

Company Registration Number: 07698974 (England & Wales)

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 17
Governance Statement	18 - 22
Statement on Regularity, Propriety and Compliance	23
Statement of Trustees' Responsibilities	24
Independent Auditors' Report on the Financial Statements	25 - 28
Independent Reporting Accountant's Report on Regularity	29 - 30
Statement of Financial Activities Incorporating Income and Expenditure Account	31 - 32
Balance Sheet	33 - 34
Statement of Cash Flows	35
Notes to the Financial Statements	36 - 69

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

John Ford
Sarah Speck
Worcester Diocesan Academies Trust (WDAT)
Dr Martin Toms (resigned 22 September 2021)
Julia Williams

Trustees

Gene Willis, Chair of Directors (until 19 October 2022) (resigned 19 October 2022)
Dr Peter Hoare, Vice-Chair of Directors
Dafydd Lawday, Chief Executive Officer
Gail Hatfield, Director
Alan Potter, Director
Martin Rae, Director (resigned 5 April 2022)
Fergus McCracken, Director
Sharon Tilki, Director, Chair of Directors (from 19 October 2022)
Barry Jones, Director (resigned 1 September 2021)
Neil Robinson, Director (appointed 19 June 2022)
Phil Spurr, Director (appointed 22 October 2021)
Christopher Smith, Director (appointed 8 December 2021)
Tracy Lowe, Director (appointed 8 December 2021)

Company registered number
07698974

Company name
Mercian Educational Trust

Principal and registered office
Malvern Vale Primary School
Swinyard Road
Malvern
Worcestershire
WR14 1GU

Company secretary
Nicola Hume

Chief executive officer
Dafydd Lawday

Executive leadership team
Dafydd Lawday, Chief Executive Officer
Christopher Hansen, Executive Headteacher (Somers Park, Malvern Vale)
Nicola Selby, Headteacher (Great Malvern)
Sarah Green, Headteacher (Northleigh)
Andrew Morley, Headteacher (Dines Green Community Academy)
Nicola Hume, Chief Financial Officer

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Independent auditors

Byrd Link Audit & Accountancy Services Limited
Honeybourne Place
Jessop Ave
Cheltenham
GL50 3SH

Bankers

Lloyds Bank plc
112 Worcester Road
Malvern
Worcestershire
WR14 1SS

Solicitors

Harrison Clark Rickerbys LLP
Overross House
Ross Park
Ross-On-Wye
Herefordshire
HR9 7US

Surveyors

Sheppard Building and Project Consultants Ltd
Field House
29 Sansome Walk
Worcester
WR1 1NU

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates four primary academy schools upon five sites. Pupils attending the academies are aged 3 to 11 serving catchment areas in Great Malvern, Malvern Link, Malvern Vale and Dines Green.

Pupil capacity

School	Pupil Capacity - GIAS (YR – Y6)	Pupil NoR January Census 2022
Dines Green	210	160
Great Malvern	336	319
Northleigh	210	177
Somers Park	526	498

Structure, governance and management

a. Constitution

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

The charitable company's Trust deed is the primary governing document of the Academy.

The Trustees of Mercian Educational Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Mercian Educational Trust.

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

b. Members' liability

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

c. Trustees' indemnities

MET provides indemnity insurance to cover the liability of Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of Trust or breach of duty of which they may be guilty in relation to the Academy Trust. Method of Recruitment and Appointment or Election of Trustees

50. The Members may appoint by ordinary resolution up to 8 Trustees.

50AA. The Members may appoint Staff Trustees through such process as they may determine

50B. The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee under Article [57] who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Action	Responsibility	Informed
Director vacancy identified. Possibly through resignation or growth need.	Directors Board	Members
Director(s) with responsibility for appointment process identified	Directors Board	Members
Person specification created and agreed	Created by CEO Agreed - Identified Director(s)	Directors Board Members
Advert created and placed	CEO	Directors Board Members
Respond and meet with potential candidates	Identified Director(s)	Directors Board Members
Shortlist potential directors	Identified Director(s) CEO	Directors Board Members
Identification of a member to support interviews	Members	Directors Board
Interview candidate(s) -	Identified Member Identified Director(s) CEO	Directors Board Members
Propose candidate for vacancy	Interview panel	Directors Board Members
Agree proposal	Directors Board	Members
Ratify decision	Members	Directors Board

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

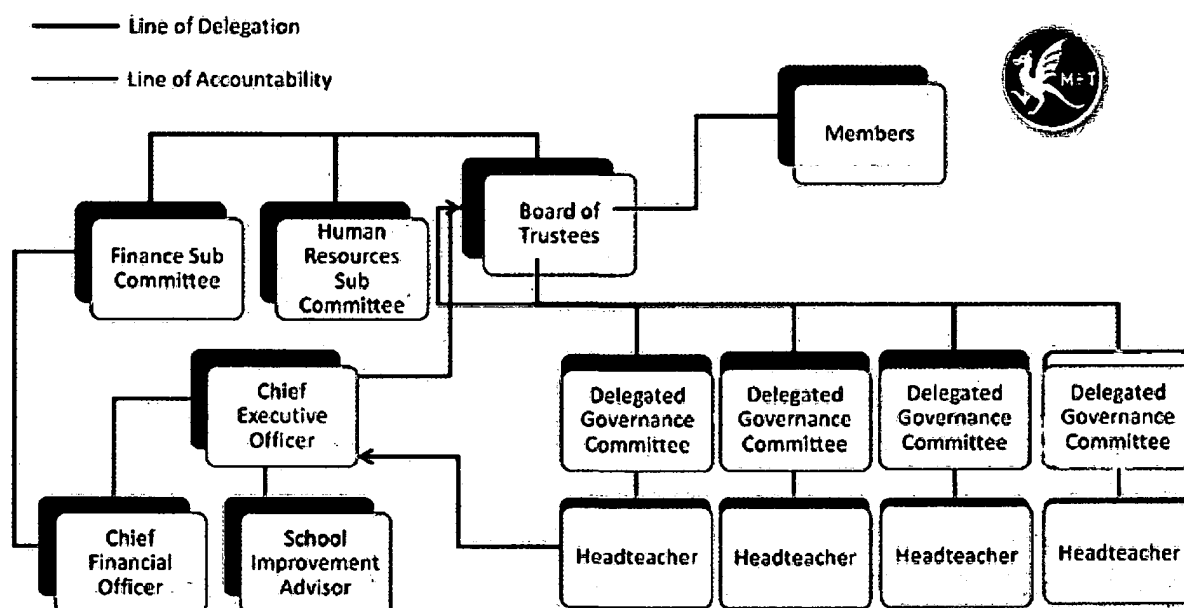
e. Policies adopted for the induction and training of Trustees

March 2021 - The Trust Board and Delegated Governing Committees updated and adopted a Governance Induction Policy. This policy is provided to all DGC's and newly appointed governors. Trustees joining the Trust are provided support in the following ways:

- Induction to MET structures and procedures through partner director
- Allocation to director area that utilises skills
- Skills analysis completed to identify training
- Access to local governance support organisations
- Executive Leaders to familiarisation sessions to understand educational terms and procedures
- School visits to see each academy schools
- Access to NGA training materials

f. Organisational structure

The organisational structure 2021-2022



Mercian Educational Trust has developed a Scheme of Delegation that determines where decisions are made, including financial limits / boundaries of each group. The Scheme of Delegation can be viewed upon the MET website

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

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

The arrangements for setting pay and remuneration of the academy trust's key management personnel are detailed within the Trust Pay Policy. A copy of this policy is available on the Trust website.

The academy trust upholds nationally agreed Pay & Conditions for teaching and support staff. Teachers Pay & Conditions is used to determine all Leadership pay scales and remuneration. This includes setting the pay for the Chief Executive Officer.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000
Total cost of facility time	2
Total pay bill	6,136
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

Related parties and other connected charities (Parent Teacher Association) are detailed within note 27.

Objectives and activities

The principal object and activity of Mercian Educational Trust is 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 academies offering a broad curriculum with a strong emphasis on, but in no way limited to literacy, numeracy, science and independent thinking skills.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

a. Objects and aims

The main aim of Mercian Educational Trust over the twelve-month period has been to progressively advance teaching and learning standards for pupils in all schools. Each school aims to provide a high-quality enrichment curriculum.

Collectively the Trust and member schools have:

- Sustain and further develop pre-School and Wrap-Around Care in our Trust. – Selective schools now offer “Year-Round” provision. The service is popular and valued by the community.
- Work collaboratively to recover from challenges as a result of restricted education by COVID-19.
- Offer specialist support to other schools including; learning support, education welfare and business management.
- To trial and disseminate initiatives to further develop quality teaching in the schools and thereby maximising the opportunities to all students to realise their potential.
- To work with the DfE and Herefordshire LA to progress towards sponsorship of a specialist provision school.
- To work with DfE and Worcestershire LA to be named as Multi Academy Trust to welcome a further primary school into the Trust

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

b. Objectives, strategies and activities

Mercian Educational Trust's main objectives for the year and the strategies for achieving them were detailed within the Trust Improvement Plan. The TIP runs in collaboration with individual school improvement plans to ensure education is the key priority and focus. A summary of objectives and success criteria is below:

Summary	
<p>In conjunction with Mercian Educational Trust Vision and Values, the Trust Improvement Plan has the overarching aim to develop and enhance MET an organisation that:</p> <ul style="list-style-type: none"> • Provides exceptional educational standards • Has the highest expectations • Support individuals to be successful and happy • Makes a positive impact on individuals, groups and communities • Works together to make anything possible 	
Priority	Success criteria/ outcomes
Priority 1: Appropriate and effective action that adapts to and recovers from COVID-19 measures and restrictions	1.The Trust Improvement Strategy is effective and impacts positively on school standards 2.School Development Plans are successfully deployed within schools with Trust support where appropriate
Priority 2: Recovery from COVID-19	1.School Recovery Plans are successfully bridging gaps created by COVID-19 2.Protocols - Pre-Pandemic and Post-Pandemic are successfully integrated to accelerate progress and pupil well-being 3.Trust central support services are successfully assisting schools to support pupils and bridging gaps created by COVID-19
Priority 3: Change & Growth – Positive Impact	1. Schools 2. Finance & Business a. Changes to F&B staff deployment effectively supports schools 3. Central Support Services a. Closure of EP service results in no reputational damage b. S2S support packages are successfully deployed in MET Schools c. S2S support packages are successfully deployed in non-MET Schools 4. Sponsorship a. Sponsorship of Brookfields School is completed successfully b. Trust Specialist Education knowledge is increased c. Trust KS3 & KS4 knowledge is successfully increased 5. Academy joiners a. Information and Due Diligence process effectively supports school conversions b. At least one school joins Trust 6. Governance a. Members board increases composition to 5 b. Trustees board increases composition to 9 c. Successful use and analysis of Trustee skills analysis results in successful recruitments

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

Priority 4: Support Systems – Together anything is possible	<ol style="list-style-type: none">1. Educational Support –<ol style="list-style-type: none">a. Introduce and embed CPD and support groups amongst current MET schoolsb. Develop use of SLE & MLE practitioners2. Admin / Finance<ol style="list-style-type: none">a. Workload reductionb. Enhance F&B Teamc. Prepare for mobile / remote offices3. Estates and Compliance<ol style="list-style-type: none">a. Build & Improvement projects are well managedb. Group Arrangements are successfully deployed to support schoolsc. Further growth and development is successfully managed.
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c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Mercian Educational Trust's key objectives are the advancement of education (including academic, social, spiritual and physical) of children from the ages of 2 to 11. We aim, through our primary schools, to provide a first-class education. We seek to provide a structured educational environment that develops our pupils' capabilities, competences and skills.

We promote the academic, moral and physical development of our pupils through our academic curriculum, pastoral care, sporting and other activities. We provide an educational environment where each student can develop and fulfil his or her potential, building their self-confidence and inculcating a desire to contribute to the wider community. In so doing, we prepare our pupils for the opportunities, responsibilities and experiences of later life.

We also ensure that all schools within Mercian Educational Trust play an important role within the wider community. Where we can assist the community without detriment to advancing the education of our pupils, we are delighted so to do. Schools engage in community activities throughout the year. These activities allow contact and collaboration with a range of organisations; for example, residential homes, theatres, sports clubs and other local schools.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Strategic report

Achievements and performance

Review of Trust Action Plan

The priorities within the 21-22 Trust Improvement Plan

Priority 1: An Exceptional Education with the Highest Expectations

Rationale

High quality education that develops a life-long desire for learning, understanding and application is the primary aim of the Trust existence. The Trust (and all schools within) continue to enhance and develop successful education approaches to meet this aim.

Review

The Trust Strategic Plan underwent a full review and redraft through the year. As a result individual schools will complete their school specific plans early 2022.

Individual school Action Plans were progressed through the year, these were monitored and report to the school governing committees and Trustees.

For the Trust to provide targeted support to schools two initiatives were launched in 2022. Firstly, the implementation of Trust reviews enabled the schools to demonstrate their progression and identified areas of development. Delays due to C-19 restrictions resulted in the first cycle of review being completed by November 2021 with a second, refined cycle being conducted in May-June 2022. Reviews enabled the Trust to enhance working knowledge of individual schools and to focus Trust level support. The second initiative was the introduction of Trust-School focused meetings. Meetings are attended by school leadership and Trust Central Services and have a specific focus on the school standards, development and how the Trust Central Team can help the schools delivered on planned development strategies. Both initiatives will be further embedded during 2022-2023.

Finally, Somers Park were subject to a Section 5 inspection in Summer Term. The Trust were pleased with the outcome and the next steps suggested by the inspection team were aligned with the school & Trust development points

Priority 2: Recovery from COVID-19

Rationale

The impact of COVID-19 will be felt nationally for many years. MET must do its utmost to ensure that the well-being, education and progress of pupils affected in any way by COVID-19 is addressed.

Review

Schools have continued to support pupils with the educational recovery post pandemic restrictions. All schools have refined their curriculum delivery and interventions for the wider school population. In addition, all schools have engaged with the Tutoring programme.

All school continue to see the impact of the restrictions. There is clear evidence of progress, including accelerated progress, in the majority of core subjects and year groups. However in, identified pockets within schools, the impact of the restrictions is more emphasised, prolonged accelerated progress is required to close the gap.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

Priority 3: Change & Growth

Rationale

MET, as an educational organisation, is likely to go through the biggest change and development since its conception. The sponsorship of The Brookfield School will widen the Trust educational remit to specialist provision and secondary education. On completion of this sponsorship MET will become more visible and appealing to other schools. The DfE and Herefordshire LA have also indicated that it would encourage Good & Outstanding Schools to join the Trust. There is also a revitalised national agenda for the academisation of schools with increased pressure upon Single Academy Trusts to join Multi Academy Trusts such as MET. The Trust will need to carefully manage any potential growth to ensure continued success and reputation of current schools

Review

Progression towards the sponsorship of Brookfields School has far slower than anticipated or desired. Significant challenges became apparent linked to the agreed capital development of the site. However, by July 2022, many challenges between Hereford LA and DfE had been resolved. All parties are now actively engaged to complete the transfer by January 2023

The Trust was also pleased to begin the conversion process for a local primary School, Leigh & Bransford. The school, currently Outstanding nominated to join Mercian Educational Trust. Again, the Trust is hoping to complete the conversion by January 2023.

Priority 4: Support Systems

Rationale

- a. Educational Support - The development of CPD and support groups amongst our current MET schools requires attention and focus to ensure it begins embedding in Trust-wide practice
- b. Admin / Finance – There currently exists a significant workload and process demand upon school and Trust Central offices. There are multiple opportunities to increase effectiveness and reduce bureaucracy
- c. Estates and Compliance – Further growth and development is required for this support service. The potential for increased numbers of schools across a wider area will put increased pressure on compliance risks which must be addressed.

Review

The Trust was pleased with the development of CPD and support groups amongst our current MET schools. Several support groups and training opportunities were formed which will be further developed in 2022-2023. The Trust was particularly pleased to hold a Trust wide conference day in March 2022, facilitated by Hywell Williams and Debra Kidd.

Admin / Finance – Opportunities to increase effectiveness and reduce bureaucracy within this area of the Trust were significant. The appointment of the CFO resulted in a review of most areas and the identification of measures to increase efficiency both within the Finance & Business department but also at School Admin level. The CFO has planned a number of further enhancements for the 2022-2023 academic year.

Estates and Compliance – The department continues to be challenged with staff retention matters. Excellent appointments were made through the academic year, but this was counterbalanced by resignations of talented colleagues. Exit interviews determined that they are being well trained and then finding better remunerated positions in other establishments, primarily in the further education sector.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Trust remains fully engaged with the process of review Key Performance Indicators (KPIs) and are actively committed to introducing positive changes coupled with effective budget management.

Consistent financial reports and management information is provided to the Trustees on a monthly basis for consideration and challenge. The KPIs provide the trustees with an excellent starting point to assess and benchmark Trust expenditure. The key purpose of the KPIs is to consistently review areas of spend in order to identify actions which the trust can make to maximise efficiencies. Any unusual or high KPIs provide an opportunity for the area to be assessed and modified to create cumulative savings over the period.

The financial reports include KPIs which cover the following areas:

- Staff Costs as a Proportion of Revenue Expenditure
- Staff Costs as a Proportion of Revenue Income
- Average Annual FTE Teaching Staff
- Average Annual FTE Non-Teaching Staff
- Average Annual FTE
- Funded Pupil Numbers
- Pupil Teacher Ratio
- Average Teacher Cost
- Teaching Costs as Proportion of DfE Revenue Grants
- Teaching Cost as Proportion of Revenue Income
- Leadership Costs as a Proportion of Revenue Income
- Surplus/(Deficit) as Proportion of Total Income
- Cumulative Reserves as a Proportion of Total Income

Staff Cost as a Proportion of Revenue Income for the academic year 2021/22 has declined slightly: 67.5% (2020/21 68.4%). This was largely driven by a decrease in the number of full time equivalents employed. Average Annual FTE for the academic year 2021/22 was 136 FTE (2020/21 134 FTE). The Pupil Teacher Ratio for the academic year 2021/22 has also fallen slightly to 20.4 (2020/21 20.8).

Where feasible, the Trust will consider how these KPIs compare with the wider education sector and specifically similar multi-academy trusts. Using the DfE Schools Financial Benchmarking tool is useful to compare income and expenditure with similar establishments.

b. Going concern

The Trustees and Senior Management continually review the budgetary pressures imposed through public funding to support strategic planning. Systems and procedures are in place review financial performance and model changes and decisions that present themselves to the Board.

Controls in place that make sure resource decisions are carefully considered and sanctioned against the appropriate budget before they are agreed. After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Financial review

a. Reserves policy

The Trust is responsible for determining the level of financial reserves to be carried forward at the end of each financial year (31 August). The levels of reserves will be in line with the guidance received from the ESFA on the treatment of GAG income and other grants.

Generally, reserves are to be maintained at 5% of the total income of the Trust as a whole. This level will be reviewed annually by the Board. As the MAT enters into more Trust wide contracts, in order to achieve improved value for money, the demands on the Trust account will increase. As such, increases to reserves should be considered by the Audit, Finance and Staffing Committee (a sub-committee of the Trust Board).

The level of reserves held by the Trust takes into account a variety of factors; the commitments of educational plans, future capital projects and the economic climate within the education sector whilst ensuring that excessive funds are not accumulated.

Any in year deficits will be resourced from this fund as far as possible. If deficits result in the fund falling below the 3% threshold, resources must be set aside in the next year's budget to restore it. Exceptionally, where the size of the short fall is large, the local governing body may propose to the Trust Board that it is restored over more than one year.

Any reserves brought over by school's joining the Trust are accounted for in the financial statements.

Current Reserves

Excluding the Pension scheme liability and capital funds, the total reserves carried forward as at 31 August 2022 was £887k of which £374k was restricted general funds and £513k was unrestricted (designated) funds. The breakdown of funds is shown in note 18 of the Financial Statements.

b. Investment policy

The Directors together with the delegated finance committee acknowledge the need to determine and review the policy for investing surplus funds and to ensure that they are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

As at 31 August 2022, the Trust has designated £513k of funds for the specific purpose of improving the buildings and IT infrastructure. The Trustees have recognised the importance of investing in these vital areas to improve the education environment and pupil outcomes.

The Accounting Officer and Chief Financial Officer will monitor the policy on reserves and investment on a regular basis and report to the Finance Committee as required.

c. Principal risks and uncertainties

Mercian Educational Trust has an ongoing risk management process. Responsibility for risk management rests with the Board of Directors. Sub Committees regularly monitor the type of risk the Academy faces, monitoring any changing levels of risk and identifying emerging risk.

The Trust annually purchases professional Health and Safety risk management advice and support and full and comprehensive insurance for all schools.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Fundraising

The majority of income comes from the GAG funding provided by the ESFA to provide education. The Trust also receives income from its nursery, wraparound and casual lettings. Therefore, fundraising from the public is a very small part of the approach to income generation. The academy trust does not use any external fundraisers or work with commercial organisations to prepare any grant applications, and all fundraising undertaken during the year was monitored by the Trustees.

Any voluntary contributions and donations given to the Trust are requested in accordance with the Charges and Remissions Policy in which clearly states that we do not charge for the education provided to our pupils. The Trust is committed to equal opportunities for all its pupils, regardless of financial circumstances, to ensure that no child is discriminated against. Voluntary donations and contributions given to the Trust helps to support our efforts to provide pupils with a variety of activities whilst attending our schools.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Plans for future periods

For the academic year 22-23 the aims and key objectives are:

Summary	
Overarching aims: In conjunction with Mercian Educational Trust Vision and Values, the Trust Improvement Plan has the overarching aim to develop and enhance MET an organisation that: <ul style="list-style-type: none"> ④ Provides exceptional educational standards ④ Has the highest expectations ④ Support individuals to be successful and happy ④ Makes a positive impact on individuals, groups and communities ④ Works together to make anything possible 	
Priority	Success criteria/ outcomes
Priority 1: Together we provide Exceptional Educational experiences, working for a successful future.	1.1. Develop and enhance equitable high-quality education in all MET Schools. 1.2. Schools are exceptional learning environments providing excellent curriculum delivery and purpose, making appropriate use of nationally available guidance and resources. There exists an effective balance of individuality and Trust consistency within curriculum. 1.3. There is a commitment to collaboration and support by all to ensure that schools quickly reach Trust educational expectations. 1.4. All schools have clear development pathways to achieve, and ultimately exceed, national attainment expectations (90% of pupils will achieve the expected standard in reading, writing and maths) 1.5. We are transparent and welcome review 1.5.1. Actively encourage Trust-to-Trust and School-to-School reviews 1.5.2. Commission external review through a carefully planned programme. 1.5.3. OFSTED - All Schools to be judged Good or Better
Priority 2: We make a positive impact on the lives of all engaged with Mercian Educational Trust	2.1 Develop and enhance equitable high-quality education in all MET Schools. 2.2 Schools are exceptional learning environments providing excellent curriculum delivery and purpose, making appropriate use of nationally available guidance and resources. There exists an effective balance of individuality and Trust consistency within curriculum. 2.3 There is a commitment to collaboration and support by all to ensure that schools quickly reach Trust educational expectations. 2.4 All schools have clear development pathways to achieve, and ultimately exceed, national attainment expectations (90% of pupils will achieve the expected standard in reading, writing and maths) 2.5 We are transparent and welcome review 2.5.1 Actively encourage Trust-to-Trust and School-to-School reviews 2.5.2 Commission external review through a carefully planned programme. 2.5.3 OFSTED - All Schools to be judged Good or Better

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Plans for future periods (continued)

<p>Priority 3: We work together and collaborate for success wherever possible</p>	<p>3.1 3.1A shared IT Strategy assists curriculum provision at all schools that:</p> <p>3.1.1 Enhances curriculum provision</p> <p>3.1.2 Provides good quality IT Resources</p> <p>3.1.3 Has specialist expertise</p> <p>3.2 MET provide support systems assist pupil achievement and well being</p> <p>3.3 A shared Food for Life Project enhances catering provision and school nutrition</p> <p>3.4 Enrichment events (Artistic and sporting) enable collaboration and competitive experiences.</p> <p>3.5 Staff Development opportunities are clear and have a significant impact upon the quality of the role.</p> <p>3.6 Expertise is shared across schools</p> <p>3.7 The Trust ensures all schools have equal access to high quality resources with cost effective expenditure</p> <p>3.8 The Trust will welcome schools in the Trust with a desire to be at 8 schools by 2025.</p> <p>3.9 Trust EWO Services support internal schools to meet Statutory attendance requirements</p>
<p>Priority 4: As a collective we make a positive impact on society and our communities.</p>	<p>4.1 All Schools, with appropriate Trust involvement, are support hubs to their pupils and families.</p> <p>4.1.1 All schools ensure minimum school week of 32.5 hours</p> <p>4.1.2 All schools provide access to Nursery provision, Breakfast and after school care</p> <p>4.2 All Schools actively engage with community groups</p> <p>4.3 MET has an effective sustainability and low carbon impact strategy to reduce its impact upon the environment.</p> <p>4.4 Trust Schools retain and enhance special values and distinctive characters that are in balance with Trust ethos and values.</p>
<p>Priority 5: We will meet needs and challenges to ensure inclusivity and equality for both individuals and communities</p>	<p>5.1 Curriculum provision promotes inclusivity and equality at overt and subtle levels.</p> <p>5.2 The Trust ensures that all schools have access to high quality professional expertise, irrespective of size, location or specialism.</p> <p>5.3 MET ensures that individual needs and challenges are not barriers to learning and progression.</p> <p>5.3.1 'Parent pledge' -We will inform parents if their child is falling behind in English and Maths.</p> <p>5.3.2 Tutoring programmes will be effective and timely</p> <p>5.4 The New School Admissions Code will be fully implemented and adhered to.</p>

Funds held as custodian on behalf of others

No funds are held as custodian on behalf of others.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

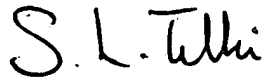
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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 2022 and signed on its behalf by:



Sharon Tilki
Chair of Trustees

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Mercian Educational 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, 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 Mercian Educational 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.

The Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles of the Charities SORP FRS102 and the Academies Accounts Direction
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare the financial statement on the going concern basis unless it's inappropriate to presume that the Trust will continue in operation
- Keep proper accounting records that are sufficient to show and explain the Trust's financial position
- Ensure that the financial statements comply with the Companies Act 2006

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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
Gene Willis, Chair of Directors (until 19 October 2022)	5	6
Dr Peter Hoare, Vice-Chair of Directors	5	6
Dafydd Lawday, Chief Executive Officer	6	6
Gail Hatfield, Director	2	6
Alan Potter, Director	4	6
Martin Rae, Director (resigned 5 April 2022)	0	0
Fergus McCracken, Director	3	6
Sharon Tilki, Director, Chair of Directors (from 19 October 2022)	6	6
Barry Jones, Director (resigned 1 September 2021)	0	0
Neil Robinson, Director (appointed 19 June 2022)	1	1
Phil Spurr, Director (appointed 22 October 2021)	4	5
Christopher Smith, Director (appointed 8 December 2021)	4	4
Tracy Lowe, Director (appointed 8 December 2021)	3	4

Governance Reviews

- Mercian Educational trust completes internal review of governance annually through:
- Ratification of school DGC by Trustees
- Quality Assurance of DGC through link directors.
- Skills audits – Trustees & DGC
- School resource management self-assessment

As a result of the skills audit findings the trust took the following action:

1. Increase the staffing levels within the Finance & Business team in readiness for growth
2. Restructured the Finance and HR Committee
3. Appointed a Trustee with HR background
4. Implemented new Terms of Reference for Finance & HR

Actions & training that will be addressed in the forthcoming year include:

1. Safeguarding
2. Development of marketing, media and PR

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose, as set out in the Terms of Reference are:

- Ensuring MET operates appropriate financial and accounting policies.
- Assessing the financial performance of MET
- Determining the strategy for management and development of MET finance and resources.
- Monitoring the impact of income and expenditure
- Recommending long term strategies

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr Peter Hoare (Chair of Finance Committee)	4	4
Alan Potter	3	4
Gail Hatfield	3	4
Dafydd Lawday (Chief Executive Officer)	4	4
Nicola Hume (Chief Financial Officer)	4	4

The HR committee is a sub-committee of the main board of trustees. Its purpose, as set out in the Terms of Reference are:

- Ensuring MET operates appropriate and effective HR procedures and policy.
- Assessing the performance of MET in relation to staffing structures
- To assess, challenge and ratify decisions related to pay and performance.
- Recommend long term strategies for deployment.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gail Hatfield (Chair of HR Committee)	2	2
Gene Willis	2	2
Sharon Tilki	2	2

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

Item	Impact on Trust	Impact on Pupils	Impact on Community
Robust reviews of expenditure	Reducing duplication and ineffective purchases	Greater effectiveness to allocate resources towards learning	Greater effectiveness of public money
Centralising financial structures and arrangements	Robust budget setting procedure has allowed greater analysis of resources	Greater effectiveness to allocate resources towards learning	Greater effectiveness of public money
Introducing a robust system for expenditure authorisation and review	School leaders involvement within budget management and financial planning	Resources are effectively directed toward areas of need for learning and pupil welfare	Greater effectiveness of public money
Staffing Structure Reviews completed	Staff structures are appropriate to school need or actions are planned to make change Reduction in expenditure	Staff resources have been reviewed to directly impact upon learning and pupil welfare	Greater effectiveness of public money

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Mercian Educational Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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 Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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 not to appoint an internal auditor. However, the Trustees have appointed Byrd Link Audit & Accountancy Services Limited, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included:

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

On an annual basis, the external auditors report to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

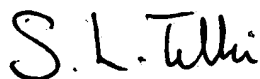
Review of effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 December 2022 and signed
on their behalf by:



Sharon Tilki
Chair of Trustees



Dafydd Lawday
Accounting Officer

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Trust Handbook 2021.

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

There was no internal scrutiny visit completed during the period and therefore this constitutes a breach of the Academies Trust Handbook section 3.1. Numerous attempts were made by the Trust to schedule a peer review, both with Worcestershire County Council and a nearby Trust (both of which would be compliant with the ATH), however unfortunately this could not be agreed. An SRMA visit was completed during the year and no significant issues were identified. The Audit & Risk Committee has also increased in number on the Committee from 3 to 4 and increased challenge is evident in each of the Committee meetings.



Dafydd Lawday
Accounting Officer

Date: 16 December 2022

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

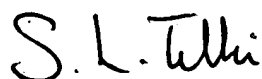
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on
16 December 2022 and signed on its behalf by:



Sharon Tilki
Chair of Trustees

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MERCIAN EDUCATIONAL TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MERCIAN EDUCATIONAL TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MERCIAN EDUCATIONAL TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy. These include but are not limited to compliance with the Companies Act 2006, Financial Reporting Standard applicable in the UK, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;

- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

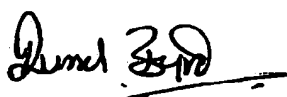
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MERCIAN EDUCATIONAL TRUST (CONTINUED)**

Use of our report

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Russel Byrd FCA FCCA (Senior Statutory Auditor)
for and on behalf of
Byrd Link Audit & Accountancy Services Limited
Honeybourne Place
Jessop Ave
Cheltenham
GL50 3SH

Date: 16 December 2022

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MERCIAN
EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mercian Educational Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Mercian Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mercian Educational 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 Mercian Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mercian Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mercian Educational Trust's funding agreement with the Secretary of State for Education dated 8 July 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- There was no internal scrutiny visit completed during the period and therefore this constitutes a breach of the Academies Trust Handbook section 3.1. Numerous attempts were made by the Trust to schedule a peer review, both with Worcestershire County Council and a nearby Trust (both of which would be compliant with the ATH), however unfortunately this could not be agreed. An SRMA visit was completed during the year and no significant issues were identified. The Audit & Risk Committee has also increased in number on the Committee from 3 to 4 and increased challenge is evident in each of the Committee meetings.

Byrd Link Audit & Accountancy Services Ltd.

Byrd Link Audit & Accountancy Services Limited

Honeybourne Place
Jessop Ave
Cheltenham
GL50 3SH

Date: 16 December 2022

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants	3	29	-	107	136	452
Charitable activities		111	7,011	-	7,122	6,819
Other income	5	125	399	-	523	433
Total income		265	7,410	107	7,782	7,704
Expenditure on:						
Charitable activities	7	-	7,677	308	7,985	7,967
Total expenditure		-	7,677	308	7,985	7,967
Net income/(expenditure)		265	(267)	(201)	(203)	(263)
Transfers between funds	18	38	(134)	96	-	-
Net movement in funds before other recognised gains/(losses)		303	(401)	(105)	(203)	(263)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	3,934	-	3,934	(440)
Net movement in funds		303	3,533	(105)	3,731	(703)

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Reconciliation of funds:					
Total funds brought forward	211	(4,859)	16,779	12,131	12,834
Net movement in funds	303	3,533	(105)	3,731	(703)
Total funds carried forward	514	(1,326)	16,674	15,862	12,131

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

The notes on pages 36 to 69 form part of these financial statements.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07698974

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	14	16,598	16,722
		<u>16,598</u>	<u>16,722</u>
Current assets			
Debtors	15	434	479
Cash at bank and in hand		1,136	878
		<u>1,570</u>	<u>1,357</u>
Creditors: amounts falling due within one year	16	(607)	(789)
Net current assets		<u>963</u>	<u>568</u>
Total assets less current liabilities		<u>17,561</u>	<u>17,290</u>
Creditors: amounts falling due after more than one year	17	-	(18)
Net assets excluding pension liability		<u>17,561</u>	<u>17,272</u>
Defined benefit pension scheme liability	24	(1,700)	(5,141)
Total net assets		<u><u>15,861</u></u>	<u><u>12,131</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	16,674	16,779
Restricted income funds	18	374	282
		<u>17,048</u>	<u>17,061</u>
Restricted funds excluding pension asset	18	17,048	17,061
Pension reserve	18	(1,700)	(5,141)
Total restricted funds	18	<u>15,348</u>	<u>11,920</u>
Unrestricted income funds	18	<u>513</u>	<u>211</u>
Total funds		<u><u>15,861</u></u>	<u><u>12,131</u></u>

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07698974

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 31 to 69 were approved by the Trustees, and authorised for issue on
16 December 2022 and are signed on their behalf, by:

S. L. Tilki

Sharon Tilki
Chair of Trustees

Dafydd Lawday

Dafydd Lawday
Accounting Officer

The notes on pages 36 to 69 form part of these financial statements.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	335	18
Cash flows from investing activities	21	(77)	322
Change in cash and cash equivalents in the year		258	340
Cash and cash equivalents at the beginning of the year		878	538
Cash and cash equivalents at the end of the year	22, 23	<u>1,136</u>	<u>878</u>

The notes on pages 36 to 69 form part of these financial statements

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

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 Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mercian Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy 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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Government grants

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

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets

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

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

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

The estimated useful lives are as follows:

Long-term leasehold property	- 2% straight line
Furniture and equipment	- 10% straight line
Plant and machinery	- 10% straight line
Computer equipment	- 25% reducing balance
Motor vehicles	- 10% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Debtors

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.9 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.

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 15. Prepayments are not financial instruments.

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

1.12 Operating leases

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 Academy 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 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Donations	29	-	29
Capital Grants	-	107	107
Total 2022	29	107	136

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Donations	20	-	20
Capital Grants	-	432	432
<i>Total 2021</i>	<i>20</i>	<i>432</i>	<i>452</i>

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Educational Operations Direct			
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,969	4,969
Other DfE/ESFA grants			
Pupil Premium and Service Premium	-	517	517
Universal Infant Free School Meals (UIFSM)	-	510	510
Insurance	-	113	113
Start Up Grants	49	378	427
Other DfE and ESFA	62	148	210
Local Authority - Special Educational Needs (SEN)	-	358	358
Local Authority - Early Years	-	18	18
	<hr/> 111	<hr/> 7,011	<hr/> 7,122
Total Educational Operations Direct	<hr/> 111	<hr/> 7,011	<hr/> 7,122
	<hr/> <hr/> 111	<hr/> <hr/> 7,011	<hr/> <hr/> 7,122

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Academy's charitable activities (continued)

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Educational Operations Direct			
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,239	5,239
Other DfE/ESFA grants			
Pupil Premium and Service Premium	-	498	498
Universal Infant Free School Meals (UFSM)	-	177	177
Insurance	-	7	7
Start Up Grants	-	90	90
Other DfE and ESFA	-	391	391
Local Authority - Special Educational Needs (SEN)	9	150	159
Local Authority - Early Years	-	258	258
	<u>9</u>	<u>6,810</u>	<u>6,819</u>
<i>Total Educational Operations Direct</i>	<u>9</u>	<u>6,810</u>	<u>6,819</u>
	<u>9</u>	<u>6,810</u>	<u>6,819</u>

5. Other incoming resources

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
EWO and EP	31	-	31
Trip Income	-	115	115
Nursery Funding	-	284	284
Other income	94	-	94
Total 2022	<u>125</u>	<u>399</u>	<u>524</u>

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

5. Other incoming resources (continued)

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
EWO and EP	78	-	78
Trip Income	-	76	76
Nursery Funding	-	178	178
Other income	101	-	101
Total 2021	179	254	433

6. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000
Educational Operations Direct:				
Direct costs	4,697	-	453	5,150
Allocated support costs	1,439	195	1,201	2,835
Total 2022	6,136	195	1,654	7,985

	<i>Staff Costs 2021 £000</i>	<i>Premises 2021 £000</i>	<i>Other 2021 £000</i>	<i>Total 2021 £000</i>
Educational Operations Direct:				
Direct costs	4,711	-	375	5,086
Allocated support costs	1,266	443	1,173	2,882
Total 2021	5,977	443	1,548	7,968

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £000	Total 2022 £000
Educational Operations Direct	7,985	7,985

	<i>Restricted funds 2021 £000</i>	<i>Total 2021 £000</i>
Educational Operations Direct	7,967	7,967

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Educational Operations Direct	5,150	2,835	7,985

	<i>Activities undertaken directly 2021 £000</i>	<i>Support costs 2021 £000</i>	<i>Total funds 2021 £000</i>
Educational Operations Direct	5,086	2,882	7,968

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations Direct 2022 £000	Total funds 2022 £000
Staff costs	4,697	4,697
Depreciation	16	16
Staff expenses	12	12
Educational Supplies	192	192
Other staff costs	5	5
Technology costs	53	53
Other	175	175
Total 2022	5,150	5,150

	<i>Educational Operations Direct 2021 £000</i>	<i>Total funds 2021 £000</i>
Staff costs	4,711	4,711
Depreciation	23	23
Staff expenses	1	1
Educational Supplies	165	165
Educational consultancy	9	9
Other staff costs	11	11
Technology costs	48	48
Other	118	118
<i>Total 2021</i>	<i>5,086</i>	<i>5,086</i>

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations Direct 2022 £000	Total funds 2022 £000
Pension finance costs	84	84
Staff costs	1,439	1,439
Depreciation	292	292
Other staff costs	66	66
Insurance	32	32
Technology costs	19	19
Other	78	78
Maintenance of premises	137	137
Cleaning and caretaking	155	155
Rates	27	27
Energy	79	79
Security	12	12
Transport	7	7
Catering	234	234
Other premises costs	62	62
Legal & professional	97	97
Auditor costs	15	15
Total 2022	2,835	2,835

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational Operations Direct 2021 £000</i>	<i>Total funds 2021 £000</i>
Pension finance costs	74	74
Staff costs	1,267	1,267
Depreciation	274	274
Other staff costs	71	71
Insurance	36	36
Technology costs	12	12
Other	71	71
Maintenance of premises	394	394
Cleaning and caretaking	159	159
Rates	37	37
Energy	57	57
Security	7	7
Transport	8	8
Catering	232	232
Other premises costs	49	49
Legal & professional	111	111
Auditor costs	23	23
<i>Total 2021</i>	<u>2,882</u>	<u>2,882</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	9	9
Depreciation of tangible fixed assets	308	297
Fees paid to auditors for:		
- audit	10	12
- other services	4	5

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£000	£000
Wages and salaries	4,304	4,237
Social security costs	391	380
Pension costs	1,422	1,300
	6,117	5,917
Agency staff costs	13	1
Staff restructuring costs	6	59
	6,136	5,977

Staff restructuring costs comprise:

	2022	2021
	£000	£000
Severance payments	6	59
	6	59

The academy trust paid 2 (2021: 4) severance payments in the year, disclosed in the following bands:

	<u>2022</u>	<u>2021</u>
£0 - £25,000	2	4

b. Staff numbers

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

	2022	2021
	No.	No.
Teacher	52	59
Administration and support	132	130
Management	16	16
	200	205

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2022	<i>2021</i>
	No.	<i>No.</i>
Teacher	44	<i>47</i>
Administration and support	74	<i>72</i>
Management	16	<i>15</i>
	134	<i>134</i>

c. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>3</i>
In the band £90,001 - £100,000	2	<i>2</i>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2022, pension contributions for these staff amount to £109,159 (2021: £90,131).

d. Key management personnel

The key management personnel of the Academy 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 Academy was £671,805 (2021 - £646,579).

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

11. Central services

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

- Financial Services
- Legal Services
- IT Support
- Educational Support
- Managerial Support

The Academy charges for these services on the following basis:

During the fifth year of MET, there was a greater reliance on the contribution of the member schools due to growth. The top slice income and service charge income recharged to the Schools were based on pupil numbers and time apportionment of costs. During the year there were top slice contributions of £80,209 (2021: £49,080) for Great Malvern, £101,577 (2021: £69,240) for Somers Park, £46,194 (2021: £31,680) for Dines Green and £36,846 (2021: £34,400) for Northleigh. There was also service charge Contributions of £77,076 (2021: £80,880) for Great Malvern, £109,730 (2020: £114,120) for Somers Park, £46,700 (2021: £49,200) for Dines Green and £48,641 (2021: £56,760) for Northleigh. It is anticipated service will become more centralised as MET grows, creating financial efficiencies and thus releasing funds for learning and teaching resources.

The actual amounts charged during the year were as follows:

	2022	2021
	£000	£000
Great Malvern School	157	130
Somers Park School	211	183
Dines Green School	93	81
Northleigh CE Primary School	86	91
Total	547	485

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£000	£000
Dafydd Lawday, Chief Executive Officer	Remuneration	90 - 95	90 - 95
	Pension contributions paid	20 - 25	20 - 25

During the year ended 31 August 2022, expenses totalling £469 were reimbursed or paid directly to 1 Trustee (2021 - £47 to 1 Trustee).

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2022 was included within the combined insurance premium and is not separately disclosable (2021 - £1,600). The cost of this insurance is included in the total insurance cost.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

14. Tangible fixed assets

	Long-term leasehold property £000	Assets under construction £000	Fixtures and fittings £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation							
At 1 September 2021	17,741	-	99	24	283	4	18,151
Additions	-	116	52	-	16	-	184
At 31 August 2022	17,741	116	151	24	299	4	18,335
Depreciation							
At 1 September 2021	1,069	-	78	15	267	1	1,430
Charge for the year	263	-	26	2	16	1	308
At 31 August 2022	1,332	-	104	17	283	2	1,738
Net book value							
At 31 August 2022	16,409	116	47	7	16	2	16,597
At 31 August 2021	16,672	-	21	10	16	3	16,722

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

14. Tangible fixed assets (continued)

Included within land and buildings is leasehold land at valuation of £148,807 (2021: £148,807) for Somers Park School, leasehold land at valuation of £1,603,450 (2021: £1,603,450) for Great Malvern School, leasehold land at valuation of £1,606,800 (2021: £1,606,800) for Dines Green School, leasehold land at valuation of £615,000 (2021: £615,000) for Malvern Vale Primary School and leasehold land at valuation of £601,600 (2021: £601,600) for Northleigh C of E Primary School which is not depreciated.

All component schools land and buildings are on a 125 year lease from Local Authority at a peppercorn rent.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

15. Debtors

	2022	2021
	£000	£000
Due within one year		
Trade debtors	121	54
Other debtors	64	77
Prepayments and accrued income	249	348
	<u>434</u>	<u>479</u>

16. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Other loans	-	2
Trade creditors	198	306
Other taxation and social security	88	90
Pension fund loan payable	102	105
Other creditors	6	3
Accruals and deferred income	213	283
	<u>607</u>	<u>789</u>

	2022	2021
	£000	£000
Deferred income at 1 September 2021	123	114
Resources deferred during the year	91	123
Amounts released from previous periods	(123)	(114)
	<u>91</u>	<u>123</u>

At the balance sheet date, the Trust had received funds for UIFSM and EWO and EP work for the 2021/22 period.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Other loans	-	18

CIF loan repayable over a period of 10 years with an interest rate of 2.29% was settled in full during 2022 and therefore nothing remains outstanding at the year-end.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Designated funds						
Building Maintenance Fund	-	-	-	463	-	463
IT Infrastructure Fund	-	-	-	50	-	50
	-	-	-	513	-	513
General funds						
General Funds - all funds	211	264	-	(475)	-	-
Total Unrestricted funds	211	264	-	38	-	513
Restricted general funds						
General Annual Grant	252	4,969	(4,743)	(104)	-	374
Other DfE Grants	-	1,518	(1,518)	-	-	-
SEN Funding	-	148	(148)	-	-	-
Nursery Funding	-	643	(643)	-	-	-
School Visits	-	115	(115)	-	-	-
Other Income	-	17	(17)	-	-	-
Language Unit	30	-	-	(30)	-	-
Pension reserve	(5,141)	-	(493)	-	3,934	(1,700)
	(4,859)	7,410	(7,677)	(134)	3,934	(1,326)

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

**Restricted
fixed asset
funds**

Class II
Restricted
Funds - all
funds

	16,723	-	(308)	184	-	16,599
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Devolved
Formula Capital

	36	30	-	-	-	66
--	----	----	---	---	---	----

Fixed assets
inherited on
conversion

	9	-	-	-	-	9
--	---	---	---	---	---	---

Other Capital
Funding

	11	77	-	(88)	-	-
--	----	----	---	------	---	---

	16,779	107	(308)	96	-	16,674
--	--------	-----	-------	----	---	--------

**Total
Restricted
funds**

	11,920	7,517	(7,985)	(38)	3,934	15,348
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Total funds

	12,131	7,781	(7,985)	-	3,934	15,861
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The specific purposes for which the funds are to be applied are as follows:

The restricted general fund includes grants receivable from the ESFA, LA and other government grants towards operating activities of the Academy administered by the charitable company.

The restricted general fund also includes funding in relation to the Nursery, Erasmus and other restricted resources.

The restricted fixed asset fund includes amounts receivable from the ESFA and other contributors in respect of tangible fixed assets held for Academy use.

Included in restricted funds is a balance for The Great Rafiki Tanga project. This has been transferred to the charity's own bank account held by the Trust and donations are made once the funds have been collected.

The unrestricted designated fund is a balance committed to for IT infrastructure and building maintenance which has been ringfenced within reserves for projects in future years.

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Unrestricted funds						
General Funds - all funds	177	208	-	(174)	-	211
Restricted general funds						
General Annual Grant	57	5,239	(5,503)	459	-	252
Other DfE Grants	-	1,162	(1,162)	-	-	-
SEN Funding	-	149	(149)	-	-	-
Nursery Funding	-	435	(435)	-	-	-
School Visits	-	76	(76)	-	-	-
Other Income	-	3	(3)	-	-	-
Language Unit	30	-	-	-	-	30
Pension reserve	(4,359)	-	(342)	-	(440)	(5,141)
	<u>(4,272)</u>	<u>7,064</u>	<u>(7,670)</u>	<u>459</u>	<u>(440)</u>	<u>(4,859)</u>
	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Restricted fixed asset funds						
Class II Restricted Funds - all funds	16,910	-	(297)	110	-	16,723
Devolved Formula Capital	10	30	-	(4)	-	36
CIF Grant	-	285	-	(285)	-	-

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Fixed assets inherited on conversion	9	-	-	-	-	9
Other Capital Funding	-	117	-	(106)	-	11
	<u>16,929</u>	<u>432</u>	<u>(297)</u>	<u>(285)</u>	<u>-</u>	<u>16,779</u>
Total Restricted funds	<u>12,657</u>	<u>7,496</u>	<u>(7,967)</u>	<u>174</u>	<u>(440)</u>	<u>11,920</u>
Total funds	<u>12,834</u>	<u>7,704</u>	<u>(7,967)</u>	<u>-</u>	<u>(440)</u>	<u>12,131</u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Mercian Educational Trust	(116)	(110)
Somers Park School	54	-
Great Malvern School	801	589
Dines Green School	13	(53)
Northleigh C of E Primary School	135	67
	<u>887</u>	<u>493</u>
Total before fixed asset funds and pension reserve	887	493
Restricted fixed asset fund	16,674	16,779
Pension reserve	(1,700)	(5,141)
Total	<u>15,861</u>	<u>12,131</u>

Total cost analysis by academy

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

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000
Mercian Educational Trust	537	409	3	243	1,192
Somers Park School	1,969	214	71	446	2,700
Great Malvern School	1,381	115	50	283	1,829
Dines Green School	718	97	48	244	1,107
Northleigh C of E Primary School	629	67	20	133	849
Academy	5,234	902	192	1,349	7,677

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
Mercian Educational Trust	477	278	-	269	1,024
Somers Park School	1,688	239	45	414	2,386
Great Malvern School	1,421	70	47	242	1,780
Dines Green School	902	139	48	429	1,518
Northleigh C of E Primary School	700	62	24	176	962
Academy	5,188	788	164	1,530	7,670

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	16,598	16,598
Current assets	513	981	76	1,570
Creditors due within one year	-	(607)	-	(607)
Provisions for liabilities and charges	-	(1,700)	-	(1,700)
Total	513	(1,326)	16,674	15,861

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	16,722	16,722
Current assets	212	1,069	76	1,357
Creditors due within one year	(1)	(787)	(1)	(789)
Creditors due in more than one year	-	-	(18)	(18)
Provisions for liabilities and charges	-	(5,141)	-	(5,141)
Total	211	(4,859)	16,779	12,131

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

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

	2022	2021
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(203)	(263)
Adjustments for:		
Depreciation	308	297
Capital grants from DfE and other capital income	(107)	(432)
Defined benefit pension scheme cost less contributions payable	493	352
Decrease/(increase) in debtors	44	(223)
(Decrease)/increase in creditors	(200)	287
Net cash provided by operating activities	335	18

21. Cash flows from investing activities

	2022	2021
	£000	£000
Purchase of tangible fixed assets	(184)	(110)
Capital grants from DfE Group	107	432
Net cash (used in)/provided by investing activities	(77)	322

22. Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	1,136	878
Total cash and cash equivalents	1,136	878

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

23. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	878	258	1,136
Debt due within 1 year	(107)	5	(102)
Debt due after 1 year	(18)	18	-
	<u>753</u>	<u>281</u>	<u>1,034</u>

24. Pension commitments

The Academy'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 Worcestershire County Council. 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.

Contributions amounting to £101,875 were payable to the schemes at 31 August 2022 (2021 - £104,464) and are included within creditors.

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.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

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.

The employer's pension costs paid to TPS in the year amounted to £520,911 (2021 - £432,813).

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 Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £496,000 (2021 - £481,000), of which employer's contributions totalled £402,000 (2021 - £388,000) and employees' contributions totalled £ 94,000 (2021 - £93,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5 -12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, 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 Academy 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.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.3	4.3
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	2.8	2.8

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	22.6	22.7
Females	25.0	25.1
<i>Retiring in 20 years</i>		
Males	24.1	24.4
Females	27.0	27.1

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(130)	(200)
Mortality assumption - 1 year increase	122	292
CPI rate +0.1%	134	204
Growth +0.1%	12	23

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £000	<i>At 31 August 2021 £000</i>
Equities	3,201	3,431
Corporate bonds	118	4
Property	362	181
Cash and other liquid assets	78	103
Other	602	404
Total market value of assets	4,361	4,123

The actual return on scheme assets was £(96,000) (2021 - £607,000).

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

	2022 £000	<i>2021 £000</i>
Current service cost	804	(660)
Interest income	73	59
Interest cost	(157)	(133)
Administrative expenses	(7)	(6)
Total amount recognised in the Statement of Financial Activities	713	(740)

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

	2022 £000	<i>2021 £000</i>
At 1 September	9,264	7,436
Current service costs	804	660
Interest cost	157	133
Employee contributions	94	93
Actuarial (gains)/losses	(4,103)	987
Benefits paid	(155)	(45)
At 31 August	6,061	9,264

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

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

	2022	2021
	£000	£000
At 1 September	4,123	3,087
Interest income	73	59
Actuarial (losses)/gains	(169)	547
Employer contributions	402	388
Employee contributions	94	93
Benefits paid	(155)	(45)
Administrative expenses	(7)	(6)
At 31 August	4,361	4,123

25. Operating lease commitments

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

	2022	2021
	£000	£000
Not later than 1 year	7	17
Later than 1 year and not later than 5 years	11	33
	18	50

26. 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.

MERCIAN EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

27. Related party transactions

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

Parent Teacher Association - (Mr Chris Hansen, Executive Headteacher - Chairman for the registered Charity). The Parent Teacher Association donated £4,754 (2021: £479) in relation to tea towels, line markings on the field, gazebo school fete, fayre drinks, jubilee badges and t-shirts for pupils. £488 was outstanding at the year-end. The transactions were at arms length.

Great Rafiki Tanga Project - this project is linked to a Tanzanian School which Great Malvern School has a link with and therefore fundraising is completed and donated to the project. There was one donation made during the prior year totalling £12 which was transferred to the project. The account was closed during the prior year and therefore no further transactions are expected.

Mrs Zoe McCracken - (Wife of Trustee, Fergus McCracken). The appointment was made in open competition and Fergus was not involved in the decision making process regarding appointment. Zoe was paid the market rate for her role and received no special treatment as a result of her relationship to the Trustee. No balances were outstanding at the year-end.

28. Post balance sheet events

Dines Green Primary School rebranded over the summer and was officially unveiled with its new name Honeywell Primary School, effective from 6th September 2022.