith
Chair of Trustees
Date: 16 December 2020

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 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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

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

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

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 Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Trustees' 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 Multi Academy Trust 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 Multi Academy Trust'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 Multi Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable 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 Multi Academy Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable 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 18, 2020 12:19 GMT)

Philip Allsop (Senior statutory auditor)
for and on behalf of
BHP LLP
2 Rutland Park

Sheffield
S10 2PD

17 December 2020

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 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Philip Allsop

Philip Allsop (Dec 18, 2020 12:19 GMT)

Philip Allsop (Senior statutory auditor)
BHP LLP

Date: Dec 18, 2020

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	24,668	162,600	1,033,778	1,221,046	27,061,239
Charitable activities		222,316	21,709,256	-	21,931,572	19,446,321
Teaching schools	24	104,265	40,000	-	144,265	139,865
Other trading activities	5	416,949	-	-	416,949	482,731
Investments	7	4,948	-	-	4,948	8,347
Total income		773,146	21,911,856	1,033,778	23,718,780	47,138,503
Expenditure on:						
Raising funds		82,299	266,732	-	349,031	453,818
Charitable activities		568,688	22,306,507	1,503,741	24,378,936	23,009,161
Total expenditure	7	650,987	22,573,239	1,503,741	24,727,967	23,462,979
Net movement in funds before other recognised gains/(losses)						
		122,159	(661,383)	(469,963)	(1,009,187)	23,675,524
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(749,000)	-	(749,000)	(3,298,000)
Net movement in funds		122,159	(1,410,383)	(469,963)	(1,758,187)	20,377,524
Reconciliation of funds:						
Total funds brought forward		1,031,970	(11,168,238)	68,343,171	58,206,903	37,829,379
Net movement in funds		122,159	(1,410,383)	(469,963)	(1,758,187)	20,377,524
Total funds carried forward		1,154,129	(12,578,621)	67,873,208	56,448,716	58,206,903

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 34 to 65 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	67,105,081	68,070,464
		67,105,081	68,070,464
Current assets			
Debtors	17	893,036	592,711
Cash at bank and in hand		2,569,164	2,006,592
		3,462,200	2,599,303
Creditors: amounts falling due within one year	18	(1,032,565)	(915,205)
Net current assets		2,429,635	1,684,098
Total assets less current liabilities		69,534,716	69,754,562
Creditors: amounts falling due after more than one year	19	-	(1,659)
Net assets excluding pension liability		69,534,716	69,752,903
Defined benefit pension scheme liability	27	(13,086,000)	(11,546,000)
Total net assets		56,448,716	58,206,903
Funds of the Multi Academy Trust			
Restricted funds:			
Fixed asset funds	20	67,873,208	68,343,171
Restricted income funds	20	507,379	377,762
Restricted funds excluding pension liability	20	68,380,587	68,720,933
Pension reserve	20	(13,086,000)	(11,546,000)
Total restricted funds	20	55,294,587	57,174,933
Unrestricted income funds	20	1,154,129	1,031,970
Total funds		56,448,716	58,206,903

The financial statements on pages 30 to 65 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

phil smith
phil smith (Dec 18, 2020 11:28 GMT)

.....
P.D. Smith

Date: 16 December 2020

The notes on pages 34 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	22	930,753	25,218,060
Cash flows from investing activities	23	(368,181)	(26,249,531)
Change in cash and cash equivalents in the year		562,572	(1,031,471)
Cash and cash equivalents at the beginning of the year		2,006,592	3,038,063
Cash and cash equivalents at the end of the year	24, 25	<u>2,569,164</u>	<u>2,006,592</u>

The notes on pages 34 to 65 form part of these financial statements

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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.

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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.

• **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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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 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.

1.7 Operating leases

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

1.8 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 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.

1.10 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.

1.11 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.

1.12 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 17. 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 notes 18 and 19. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.13 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.

1.14 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	24,668	-	-	24,668	20,197
School fund income	-	158,612	-	158,612	368,041
Capital grants	-	3,988	1,033,778	1,037,766	749,110
Donated fixed assets	-	-	-	-	25,923,891
	<u>24,668</u>	<u>162,600</u>	<u>1,033,778</u>	<u>1,221,046</u>	<u>27,061,239</u>
Total 2019	<u>20,197</u>	<u>368,041</u>	<u>26,673,001</u>	<u>27,061,239</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<i>DfE/ESFA grants</i>				
General Annual Grant	-	18,230,017	18,230,017	16,852,582
Pupil premium	-	1,260,988	1,260,988	1,221,255
Other	149,217	1,394,495	1,543,712	658,712
	<u>149,217</u>	<u>20,885,500</u>	<u>21,034,717</u>	<u>18,732,549</u>
<i>Other government grants</i>				
Local authority grants	390	667,266	667,656	621,247
	<u>390</u>	<u>667,266</u>	<u>667,656</u>	<u>621,247</u>
<i>Other funding</i>				
Local authority grants	72,709	-	72,709	92,525
	<u>72,709</u>	<u>-</u>	<u>72,709</u>	<u>92,525</u>
<i>Exceptional government funding</i>				
Coronavirus exceptional support	-	156,490	156,490	-
	<u>222,316</u>	<u>21,709,256</u>	<u>21,931,572</u>	<u>19,446,321</u>
Total 2019	<u><u>163,346</u></u>	<u><u>19,282,975</u></u>	<u><u>19,446,321</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	13,947	-	13,947	6,979
School to school support	848	-	848	-
Other	402,154	-	402,154	475,752
	<u>416,949</u>	<u>-</u>	<u>416,949</u>	<u>482,731</u>
Total 2019	<u>467,563</u>	<u>15,168</u>	<u>482,731</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	<u>4,948</u>	<u>4,948</u>	<u>8,347</u>
Total 2019	<u>8,347</u>	<u>8,347</u>	

MERCIA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020	Premises 2020	Other costs 2020	Total 2020	Total 2019
	£	£	£	£	£
Expenditure on raising voluntary income:					
Direct costs	-	-	241,677	241,677	357,153
Expenditure on fundraising trading activities:					
Direct costs	17,505	-	89,849	107,354	96,665
Education:					
Direct costs	15,286,215	1,137,735	1,581,216	18,005,166	16,552,070
Allocated support costs	2,336,623	2,833,017	1,204,130	6,373,770	6,457,091
	<u>17,640,343</u>	<u>3,970,752</u>	<u>3,116,872</u>	<u>24,727,967</u>	<u>23,462,979</u>
Total 2019	<u>15,955,549</u>	<u>4,066,263</u>	<u>3,441,167</u>	<u>23,462,979</u>	

8. Expenditure on raising funds

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Total funds 2019
	£	£	£	£
<i>Cost of raising voluntary income</i>				
School fund expenditure	20,388	221,289	241,677	357,153
	<u>-</u>	<u>357,153</u>	<u>357,153</u>	
Total 2019	<u>-</u>	<u>357,153</u>	<u>357,153</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Expenditure on raising funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<i>Fundraising trading expenses</i>				
Other expenses	61,911	27,938	89,849	77,980
Wages and salaries	-	17,505	17,505	18,685
	<u>61,911</u>	<u>45,443</u>	<u>107,354</u>	<u>96,665</u>
Total 2019	<u>94,306</u>	<u>2,359</u>	<u>96,665</u>	

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	<u>18,005,166</u>	<u>6,373,770</u>	<u>24,378,936</u>	<u>23,009,161</u>
Total 2019	<u>16,552,070</u>	<u>6,457,091</u>	<u>23,009,161</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	2,237,613	2,237,613	2,026,783
Depreciation	200,777	200,777	182,511
Other support costs	981,550	981,550	928,515
Recruitment and support	30,120	30,120	27,817
Maintenance of premises and equipment	228,015	228,015	614,972
Cleaning	61,014	61,014	50,296
Rent and rates	97,240	97,240	103,375
Energy costs	129,523	129,523	129,276
Insurance	131,223	131,223	150,131
Catering	8,354	8,354	8,556
Technology costs	12,958	12,958	1,461
PFI property costs	2,116,448	2,116,448	2,031,482
Bank interest and charges	1,305	1,305	1,150
Legal costs - other	11,944	11,944	90,924
Governance costs	125,686	125,686	109,842
	<u>6,373,770</u>	<u>6,373,770</u>	<u>6,457,091</u>
Total 2019	<u>6,457,091</u>	<u>6,457,091</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	37,412	36,408
Depreciation of tangible fixed assets	1,338,511	1,216,742
Fees paid to auditor for:		
- audit	18,730	18,185
- other services	5,897	5,350
	1,396,350	1,275,935

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	12,652,228	11,773,572
Social security costs	1,179,531	1,076,808
Pension costs	3,433,261	2,712,031
	17,265,020	15,562,411
Agency staff costs	375,323	331,710
Staff restructuring costs	-	61,428
	17,640,343	15,955,549

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	-	21,887
Severance payments	-	39,541
	-	61,428

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Staff (continued)

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	217	184
Management	37	33
Admin and support	248	230
	<u>502</u>	<u>447</u>

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	182	157
Management	34	31
Admin and support	184	173
	<u>400</u>	<u>361</u>

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	6	1
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	2	2
In the band £150,001 - £160,000	1	1
	<u>1</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme or the local government pension scheme. During the period ended 31 August 2020, pension contributions for these staff amounted to £195,873 (2019: £87,130).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Staff (continued)

d. 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 £813,979 (2019 £737,997).

13. Trustees' remuneration and expenses

The trustees did not receive any payments, other than expenses, from the acadmey trust in respect of their roles as trustees.

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. 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%.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
King Egbert School	295,188	281,339
Newfield School	256,946	244,787
Totley School	51,282	45,714
Valley Park	75,696	77,777
Nether Edge	74,634	72,429
Mercia School	56,773	30,586
Total	810,519	752,632

15. 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 2020

16. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Plant and equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>					
At 1 September 2019	71,965,759	342,110	630,784	19,903	72,958,556
Additions	-	92,263	187,991	92,875	373,129
Disposals	-	-	-	(16,897)	(16,897)
At 31 August 2020	<u>71,965,759</u>	<u>434,373</u>	<u>818,775</u>	<u>95,881</u>	<u>73,314,788</u>
<i>Depreciation</i>					
At 1 September 2019	4,209,540	223,430	435,219	19,903	4,888,092
Charge for the year	1,165,358	72,080	92,737	8,337	1,338,512
On disposals	-	-	-	(16,897)	(16,897)
At 31 August 2020	<u>5,374,898</u>	<u>295,510</u>	<u>527,956</u>	<u>11,343</u>	<u>6,209,707</u>
<i>Net book value</i>					
At 31 August 2020	<u>66,590,861</u>	<u>138,863</u>	<u>290,819</u>	<u>84,538</u>	<u>67,105,081</u>
At 31 August 2019	<u>67,756,219</u>	<u>118,680</u>	<u>195,565</u>	-	<u>68,070,464</u>

Included in land and buildings is land at valuation of £9,298,000 (2019: £9,298,000) which is not depreciated.

17. Debtors

	2020 £	2019 £
<i>Due within one year</i>		
Trade debtors	19,885	23,115
Other debtors	202,190	153,013
Prepayments and accrued income	670,961	416,583
	<u>893,036</u>	<u>592,711</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Other loans	1,659	7,201
Trade creditors	659,413	455,950
Other taxation and social security	68,766	24
Other creditors	1,678	328
Accruals and deferred income	301,049	451,702
	<u>1,032,565</u>	<u>915,205</u>
	2020	2019
	£	£
Deferred income at 1 September 2019	315,290	269,535
Resources deferred during the year	208,680	315,290
Amounts released from previous periods	(315,290)	(269,535)
	<u>208,680</u>	<u>315,290</u>

At the financial year end £208,680 (2019: £315,290) 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 rates relief.

19. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Other loans	-	1,659
	<u>-</u>	<u>1,659</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
<i>Unrestricted funds</i>					
General Funds - all funds	1,031,970	773,146	(650,987)	-	1,154,129
<i>Restricted general funds</i>					
GAG	248,389	19,172,394	(18,989,033)	-	431,750
Pupil premium ESFA	-	1,275,981	(1,275,981)	-	-
School fund	121,585	158,612	(221,289)	-	58,908
Post opening grant	-	183,500	(183,500)	-	-
Rates funding	1,319	101,253	(93,856)	-	8,716
PE grant	-	57,180	(57,180)	-	-
UIFSM grant	1,017	-	(1,017)	-	-
FEL funding	5,452	317,275	(317,275)	-	5,452
Growth fund	-	194,156	(194,156)	-	-
Teaching school	-	121,580	(119,027)	-	2,553
COVID-19 fund	-	156,490	(156,490)	-	-
Local government funded projects	-	49,943	(49,943)	-	-
Local government IR funding	-	59,917	(59,917)	-	-
Local government banded funding	-	63,575	(63,575)	-	-
Pension reserve	(11,546,000)	-	(791,000)	(749,000)	(13,086,000)
	(11,168,238)	21,911,856	(22,573,239)	(749,000)	(12,578,621)
<i>Restricted fixed asset funds</i>					
Restricted fixed asset funds	68,343,171	1,033,778	(1,503,741)	-	67,873,208
<i>Total Restricted funds</i>	57,174,933	22,945,634	(24,076,980)	(749,000)	55,294,587
<i>Total funds</i>	58,206,903	23,718,780	(24,727,967)	(749,000)	56,448,716

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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.

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
King Ecgbert School	324,571	308,693
Newfield School	508,387	443,520
Totley School	128,989	88,132
Valley Park School	272,003	303,245
Nether Edge Primary School	217,034	144,190
Mercia School	114,669	84,099
Mercia Learning Trust	95,855	37,853
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,661,508	1,409,732
Restricted fixed asset fund	67,873,208	68,343,171
Pension reserve	(13,086,000)	(11,546,000)
	<hr/>	<hr/>
Total	56,448,716	58,206,903
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. 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 2020	Total 2019
	£	£	£	£	£	£
King Ecgbert School	5,257,515	383,502	201,832	1,587,325	7,430,174	7,702,857
Newfield School	4,147,040	424,034	181,662	1,571,955	6,324,691	6,149,624
Totley School	971,642	234,750	96,856	289,580	1,592,828	1,404,303
Valley Park School	1,609,268	411,555	93,469	450,533	2,564,825	2,252,723
Nether Edge Primary School	1,385,927	227,587	98,281	251,640	1,963,435	1,883,693
Mercia School	1,151,136	224,438	53,186	105,292	1,534,052	1,046,384
Mercia Learning Trust	880,198	331,749	26,217	741,286	1,979,450	1,806,654
Multi Academy Trust	15,402,726	2,237,615	751,503	4,997,611	23,389,455	22,246,238

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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

	As restated balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<i>Unrestricted funds</i>						
General funds	910,037	659,453	(521,952)	(15,568)	-	1,031,970
<i>Restricted general funds</i>						
GAG	564,361	16,754,138	(17,070,110)	-	-	248,389
Pupil premium ESFA	-	1,205,843	(1,205,843)	-	-	-
Bursary	-	15,412	(15,412)	-	-	-
School fund	110,697	368,041	(357,153)	-	-	121,585
Post opening grant	100,000	215,000	(315,000)	-	-	-
Rates funding	5,528	98,445	(102,654)	-	-	1,319
PE grant	-	56,860	(56,860)	-	-	-
UIFSM grant	-	150,329	(149,312)	-	-	1,017
FEL funding	-	359,985	(354,533)	-	-	5,452
Growth fund	-	85,313	(85,313)	-	-	-
Teaching school	45,962	139,865	(185,827)	-	-	-
Teachers Pay	-	147,556	(147,556)	-	-	-
Teachers pension	22,748	209,262	(247,578)	15,568	-	-
Pension reserve	(7,384,000)	-	(864,000)	-	(3,298,000)	(11,546,000)
	(6,534,704)	19,806,049	(21,157,151)	15,568	(3,298,000)	(11,168,238)
<i>Restricted fixed asset funds</i>						
Restricted fixed asset funds	43,454,046	26,673,001	(1,783,876)	-	-	68,343,171

MERCIA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

	As restated balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total Restricted funds	36,919,342	46,479,050	(22,941,027)	15,568	(3,298,000)	57,174,933
Total funds	37,829,379	47,138,503	(23,462,979)	-	(3,298,000)	58,206,903

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	67,105,081	67,105,081
Current assets	2,186,694	507,379	768,127	3,462,200
Creditors due within one year	(1,032,565)	-	-	(1,032,565)
Provisions for liabilities and charges	-	(13,086,000)	-	(13,086,000)
Total	1,154,129	(12,578,621)	67,873,208	56,448,716

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	68,070,464	68,070,464
Current assets	1,948,834	377,762	272,707	2,599,303
Creditors due within one year	(915,205)	-	-	(915,205)
Creditors due in more than one year	(1,659)	-	-	(1,659)
Provisions for liabilities and charges	-	(11,546,000)	-	(11,546,000)
Total	1,031,970	(11,168,238)	68,343,171	58,206,903

22. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(1,009,187)	23,675,524
Adjustments for:		
Depreciation	1,338,512	1,216,740
Dividends, interest and rents from investments	(4,948)	(8,347)
Defined benefit pension scheme cost less contributions payable	575,000	652,000
Defined benefit pension scheme finance cost	216,000	212,000
(Increase)/decrease in debtors	(340,325)	292,623
Increase/(decrease) in creditors	155,701	(822,480)
Net cash provided by operating activities	930,753	25,218,060

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NOTES TO THE FINANCIAL STATEMENTS
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23. Cash flows from investing activities

	2020	2019
	£	£
Dividends, interest and rents from investments	4,948	8,347
Donated fixed assets	-	(25,923,891)
Purchase of tangible fixed assets	(373,129)	(333,987)
<i>Net cash used in investing activities</i>	(368,181)	(26,249,531)

24. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	2,569,164	2,006,592
<i>Total cash and cash equivalents</i>	2,569,164	2,006,592

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,006,592	562,572	2,569,164
Debt due within 1 year	(7,201)	5,542	(1,659)
Debt due after 1 year	(1,659)	1,659	-
	1,997,732	569,773	2,567,505

26. Capital commitments

	2020	2019
	£	£
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	59,922	17,205

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. 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 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,999,464 (2019 - £1,259,541).

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 2020 was £1,072,000 (2019 - £991,000), of which employer's contributions totalled £851,000 (2019 - £791,000) and employees' contributions totalled £221,000 (2019 - £200,000). 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

	2020	2019
	%	%
Rate of increase in salaries	3.55	3.26
Rate of increase for pensions in payment/inflation	2.4	2.11
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.01

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 2020

27. Pension commitments (continued)

	2020	2019
	Years	Years
Retiring today		
Males	22.4	23.1
Females	25.2	25.9
Retiring in 20 years		
Males	23.9	25.3
Females	27.1	28.3

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(1,965)	(427)
Salary increase +0.1%	(1,084)	438
Mortality assumption - 1 year increase	(1,460)	98
CPI rate +0.1%	(986)	315

Share of scheme assets

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

	2020	2019
	£	£
Equities	3,799,110	3,180,000
Government bonds	1,178,205	869,000
Other bonds	705,320	443,000
Property	673,260	530,000
Cash and other liquid assets	288,540	194,000
Other	1,370,565	863,000
Total market value of assets	8,015,000	6,079,000

The actual return on scheme assets was £398,000 (2019 - £197,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	(1,406,000)	(1,003,000)
Past service cost	(20,000)	(440,000)
Interest income	99,000	134,000
Interest cost	(315,000)	(346,000)
Total amount recognised in the Statement of Financial Activities	(1,642,000)	(1,655,000)

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

	2020 £	2019 £
At 1 September	17,625,000	12,090,000
Current service cost	1,406,000	1,003,000
Interest cost	315,000	346,000
Employee contributions	221,000	200,000
Actuarial losses	1,596,000	3,761,000
Benefits paid	(82,000)	(215,000)
Past service costs	20,000	440,000
At 31 August	21,101,000	17,625,000

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

	2020 £	2019 £
At 1 September	6,079,000	4,706,000
Expected return on assets	99,000	134,000
Actuarial gains	847,000	463,000
Employer contributions	851,000	791,000
Employee contributions	221,000	200,000
Benefits paid	(82,000)	(215,000)
At 31 August	8,015,000	6,079,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

28. Operating lease commitments

At 31 August 2020 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	31,634	37,412
Later than 1 year and not later than 5 years	15,238	31,500
	<hr/> 46,872 <hr/>	<hr/> 68,912 <hr/>

29. 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 Academies Financial 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.

John Deal, a Trustee, has a spouse who works as an invigilator at King Egbert School.

Greg Raynor, a Governor at Totley Primary School, has a spouse who works as a teacher at King Egbert School.

Michele Nott, a Governor at Nether Edge Primary School, has a sister who works as a teacher at Valley Park.

All of these appointments were made in open competition with John Deal, Greg Raynor and Michele Nott, as applicable, not being involved in the decision making process regarding the respective appointments. All the individuals are paid within the normal pay scale for this role and receive no special treatment as a result of their relationship with the Trustee/Governor.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

30. Financial commitments under PFI arrangements

At 31 August 2020 the trust had future commitments under PFI arrangements as follows:

	2020 £	2019 £
Amounts payable:		
Within 1 year	2,179,910	2,122,074
Between 1 and 5 years	8,719,640	8,488,295
After more than 5 years	17,243,012	18,978,607
Total	28,142,562	29,588,976

31. 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 2019 the trust received £28,131 (2019: £26,197) and disbursed £28,131 (2019: £26,197) from the fund.

32. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

33. Teaching school trading account

	2020	2020	2019	2019
	£	£	£	£
<i>Income</i>				
<i>Direct income</i>				
Teaching school income	144,265		139,865	
<i>Total income</i>		144,265		139,865
<i>Expenditure</i>				
Direct staff costs	119,027		185,827	
<i>Total expenditure</i>		119,027		185,827
		<hr/>		<hr/>
<i>Surplus/(deficit) from all sources</i>		2,553		(45,962)
<i>Teaching school balances at 1 September 2019</i>		-		45,962
		<hr/>		<hr/>
<i>Teaching school balances at 31 August 2020</i>		2,553		-
		<hr/> <hr/>		<hr/> <hr/>