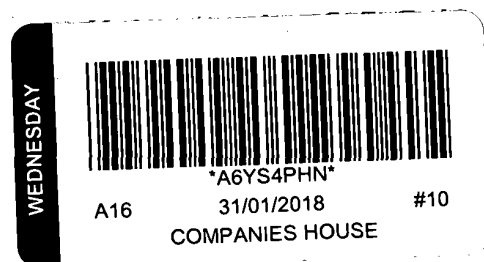


Signed AIC

Company Registration No. 08748904 (England and Wales)

**MERCIA PRIMARY ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



**entrust**  
Inspiring Futures

# MERCIA PRIMARY ACADEMY TRUST

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# MERCIA PRIMARY ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

L M Colclough (Ofsted Reg. Childminder)  
R J Lane (Chief Executive Officer and Accounting Officer)  
V M Van Den Bergh (Minister of Religion, Chair)  
E Bryan  
M Haywood

### Members

M Hambly  
M L Booth  
V M C Van Den Bergh

### Senior management team

- Executive Headteacher	R J Lane
- Deputy Headteacher	M L Booth
- Deputy Headteacher	S E Boden *resigned 31 August 2017
- Business Manager	S M Adams
- Deputy Headteacher	N Probert

### Company secretary

S M Adams

### Company registration number

08748904 (England and Wales)

### Academies operated

Lark Hall Infant School  
Flax Hill Junior School

### Location

Staffordshire  
Staffordshire

### Principal

R Lane  
R Lane

### Independent auditor

Haines Watts Tamworth  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

### Bankers

Lloyds Bank  
17 George Street  
Tamworth  
B79 7LW

### Other advisors

Entrust Support Services  
Riverway Centre  
Riverway  
Stafford  
Staffordshire  
ST16 3TH

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates one infant and one junior academy in Tamworth, Staffordshire. Its academies have a combined pupil capacity of 390 and had a roll of 349 in the school census in January 2017.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The constituent academies of the trust are:

- Lark Hall Infant & Nursery Academy
- Flax Hill Junior Academy

The trustees of Mercia Primary Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Mercia Primary Academy Trust.

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

##### Members' liability

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

##### Trustees' indemnities

As part of the overall insurance cover taken out with third party insurers the Academy has taken out insurance relating to Governors' indemnity. The limit of indemnity cover is £25 million in this respect.

##### Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association pages 20 – 26.

##### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new governors and trustees will depend upon their existing experience. Induction is tailored specifically to the individual. New trustees are invited to attend "Welcome to being a Governor" training event run by Entrust Education Services. Webinars are also available for trustees to participate in. Policies and Procedures Adopted for the Induction and Training of Trustees All new trustees are provided with an induction pack and an informal induction talk by the Headteacher.

The Clerk to Trustees keeps a log of courses attended and training is a standard agenda item.

Trustees participate in an annual self-review process to highlight any weaknesses and to address any additional training needs.

The Business Manager will provide training relating to the finance system if required.

# **MERCIA PRIMARY ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Organisational structure

The board of trustees are responsible for the overall strategic direction of the academy trust. The trustees have a duty to act in the fulfilment of the academy trust objects. They set the strategic direction, and determine the policies and procedures of the academy trust whilst holding each academy within the academy trust to account. The trustees will meet at least three times a year and local governing body committees will report to meetings of the board of trustees throughout the year.

Each academy within the academy trust is governed by a Local Governing Body (LGB) which is appointed by the board of trustees and elected by staff and parents in a manner similar to the board of trustees. The LGB is responsible for determining the strategic direction of the academy in accordance with the overall strategic direction of the academy trust. The LGB should engage with the local community, constructively challenge the leadership team of the academy and provide evaluative feedback and supporting evidence to the board of trustees on the impact and effectiveness of the collective and individuals aims, objectives, policies, targets and future plans.

The board of trustees and each LGB do not exercise a managerial role. The leadership and management across the academy trust is delegated by the board of trustees to the Senior Leadership Team within each academy. The Senior Leadership Teams are responsible at an executive level for implementing the policies laid down by board of trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement.

The Executive Headteacher is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets.

### Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy committee and their decision is validated by the board of trustees at the Autumn term meeting.

### Related parties and other connected charities and organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, no transactions have taken place with related parties and other connected charities and organisations.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Objectives and activities

##### Objects and aims

Our Aim - Everyone is valued and shares responsibility for the challenging learning that takes place.

Through partnership between Governors, staff, parents, pupils, external partners and the local community, the Academy Trust will provide the facilities, resources and vision to enable the Academy to flourish and provide pupils with the best possible education.

Improvement focusses identified for this year included:

- Maths reasoning across both schools
- Spelling at both schools
- Handwriting Lark Hall
- The more able at Flax Hill
- Collaboratively sharing and supporting best practice
- Reaching out to other local schools who may wish to join the Trust

##### Objectives, strategies and activities

The strategic goals of the academy trust are:

1. To provide high quality education provision for all academies within the academy trust that improve the outcomes of all of our pupils. This will be achieved by providing appropriate and proportionate support and challenge each academy within the academy trust. There will be a focus on:

- Establish and monitoring a system of governance through effective academy committees.
- Providing intervention to support school improvement.
- Developing collaborative curriculum activities to support key skill development, increasing independence and vocational/work-related learning.
- Developing monitoring and evaluating strategies and procedures that will drive school improvement.
- Supporting the procurement of best value central services.
- Collaboratively sharing and supporting best practice.

2. To provide the same high quality of education provision to pupils outside of the trust to help achieve the government's aim of the same standard of education for all children. This will be achieved by:

- Developing a systematic marketing strategy and work with local stakeholders, Headteacher forums and the DfE to identify potential schools and academies that wish to join the academy trust.
- Build capacity by creating a robust management structure which involves building a central team to support the board of trustees.
- Develop training based on the expertise within the academy trust that can be delivered to other education providers.
- Develop more effective means on collaboration with other education providers to share best practice and encourage

##### Public benefit

Mercia Primary Academy Trust is approved by the Department of Education (DfE) and funded wholly by the Education and Skills Funding Agency (ESFA) to further the education of pupils admitted under the requirements set by the ESFA Funding Agreement with the admission of pupils without fee. Parents are able to apply for their children to be admitted in accordance with these requirements. Governors ensure that applications are considered appropriately.

The trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the academy trust objective and aims and in planning future activities for the period. The trustees consider that the academy trust can clearly demonstrate that its aims are to advance education for public benefit.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Strategic report

Both schools received Ofsted during 2016-2017. As an independent report on the school's quality and progress they reflect the long term progress both schools are making.

#### Flax Hill

**This school continues to be good.**

The leadership team has maintained the good quality of education in the school since the last inspection. You have further strengthened leadership within the school, through the appointment of the deputy headteacher and the leader of provision for pupils who have special educational needs and/or disabilities. They, together with the head of school, provide strong and effective leadership that has helped to improve teaching and outcomes for pupils.

They share your vision that pupils at Flax Hill Junior Academy should thrive and succeed, both academically and socially. This has helped to ensure that outcomes for pupils have risen over the past three years and that pupils develop as responsible and well-behaved individuals. You have successfully addressed the recommendations from the last inspection of the predecessor school by improving the systems in school to monitor and evaluate pupils' outcomes and the quality of teaching. Monitoring systems are now robust and rigorous, and provide you, and other leaders, with a good range of information that you use to identify the priorities for improvement for the school. You have also ensured that those pupils who had not been making the progress that was expected of them, and who were falling behind the attainment of their classmates, are now provided with appropriate support that allows them to catch up in their learning.

Flax Hill Junior Academy is a warm and welcoming school that provides a safe and nurturing environment for its pupils. You, and the rest of the staff, have ensured that relationships between adults and pupils are strong and that pupils develop positive social skills. The emphasis that you place on ensuring that pupils feel valued is seen in many aspects of the school's work. An example of this is the weekly headteacher's 'tea party', where small groups of pupils are chosen to meet with the head of school to discuss any concerns and to suggest ways that the school can improve further. This opportunity is appreciated by the pupils, who show high levels of pride in their school.

Support for pupils' welfare and well-being is a strength of the school and has been further developed over the past two years. The appointment, in 2015, of a skilled and knowledgeable family support worker has been highly effective in meeting the emotional needs of pupils. She, together with all staff, provides good support for disadvantaged pupils, and as a result they achieve outcomes that compare well with those of other pupils nationally. However, teachers do not consistently ensure that the level of challenge for the most able pupils in school, including the most able disadvantaged pupils, is sufficiently demanding.

You are aware that there is a need to identify how this aspect of the school's work can be improved further. You have ensured that teaching has continued to improve since the last inspection. You have identified where teaching has been less effective and have provided well-planned support for teachers that is matched to their individual needs. The majority of teachers who were at the school at the time of the last inspection are no longer at the school and you have taken the opportunity to appoint new teachers who share your drive to provide pupils with exciting and relevant learning opportunities. All teachers and other staff who responded to the online questionnaire felt motivated and respected. Pupils spoken to during the inspection said that teachers made learning fun.

You, together with other leaders, have developed a well-planned and relevant curriculum that provides pupils with effective opportunities to make good progress across all subjects. There is an extremely strong focus on supporting pupils' cultural development, especially through music, which is a strength of the school. Calculation skills are taught well in mathematics and this results in pupils being secure in activities such as addition and multiplication. However, you, and other leaders, have rightly identified that pupils are not yet provided with enough opportunities to apply their mathematical knowledge in problem solving using reasoning. While this is identified as a priority in the current school improvement plan, actions taken have not yet had time to embed this aspect of mathematics teaching.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Safeguarding is effective.**

The procedures and processes that you have put in place in school to make sure pupils are safe and well cared for are robust, well thought out and applied diligently by all staff. The safeguarding of pupils is regarded as of the highest priority. The commonly held and well-founded belief among all staff that for pupils to make good progress academically they must feel safe, means that there is a culture in school of safeguarding and child protection being everyone's responsibility. Staff training is regular and is updated to ensure that all staff are aware of any changes in practice or policy relating to safeguarding.

The family support worker's detailed knowledge of safeguarding requirements is used very effectively to work with potentially vulnerable pupils and their families. Record-keeping is meticulous and links with outside agencies are used well to provide support where it is needed. Teachers ensure that pupils are taught about the risks that use of the internet can pose and consequently pupils have a good understanding of how to keep themselves safe when online. Office staff and the family support worker ensure that monitoring of pupils' attendance is carried out effectively. As a result, attendance in school is above the national average.

### **Inspection findings**

- Systems in school for monitoring teaching and learning and their impact on pupils' outcomes are effective and thorough.
- Leaders undertake a range of monitoring, including observation of teaching, scrutiny of planning and pupils' books and discussions with pupils about their work.
- There is an effective structure of distributed leadership in school. The head of school provides strong and effective leadership to the school on a day-to-day basis. She has a deep and secure knowledge of the pupils as individuals and is respected by the parents.
- The appointment of the deputy headteacher in 2015 has further strengthened leadership and he has led the development work that has improved reading and writing in school.
- You, as executive headteacher, provide good strategic leadership and have ensured that all staff share your vision to ensure each pupil develops and thrives, both academically and socially.
- Leaders ensure that teachers who are new to the profession are well supported in school, with good opportunities established for them to observe, work alongside and learn from experienced colleagues, both in school and in other schools.
- Governors have a secure understanding of the strengths and weaknesses of the school and provide good levels of support.
- Link governors liaise closely with school leaders with areas of specific responsibility and ask searching and perceptive questions to make sure they understand how the school is performing, compared with other schools locally and nationally.
- There is a very strong emphasis in school on ensuring that pupils make good progress across all subject areas. A well thought out, balanced and broad curriculum has been developed.
- Pupils have good opportunities to apply their writing skills in meaningful and relevant activities, both within literacy lessons and in other subject areas.
- Improvements in the teaching of reading, writing and mathematics since the last inspection have helped to ensure that there has been a year-on-year improvement in pupils' outcomes in these areas. Pupils' progress in these subjects compares well with that of other pupils nationally.

Pupils are well supported in their reading development. Regular group and class reading sessions are used well to ensure that pupils become confident readers who gain enjoyment from books. Pupils spoken to during the inspection expressed positive views about reading and liked the books that were available to them in school. Those pupils who are not secure in their use of phonics in reading receive small-group support to ensure that they develop a secure understanding of how to read and spell words correctly.

Writing activities are stimulating and relevant to the pupils. For example, during the inspection pupils in a Year 6 class were engaged by the opportunity to write a recount about a robbery of donations of harvest products and, as a result, produced well thought out pieces of writing that were accurately spelled and were of interest to the reader.

Calculation skills are taught well in mathematics, with a whole-school approach to core skills such as addition, subtraction and multiplication. However, opportunities for pupils to apply their mathematical skills in problem solving, using reasoning, are underdeveloped.



# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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There is a strong emphasis in school on supporting pupils' development in other subjects. All pupils in Years 3 and 4 learn both the recorder and the violin. Pupils enjoy and appreciate the opportunities they have to perform in the school orchestra and choir, both of which perform in school and in the community.

Teachers ensure that pupils develop a good understanding of democracy, respect and tolerance. Pupils take their roles on the school council seriously. Consequently, pupils are well prepared for life in modern Britain.

Allocation of the pupil premium grant is carefully planned and monitored. The school has been recognised with a national award for its success in making very effective use of the funding. Additional teaching assistant support within classrooms, funding to enable disadvantaged pupils to participate fully in all aspects of school life, and one-to-one support where needed, have all helped to ensure that disadvantaged pupils in school achieve good outcomes

The progress of disadvantaged pupils is carefully monitored and compared with that of other pupils nationally. Leaders recognise that it is often not simply sufficient for disadvantaged pupils to make the same progress as other pupils if the difference in their attainment is to be overcome. Consequently, all staff go the extra mile to ensure that all pupils in school achieve and attain well.

Over recent years the outcomes for pupils by the time they leave the school in Year 6 have compared favourably with those of other pupils nationally. Next steps for the school Leaders and those responsible for governance should ensure that:

- teachers provide pupils with more opportunities to apply problem solving and reasoning in mathematics

expectations from teachers for the most able pupils are sufficiently high, so that more pupils can achieve the highest levels of development.

#### **Lark Hall**

**This school continues to be good.**

The leadership team has maintained the good quality of education in the school since the last inspection. Following the school's conversion to an academy in 2014, you took the opportunity to reorganise leadership roles and responsibilities. You appointed subject leaders for English and mathematics to work and share expertise across the two trust schools. This has helped to sustain the drive for improvement.

You and the deputy headteacher form a strong partnership and provide effective leadership and direction for the school. You frequently check the quality of teaching and pupils' learning. You work closely with teachers to agree the precise steps that need to be taken in order to improve the quality of teaching further. You provide well-planned support for teachers, including opportunities for them to visit other schools and learn from outstanding practice. As a result, there is a climate of professional learning and a strong team spirit across the school. Staff comments include, 'This is a small school with a caring, family atmosphere and we all want the very best for every child', and, 'Leaders are always ready to support us and, as a staff, we help and support each other.'

At the last inspection of the predecessor school, inspectors identified a need to improve standards in writing and provide more opportunities for pupils to use their writing skills across subjects. They also recommended that children in the early years should be able to make full use of the outdoor areas to support their learning. You have addressed both of these areas effectively.

You have organised appropriate training to support the teaching of writing. You have rightly prioritised the need to support pupils' communication and language skills as part of this. You have provided opportunities for staff to observe and work alongside speech and language therapists. This has had a positive impact. Staff encourage pupils to use new vocabulary and express their views and feelings confidently. Displays around the school and in classrooms are a testimony to this. Work in pupils' books and on display shows that teachers plan interesting reasons for pupils to write across different subjects. Pupils are keen to talk about their writing. For example, young children were eager to show me their writing about Jack and the Beanstalk and the display of their 'top tips' for keeping safe on Bonfire Night.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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At the end of Year 2, in 2016, standards of reading and writing were in line with the national average. The proportion of most-able pupils reaching greater depth in their writing was higher than the national average. The proportion of pupils reaching the expected level in the Year 1 phonics screening check continued to improve in 2016 and was above the national average. You have identified the need to encourage pupils to read more widely and to discuss their understanding of books so that a higher proportion of pupils achieve greater depth in their reading by the end of Year 2.

Leaders in the early years have ensured that children have regular opportunities to develop physical skills and benefit from learning and playing outside. During the inspection, children were enjoying the challenge of getting themselves dressed independently, in warm clothing, to continue their learning outside. They were able to choose from a good range of outdoor activities that reflect and support their learning and interests. In July 2016, the proportion of children achieving a good level of development was close to the national average. This is a significant improvement on the disappointing outcomes in 2015. You are not complacent however. You, and staff, recognise that there is more work to be done to sustain these improvements.

Support for pupils' well-being is a strength of the school. You appointed a family support worker to work across the trust in 2015. She works closely with staff and is highly effective in ensuring that the social and emotional needs of pupils are met. She, together with staff, provides good support for disadvantaged pupils. As a result, any differences between the achievement of disadvantaged pupils in the school and that of other pupils nationally are diminishing. In 2016, at the end of Year 2, disadvantaged pupils reached the expected standards in all subjects from their different starting points in Year 1. You are aware that further work is needed to ensure that the most able disadvantaged pupils are given suitably challenging tasks and opportunities, over time, to achieve standards at greater depth by the time they leave the school.

#### **Safeguarding is effective.**

'There is nowhere in or around school that I don't feel safe,' and 'If we are worried about anything we can always find someone to talk to. We can always go to the worry lady or put something in the worry box,' are typical examples of pupils' responses when asked about safety in school. Parents overwhelmingly agree that their children are well cared for and feel safe in school. You have a professional and effective team of people who work together to ensure that all safeguarding arrangements are well understood by staff. Staff training is regular. Staff are aware of the latest safeguarding guidance. There are weekly updates and daily informal discussions. Communication systems between the staff and the family support worker are robust. Record-keeping is detailed and of high quality. Governors and staff have received training on the dangers of radicalisation and extremism. They say that this is part of the culture of safeguarding in the school. As one lunchtime supervisor commented, 'Safeguarding the children is everyone's job. It's always at the top of our list.'

#### **Inspection findings**

- There is an effective leadership structure in school. The deputy headteacher provides strong leadership on a day-to-day basis. She has a deep and secure knowledge of teaching and learning, particularly of learning and child development in the early years. As executive headteacher, you provide strategic direction and ensure that the school benefits from subject leadership expertise in the trust.
- Leaders, including governors, have an accurate understanding of the school's strengths and areas for development. Self-evaluation is based on a thorough analysis of the school's performance and other relevant information.
- Governors are committed to the school and work effectively with the directors of the multi-academy trust. Link governors liaise closely with school leaders to check on the school's progress against the improvement priorities.
- The proportion of children that achieved a good level of development by the end of the early years was below the national average in 2014 and 2015. You have had to make some difficult decisions to ensure improvements. You have not shied away from this and have managed staff changes sensitively and effectively.
- You correctly recognised that children typically enter Reception Year with low levels of development for their age, particularly in language and communication skills and in reading and writing. You have ensured that pre-school prepares children well for when they begin Reception. Consequently, children's levels of development on entry to Reception are improving.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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- The proportion of children achieving a good level of development by the end of Reception in 2016 was close to the national average. Particular areas of strength were: children's communication and language skills; writing; and self-confidence and awareness.
- During the inspection, children in the early years were observed joining in with songs and repeated refrains as they moved into different activities, including in the outdoor areas. These familiar routines help to extend children's vocabulary and support the development of children's communication and language skills.
- You have taken decisive actions to improve the teaching of phonics. The proportion of pupils reaching the expected level in the Year 1 phonics check was above the national average. You have taken actions to address weaknesses in boys' achievement in the phonics check. This has had a positive impact. In 2016, the proportion of boys achieving the expected level showed a further improvement and was in line with that of boys nationally.
- Appropriate reading resources have been purchased to ensure that pupils are able to practise their phonic skills when reading. You recognise that, although phonic skills are improving, many pupils do not have extensive experience of listening to, sharing and discussing books. As a result, they do not have knowledge of favourite books, either stories or information books, or children's authors. This prevents them from developing a love of reading and reaching the highest levels in their reading by the end of Year 2. Your subject leader is addressing this effectively.
- The progress of disadvantaged pupils is carefully monitored and compared with that of other pupils nationally. You provide support for pupils experiencing any difficulties with their learning and ensure that they do not fall behind. However, you have identified that, from their starting points in Year 1, the most able disadvantaged pupils do always achieve the outcomes of which they are capable and reach greater depth in reading, writing or mathematics by the end of Year 2. You are aware that there is a need to identify how this aspect of the school's work can be improved further.

**Next steps for the school Leaders and those responsible for governance should ensure that:**

- teachers provide more opportunities for pupils to read widely and discuss their understanding of different types of texts, so that a higher proportion of pupils achieve greater depth in reading by the end of Year 2
- the most able disadvantaged pupils are given suitably challenging tasks and opportunities, over time, to achieve greater depth in reading, writing and mathematics by the end of Year 2.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Achievements and performance

Mercia Primary Academy Trust (Lark Hall Infant and Flax Hill Junior)

#### Spr 2016/17 Data Summary Early Years Foundation Stage:

##### Attainment: Reception

Yr Group	Attainment EXP+	CLL			PHY		PSE			LIT		MA		UTW			EXP	
		LA	U	SP	M&H	HSC	SC	MFB	MR	R	W	N	SSM	P&C	WLD	TC	EMM	BI
EYFS (all)	Sch 2016	83	79	71	88	88	88	88	83	75	67	83	79	79	83	88	88	88
	Sch 2017 (ELG)	87	87	87	90	90	90	90	90	73	67	77	80	87	83	90	93	97
	NA 2015	86	85	84	90	91	89	87	89	76	71	77	81	85	85	92	88	87

(\*NA( EYFS) RAISEonline 20/10/2016 – pg 26)

- To achieve a GLD at the end of EYFS, MPAT pupils must score 19+ progress steps in the first 12 areas of learning. On entry to Reception, an average pupil will be at 40-60 (months) Emerging (16 progress steps). An average pupil will then make 1 progress step in each area of learning per term; equating to 3 steps over the academic year.
- At the end of the Summer term, 67% of pupils have achieved a Good Level of Development (GLD - the first 12 areas of learning in the EYFS profile). This exceeds Sch 2016: 60% but below the 2016 NA (69%) by 2%
- Reading, writing and number still remain the areas of focus for next year.

##### Phonics Summer term 2016/17 (Year 1)

- In Year 1, 88% passed the phonics screening check. This exceeds the school 2016 figure by 2% and NA 2016 (81%) by 7%.
- In Year 2, 50% passed the phonics screening check and achieved the expected standard.

##### Attainment: (termly expectations)

##### Reading (Expected+)

Yr Group	All			Boys			Girls			FSM			Non FSM			SEND			PP		
	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU
1	78	75	79	73	73	80	88	78	78	75	63	75	80	81	81	67	67	67	67	56	67
2	85	70	67	83	58	50	86	80	80	67	75	50	87	70	70	60	40	40	86	75	63
Ash	59	79	67	33	67	67	77	87	67	100	67	67	55	81	67	0	0	0	75	100	60
Bee	46	46	38	50	50	50	44	44	31	33	0	0	50	61	47	0	0	0	33	0	0
Elm	54	54	58	50	50	50	56	56	62	50	50	50	55	55	25	-	-	-	50	50	50
Year 3	53	60	54	44	56	56	59	62	53	61	39	39	53	66	46	0	0	0	53	50	37
Haw	61	57	57	63	47	47	43	83	83	33	33	33	60	60	60	100	33	33	44	50	50
Jun	75	60	44	60	47	40	100	80	50	50	25	25	80	67	48	33	33	33	78	44	33
Lar	64	52	64	50	36	57	82	73	73	50	50	50	67	52	67	50	100	100	50	50	50

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Year 4	67	56	55	58	43	48	75	79	69	44	36	36	69	60	58	61	55	55	57	48	44
Map	45	69	34	43	67	33	47	71	35	0	50	0	52	71	39	0	0	0	17	42	8
Oak	53	53	52	47	47	40	59	59	62	40	40	50	56	56	52	0	0	0	44	44	50
Year 5	49	61	43	45	57	37	53	65	49	20	45	25	54	64	46	0	0	0	31	43	29
Syc	40	50	63	29	36	57	55	70	70	20	40	20	45	53	74	0	25	25	29	50	33
Wil	46	46	85	45	45	64	47	47	100	100	100	100	46	44	84	0	0	50	33	33	78
Year 6	43	48	74	37	42	61	51	59	85	60	70	60	46	49	79	0	13	38	31	42	56

- In Year 6 at the end of the Summer term, 74% of all pupils have achieved the Expected Standard (Secure+) or better. This is below the Sch 2016 (81%) by 7% but exceeds NA 2017 (interim) by 3%.
- In Reading, 32% have achieved the Greater Depth Standard. This exceeds the NA 2016 (19%) by 13% and Sch 2016 by 13%.
  - NA 2017 for Greater Depth yet to be released.
- In Year 5 at the end of the Summer term, 43% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 18% from Spring assessments and below the end of KS NA 2016 (61%) by 18%.
- In Year 4 at the end of the Summer term, 55% of all pupils have achieved the Expected Standard (Secure +) or better. This is in line with data from Spring term but below the end of KS NA 2016 (61%) by 6%.
- In Year 3 at the end of the Summer term, 54% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 6% from Spring assessments and below the end of KS NA 2016 (61%) by 7%.
- In Year 2 at the end of the Summer term, 67% of all pupils have achieved the Expected Standard (Secure+) or better. This is below the NA 2016 (74%) by 7% and Sch 2016 by 4%.
- In Reading, 15% have achieved the Greater Depth Standard. This is below the NA 2016 (24%) by 9% and Sch 2016 by 6%.
- In Year 1 at the end of the Summer term, 79% of all pupils have achieved the Expected Standard (Secure+) or better. This is an increase of 4% from Spring assessments and exceeds the end of KS NA 2016 (74%) by 5%.
- In Reading, there is a gender gap where girls outperform boys in all Year groups except Year 1 where they are broadly in line with each other and in Year 3, where boys exceed girls by 3%.where they are broadly in line with each other and in Year 3, where boys exceed girls by 3%.
- In all year groups, Non FSM pupils exceed FSM pupils (disadvantaged) by an average of 16%. This negative gap (-16%) MUST be closed and be a focus across the whole of MPAT in the academic year 2017/18.

Yr Group	All			Boys			Girls			FSM			Non FSM			SEND			PP		
	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU
1	65	79	74	60	67	23	75	100	100	75	75	75	73	81	69	67	67	67	44	67	67
2	77	67	67	67	58	58	86	73	73	67	75	75	78	65	65	40	40	40	71	88	75
Ash	64	58	42	44	33	22	77	73	53	100	33	33	65	62	43	0	0	0	50	60	20
Bee	58	38	50	50	38	36	63	38	56	33	0	20	67	50	58	0	0	0	17	0	20

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Year 3	63	47	43	48	32	28	72	56	51	61	11	18	67	54	47	0	0	0	47	28	20
Haw	65	52	48	56	47	41	86	67	67	33	0	0	75	60	55	33	33	33	67	50	38
Jun	50	36	32	40	20	20	67	60	50	50	0	0	60	43	38	0	0	0	33	22	22
Lar	32	32	40	21	21	29	45	45	55	50	0	25	38	38	43	50	50	100	25	25	33
Year 4	49	40	40	39	29	30	66	57	57	44	0	8	58	47	45	28	27	44	42	32	31
Map	42	59	38	43	60	40	41	59	35	0	25	0	38	64	43	50	0	0	25	33	8
Oak	34	34	32	20	20	13	47	47	50	40	20	0	37	37	37	0	0	0	33	33	25
Year 5	38	47	35	32	40	27	44	53	43	20	23	0	38	51	40	25	0	0	29	17	17
Syc	40	50	75	36	43	64	45	60	90	20	20	80	50	58	74	0	0	25	14	33	83
Wil	38	35	81	27	18	55	47	47	100	100	100	100	36	32	80	0	0	50	22	22	78
Year 6	39	43	78	32	31	60	51	54	80	60	60	90	43	45	77	0	0	38	18	28	81

### Writing (Expected+)

- In Year 6 at the end of the Summer term, 78% of all pupils have achieved the Expected Standard (Secure+) or better. This is broadly in line with Sch 2016 (79%) but exceeds NA 2017 (interim) by 2%.
- In Writing, 24% have achieved the Greater Depth Standard. This exceeds the NA 2016 (15%) by 9% and Sch 2016 by 5%.
  - NA 2017 for Greater Depth yet to be released.
- In Year 5 at the end of the Summer term, 35% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 12% from Spring assessments and below the end of KS NA 2016 (74%) by 39%.
- In Year 4 at the end of the Summer term, 40% of all pupils have achieved the Expected Standard (Secure +) or better. This is in line with data from Spring term but below the end of KS NA 2016 (74%) by 34%.
- In Year 3 at the end of the Summer term, 43% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 4% from Spring assessments and below the end of KS NA 2016 (74%) by 31%.
- In Year 2 at the end of the Summer term, 67% of all pupils have achieved the Expected Standard (Secure+) or better. This exceeds the NA 2016 (65%) by 2% and Sch 2016 by 4%.
- In Writing, 7% have achieved the Greater Depth Standard. This is below the NA 2016 (13%) by 6% and Sch 2016 by 22%.
- In Year 1 at the end of the Summer term, 71% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 8% from Spring assessments but exceeds the end of KS NA 2016 (67%) by 4%.
- In Writing, there is a gender gap where girls outperform boys in all Year groups. In Years 1, Year 2 and Year 6, FSM pupils exceed Non FSM pupils (disadvantaged). In Year 3, Year 4 and Year 5, there is a considerable gap between FSM pupils and Non FSM pupils achieving the expected standard by an average of 35%. This negative gap (-35%) MUST be closed and be a focus across these year groups in the academic year 2017/18.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Yr Group	All			Boys			Girls			FSM			Non FSM			SEND			PP		
	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU	A	SP	SU
1	78	83	79	67	73	73	100	100	89	88	88	88	73	81	75	67	67	67	78	78	78
2	81	70	57	75	67	67	86	73	67	67	75	75	83	70	65	60	40	20	71	75	75
Ash	50	63	67	44	44	67	54	73	67	50	33	67	50	67	67	0	0	0	25	40	40
Bee	46	38	46	50	50	50	44	31	44	17	0	20	56	50	53	0	0	0	25	0	20
Elm	67	67	71	63	63	63	69	69	75	50	50	50	68	68	73	-	-	-	75	75	75
Year 3	54	56	57	52	52	60	56	58	62	39	28	46	58	62	64	0	0	0	47	38	45
Haw	61	57	57	56	53	53	71	67	67	0	0	0	70	65	65	0	0	0	44	38	38
Jun	54	56	48	53	47	40	56	70	60	0	0	0	65	67	57	0	0	0	44	44	11
Lar	72	72	72	79	79	79	64	64	64	25	25	25	81	81	54	50	50	50	50	50	50
Year 4	62	62	59	63	60	57	64	67	64	13	8	8	72	71	59	25	17	17	46	44	33
Map	55	72	50	57	73	53	53	71	47	25	50	25	59	75	54	0	0	0	33	50	25
Oak	53	53	52	40	40	40	65	65	62	40	40	50	56	56	52	0	0	0	44	44	50
Year 5	54	63	57	49	57	47	59	68	55	33	45	38	58	66	53	0	0	0	39	47	38
Syc	44	58	79	50	50	71	36	70	90	40	80	100	45	53	74	20	25	50	43	67	100
Wil	50	42	88	45	27	73	53	53	100	100	100	100	48	40	88	0	0	50	33	33	89
Year 6	47	49	84	48	39	72	45	62	95	70	90	100	47	47	81	10	13	50	38	50	95

### Mathematics (Expected+)

- In Year 6 at the end of the Summer term, 84% of all pupils have achieved the Expected Standard (Secure+) or better. This is below Sch 2016 (86%) but exceeds NA 2017 (interim) by 9%.
- In Mathematics, 38% have achieved the Greater Depth Standard. This exceeds the NA 2016 (17%) by 21% and Sch 2016 by 13%.
  - NA 2017 for Greater Depth yet to be released.
- In Year 5 at the end of the Summer term, 51% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 12% from Spring assessments and below the end of KS NA 2016 (70%) by 19%.
- In Year 4 at the end of the Summer term, 59% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 3% from Spring assessments and below the end of KS NA 2016 (70%) by 11%.
- In Year 3 at the end of the Summer term, 61% of all pupils have achieved the Expected Standard (Secure+) or better. This is an increase of 5% from Spring assessments but below the end of KS NA 2016 (70%) by 6%.
- In Year 2 at the end of the Summer term, 67% of all pupils have achieved the Expected Standard (Secure+) or better. This is below the NA 2016 (73%) by 6% and Sch 2016 by 4%.
- In Mathematics, 11% have achieved the Greater Depth Standard. This is below the NA 2016 (18%) by 7% and Sch 2016 by 14%.
- In Year 1 at the end of the Summer term, 79% of all pupils have achieved the Expected Standard (Secure+) or better. This is a decrease of 4% from Spring assessments but exceeds the end of KS NA 2016 (73%) by 6%.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

- In Mathematics, there is a gender gap where girls outperform boys in all Year groups except Year 2 where attainment for both is in line..
- In Years 1, Year 2 and Year 6, FSM pupils exceed Non FSM pupils (disadvantaged). In Year 3, Year 4 and Year 5, there is a considerable gap between FSM pupils and Non FSM pupils achieving the expected standard by an average of 28%. This negative gap (-28%) MUST be closed and be a focus across these year groups in the academic year 2017/18.

#### RWM

Year Group End of year Expectation	Spr RWM matched at Developing (%)	SUM RWM matched (%)	Floor Targets 2017 (%)
1 (S1/22)	71	58	65
2 (S2/25)	63	59	65
Ash (S3/28)	46	88	65
Beech (S3/28)	33	86	65
Elm (S3/28)	42	88	65
<b>Year 3</b>	<b>40</b>	<b>36</b>	<b>65</b>
Hawthorn (S4/31)	43	43	65
Juniper (S4/31)	36	26	65
Larch (S4/31)	32	32	65
<b>Year 4</b>	<b>37</b>	<b>32</b>	<b>65</b>
Maple (S5/34)	53	82	65
Oak (S5/34)	34	82	65
<b>Year 5</b>	<b>44</b>	<b>33</b>	<b>65</b>
Sycamore (S6/37)	33	54	65
Willow (S6/37)	31	81	65
<b>Year 6</b>	<b>32</b>	<b>68</b>	<b>65</b>
			Y6 NA 2017 61

- 68% of pupils in Year 6 have attained the expected standard in Reading, Writing and Mathematics.
- Sch 2016 RWM combined: 67%; 14% above the NA 2016 (53%). **Sch 2017 RWM combined: 68%; 7% above NA 2017 (interim).**
- It was recognised that the current Year 6 were not as strong as the cohort in 2016. As a result, MPAT target for 2016/17 was to match the results from 2016 (67%) or exceed the floor target (65%). This was achieved and the RWM was increased.

#### In Year Progress

##### Reading (EP+)

Yr Gro up	All			Boys			Girls			FSM			Non FSM			SEND			PP		
	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S
1	83	87	87	80	87	93	88	88	100	75	88	100	87	87	93	83	83	100	78	89	100
2	-	-	83	-	-	70	-	-	92	-	-	67	-	-	85	-	-	80	-	-	86
Ash	52	62	52	22	44	44	75	75	58	50	50	50	53	63	53	0	0	0	50	75	50
Bee	63	46	29	75	75	63	56	31	13	50	17	0	67	56	37	50	50	50	50	17	0
Elm	50	46	63	38	38	50	56	50	69	50	50	50	50	45	64	-	-	-	50	50	50



# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Year 3	55	51	48	45	52	52	62	52	47	50	39	33	57	55	51	25	25	25	50	47	33
Haw	95	95	100	93	93	100	83	83	100	67	67	67	94	94	100	100	100	100	71	71	86
Jun	79	77	67	80	73	80	78	67	44	100	100	100	75	65	60	100	100	100	89	78	67
Lar	79	71	71	79	50	57	73	91	82	100	100	100	71	62	62	100	100	50	100	88	75
Year 4	84	81	79	84	72	79	78	80	75	89	89	89	80	74	74	100	100	83	87	79	76
Map	100	100	77	100	100	79	100	100	76	100	100	75	100	100	78	100	100	0	100	100	58
Oak	74	61	53	79	64	50	71	59	56	80	60	50	73	62	54	67	67	33	78	56	50
Year 5	87	81	65	90	82	65	86	80	66	90	80	63	87	81	66	84	84	17	89	78	54
Syc	96	87	91	93	79	86	100	100	100	100	100	100	94	83	89	100	75	75	100	100	100
Wil	96	88	100	91	73	100	93	93	100	100	100	100	92	84	100	50	50	100	100	89	100
Year 6	96	88	96	92	76	93	97	97	100	100	100	100	93	84	95	75	63	88	100	95	100

- In Year 6 at the end of the Summer term, 96% of all pupils have made the expected progress+ (3 steps or more). This is an increase of 8% from Spring assessments.
- In Year 5 at the end of the Spring term, 65% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 16% from Spring assessments.
- In Year 4 at the end of the Spring term, 79% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 3% from Spring assessments.
- In Year 3 at the end of the Spring term, 48% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 3% from Spring assessments.
- In Year 2 at the end of the Summer term, 83% of all pupils have made the expected progress+ (3 steps or more).
- In Year 1 at the end of the Spring term, 87% of all pupils have made the expected progress+ (3 steps or more). This is in line with Spring assessments.

### Writing (EP+)

Yr Gro up	All			Boys			Girls			FSM			Non FSM			SEND			PP		
	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S
1	78	65	91	73	67	87	88	63	100	88	75	100	73	60	87	67	50	100	78	67	100
2	75	65	87	73	67	90	88	63	85	88	75	100	73	60	85	67	50	100	78	67	86
Ash	71	57	43	56	44	22	83	67	58	50	50	50	74	58	42	0	0	0	50	15	25
Bee	67	29	38	63	38	38	69	25	38	50	17	20	72	33	42	50	50	50	50	17	20
Elm	83	50	50	63	25	38	94	63	56	100	0	50	82	55	50	-	-	-	100	52	25
Year 3	74	45	44	61	36	33	82	52	51	67	23	40	76	49	45	25	25	25	67	28	23
Haw	85	80	75	73	67	60	100	100	100	67	67	33	83	78	78	67	67	33	86	86	71
Jun	83	50	42	73	47	33	100	56	56	50	0	0	90	55	50	67	33	0	67	44	22
Lar	83	71	71	71	50	57	91	91	82	100	100	100	76	62	62	100	100	100	100	100	100

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

Year 4	84	67	63	72	55	50	97	82	79	72	56	44	83	65	63	78	67	44	84	77	64
Map	94	94	90	100	93	93	88	94	88	100	100	100	93	93	89	100	33	33	100	83	75
Oak	84	74	67	86	71	64	82	76	69	80	80	25	85	73	73	67	33	33	89	78	50
Year 5	89	84	79	93	82	79	85	85	79	90	90	63	89	83	81	84	33	33	95	81	63
Syc	91	91	91	86	79	86	100	100	100	100	100	100	89	83	89	75	75	75	100	100	100
Wil	88	84	88	73	64	73	93	93	100	100	100	100	84	80	84	50	50	50	78	78	78
Year 6	90	88	90	80	72	80	97	97	100	100	100	100	87	82	87	63	63	63	89	89	89

- In Year 6 at the end of the Summer term, 90% of all pupils have made the expected progress+ (3 steps or more). This is an increase of 2% from Spring assessments.
- In Year 5 at the end of the Spring term, 79% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 5% from Spring assessments.
- In Year 4 at the end of the Spring term, 63% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 4% from Spring assessments.
- In Year 3 at the end of the Spring term, 44% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 1% from Spring assessments.
- In Year 2 at the end of the Summer term, 87% of all pupils have made the expected progress+ (3 steps or more).
- In Year 1 at the end of the Spring term, 91% of all pupils have made the expected progress+ (3 steps or more). This is an increase of 26% from Spring assessments.

#### Mathematics (EP+)

Yr Group	All			Boys			Girls			FSM			Non FSM			SEND			PP		
	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S	A	SP	S
1	91	91	87	87	87	87	100	100	88	88	100	88	93	87	87	100	83	100	89	100	89
2	-	-	74	-	-	80	-	-	69	-	-	100	-	-	70	-	-	60	-	-	86
Ash	43	52	62	33	33	56	50	67	67	50	50	100	42	53	58	0	0	0	25	25	50
Bee	58	42	38	75	50	50	50	38	31	50	17	20	61	50	42	0	0	0	50	17	20
Elm	83	79	83	75	75	63	88	81	94	100	100	50	82	64	86	-	-	-	100	100	75
Year 3	61	58	61	61	53	56	63	62	64	67	56	57	62	56	62	0	0	0	58	47	48
Haw	85	90	90	87	87	87	67	83	83	67	67	67	83	89	89	100	100	100	71	71	71
Jun	96	91	75	93	80	67	100	89	89	100	75	50	95	85	80	100	100	100	89	67	44
Lar	88	92	100	86	93	100	82	82	100	75	100	100	86	86	100	50	50	100	75	100	100
Year 4	90	91	88	89	87	85	83	85	91	81	81	72	88	87	90	83	83	100	78	79	71
Map	100	94	87	100	93	86	100	94	88	100	100	100	100	93	85	100	100	33	100	100	75
Oak	90	84	80	100	86	86	82	82	75	80	80	75	92	85	81	100	67	67	89	89	88
Year 5	95	89	84	100	90	86	91	88	82	90	90	88	96	89	83	100	84	50	95	95	82
Syc	78	87	96	79	86	93	78	89	100	100	100	100	72	83	94	75	75	75	100	83	100
Wil	96	92	100	91	82	100	93	93	100	100	100	100	92	88	100	100	50	100	89	89	100
Year 6	87	90	98	85	84	97	86	91	100	100	100	100	82	86	97	88	63	88	95	86	100

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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- **In Year 6 at the end of the Summer term, 98% of all pupils have made the expected progress+ (3 steps or more). This is an increase of 8% from Spring assessments.**
- In Year 5 at the end of the Spring term, 84% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 5% from Spring assessments.
- In Year 4 at the end of the Spring term, 88% of all pupils have made the expected progress+ (3 steps or more). This is a decrease of 3% from Spring assessments.
- In Year 3 at the end of the Spring term, 61% of all pupils have made the expected progress+ (3 steps or more). This is an increase of 3% from Spring assessments.
- **In Year 2 at the end of the Summer term, 74% of all pupils have made the expected progress+ (3 steps or more).**
- In Year 1 at the end of the Spring term, 87% of all pupils have made the expected progress+ (3 steps or more). This is decrease of 4% from Spring assessments.

### Key Performance Indicators

Key financial performance indicators show that the budget set allowed the Trust to fulfil all its functions more than effectively.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers at 31 August 2017 were 338. It is anticipated that this number will increase in the coming year.

### Going Concern

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

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Financial review**

Income for the year was £1,810,743 of which £1,503,771 excluding capital grants was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants and other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining £306,972.

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the year was £1,867,546 with the largest element of this expenditure being attributed to staff costs totalling £1,454,110 for the year. The depreciation charge on assets of £49,519 has been included. Net expenditure for the year was £56,803.

The academy trust element of the Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2017, showing a net deficit of £771,000.

As at 31 August 2017, the net book value of fixed assets was £2,150,333 and the movement in tangible fixed assets are shown in Note 13 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the School Development Plan. The Accounting Officer together with the Finance Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance Committee on a twice termly basis and to the board of trustees on a termly basis.

An emergency Capital Improvement Fund (CIF) bid was successful at Lark Hall Academy. The value being £114,812.89. This enabled the heating pipework which was inaccessible and leaking to be replaced.

### Reserves policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education and Skills Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. The board of trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of trustees will review the level of reserves and reserves policy annually.

As at 31 August 2017 the academy trust has reserves excluding restricted fixed asset funds and pension deficit of £207,294. Of this amount unrestricted funds total £173,934 and restricted funds total £33,360.

### Investment policy and powers

The academy trust currently has no material investments.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### Principal risks and uncertainties

A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding.

The deficit on the Local Government Pension Scheme of £771,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

### Plans for future periods

In accordance with the aims and objectives of Mercia Primary Academy Trust, it will continue to further the education and drive improvements in the performance of all pupils to the best of their abilities. The Academy will continue to develop its resources, assets and staff to achieve these aims and objectives.

It is anticipated that during 2017/18 further academies will join the Trust.

### Funds held as custodian trustee on behalf of others

The Academy has no such funds.

### Auditor

In so far as the trustees are aware:

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

A resolution proposing that Haines Watts Tamworth be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13/12/17 and signed on its behalf by:

  
V M Van Den Bergh  
Minister of Religion, Chair

R. LAW  
CEO MPAT

# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
L M Colclough (Ofsted Reg. Childminder)	3	3
R J Lane (Chief Executive Officer and Accounting Officer)	3	3
V M Van Den Bergh (Minister of Religion, Chair)	2	3
E Bryan	1	3
M Haywood	2	3

The Joint Governing Body have met formally three times during the period. Attendance as follows:

Mrs M Couchman (LH) (Chair)	3	3
W Pell-Walpole (FH)	2	3
RJ Lane (Headteacher)	3	3
Mrs S Boden (FH) *resigned 31.08.2017	2	3
Mrs D Golder (FH)	2	3
Mrs N Taylor (FH)	3	3
Mrs C Keast (FH)	2	3
M Hambly (FH)	-	3
L Kelly (LH)	2	3
Mrs M Booth (LH)	2	3
Mrs M Pitt (LH) *resigned 12.10.2016	-	1
Mr A Miladowski (LH)	3	3
Mrs C Kendall (LH)	2	3
C Plume (FH) (appointed 27.02.2017)	2	2
A Roberts (FH) (appointed 27.02.2017)	2	2
Mrs H Hadley (LH) (appointed 01.06.2017)	1	1
G Hirons (LH) (appointed 01.03.2017)	2	2
Mrs V Lawson (FH) *resigned 30.04.2016		
Mrs J Meah (FH) *resigned 31.08.2016		
T Soult (FH) *resigned 30.04.2016		
Mrs L M Colclough (FH) *resigned 30.04.2016		
Rcv. VMC Van den Bergh (LH) *resigned 30.04.2016		

# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

The joint finance committee have met formally once during the period. Attendance as follows:

	Meetings attended	Out of possible
Mrs M Couchman (LH)	1	1
L Kelly (LH)	-	1
Mrs M Booth (LH)	1	1
Mrs C Kendall (LH)	1	1
R J Lane	1	1
W Pell-Walpole (FH)	1	1
Mrs S Boden (FH)	1	1
Mrs C Keast (FH)	1	1
A Miladowski (LH)	1	1
G Hirons (LH)	1	1
H Hadley (LH)	1	1
D Golder (FH)	-	1

#### Review of value for money

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

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

- Introduction of a new finance software.
- Deploying staff in the most appropriate way to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio and curriculum management.
- Continue to negotiate contracts and services at trust level.
- The academy has invested in further developing effective tracking systems in relation to the new curriculum to record all aspects of student data including progress through the school; ensuring interventions and support are targeted to achieve value for money
- The academy trust has produced a detailed analysis of how the pupil premium was spent and the impact of the funding for individual pupils.
- Sports funding continues to be used to provide enriching opportunities for children, extra sport opportunities after school and by providing expert PE coaching.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mercia Primary Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

# **MERCIA PRIMARY ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Staffordshire County Council via Entrust Support Services Limited as internal auditor.

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

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

On an annual basis, an auditor's report is presented to the trustees with their findings and recommendations.

The findings of the latest health check carried out on 6th and 7th July 2017 awarded an overall opinion of substantial assurance at both academies.

### **Review of effectiveness**

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

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



# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee. Both academies within the trust received substantial assurance.

Approved by order of the board of trustees on 13/12/17 and signed on its behalf by:

  
13/12/17  
R J Lane  
Chief Executive Officer and Accounting  
Officer

  
V M Van Den Bergh  
Minister of Religion, Chair

# **MERCIA PRIMARY ACADEMY TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017**

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As accounting officer of Mercia Primary Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

R J Lane  
Accounting Officer



13/12/17

# MERCIA PRIMARY ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

The trustees (who also act as governors for Mercia Primary Academy Trust and are also the directors of Mercia Primary Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 13/11/2017 and signed on its behalf by:

V M Van Den Bergh  
Minister of Religion, Chair

# MERCIA PRIMARY ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCIA PRIMARY ACADEMY TRUST

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### Opinion

We have audited the accounts of Mercia Primary Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# MERCIA PRIMARY ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCIA PRIMARY ACADEMY TRUST (CONTINUED)

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

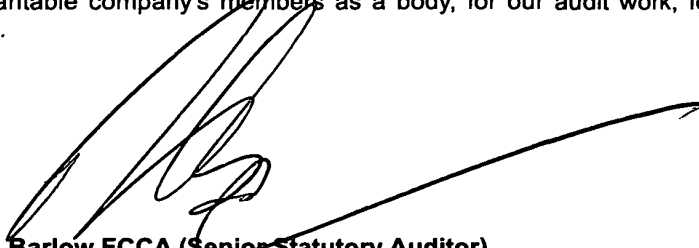
A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## MERCIA PRIMARY ACADEMY TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCIA PRIMARY ACADEMY TRUST (CONTINUED)

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This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Darren Barlow FCCA (Senior Statutory Auditor)**  
for and on behalf of Haines Watts Tamworth

**Chartered Accountants**  
**Statutory Auditor**  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

Dated: .....

13/12/2017

# **MERCIA PRIMARY ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MERCIA PRIMARY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mercia Primary Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Mercia Primary Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Mercia Primary Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mercia Primary Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Mercia Primary Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Mercia Primary Academy Trust's funding agreement with the Secretary of State for Education dated 23 December 2013 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review and document systems and internal controls
- Walk through testing of key systems and controls
- Review of trustees/governors minutes
- Test check of income and expenditure

## MERCIA PRIMARY ACADEMY TRUST

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

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#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**  
Haines Watts Tamworth

Dated: 13/12/2017



# MERCIA PRIMARY ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	7,415	5,814	124,122	137,351
Charitable activities:					
- Funding for educational operations	4	25,265	1,584,712	-	1,609,977
Other trading activities	5	63,161	-	-	63,161
Investments	6	254	-	-	254
<b>Total income and endowments</b>		<u>96,095</u>	<u>1,590,526</u>	<u>124,122</u>	<u>1,810,743</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	48,452	1,768,614	50,480	1,867,546
<b>Total expenditure</b>	7	<u>48,452</u>	<u>1,768,614</u>	<u>50,480</u>	<u>1,867,546</u>
<b>Net income/(expenditure)</b>		47,643	(178,088)	73,642	(56,803)
Transfers between funds		(71,177)	61,367	9,810	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	153,000	-	153,000
<b>Net movement in funds</b>		<u>(23,534)</u>	<u>36,279</u>	<u>83,452</u>	<u>96,197</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		197,468	(773,919)	2,080,637	1,504,186
Total funds carried forward		<u>173,934</u>	<u>(737,640)</u>	<u>2,164,089</u>	<u>1,600,383</u>

# MERCIA PRIMARY ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	21,347	2,027	11,866	35,240
Charitable activities:					
- Funding for educational operations	4	18,335	1,639,282	-	1,657,617
Other trading activities	5	57,413	-	-	57,413
Investments	6	377	-	-	377
<b>Total income and endowments</b>		<b>97,472</b>	<b>1,641,309</b>	<b>11,866</b>	<b>1,750,647</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	75,872	1,695,392	48,994	1,820,258
<b>Total expenditure</b>	<b>7</b>	<b>75,872</b>	<b>1,695,392</b>	<b>48,994</b>	<b>1,820,258</b>
<b>Net income/(expenditure)</b>		<b>21,600</b>	<b>(54,083)</b>	<b>(37,128)</b>	<b>(69,611)</b>
Transfers between funds		-	(5,565)	5,565	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	19	-	(125,000)	-	(125,000)
<b>Net movement in funds</b>		<b>21,600</b>	<b>(184,648)</b>	<b>(31,563)</b>	<b>(194,611)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		175,868	(589,271)	2,112,200	1,698,797
Total funds carried forward		197,468	(773,919)	2,080,637	1,504,186

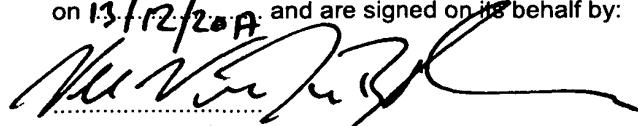
# MERCIA PRIMARY ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	12		4,288		-
Tangible assets	13		2,146,045		2,067,170
			<u>2,150,333</u>		<u>2,067,170</u>
<b>Current assets</b>					
Debtors	14	98,535		70,408	
Cash at bank and in hand		286,982		332,324	
		<u>385,517</u>		<u>402,732</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(164,467)		(132,716)	
<b>Net current assets</b>			<u>221,050</u>		<u>270,016</u>
<b>Net assets excluding pension liability</b>			<u>2,371,383</u>		<u>2,337,186</u>
Defined benefit pension liability	19		(771,000)		(833,000)
<b>Net assets</b>			<u><u>1,600,383</u></u>		<u><u>1,504,186</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			2,164,089		2,080,637
- Restricted income funds			33,360		59,081
- Pension reserve			(771,000)		(833,000)
<b>Total restricted funds</b>			<u>1,426,449</u>		<u>1,306,718</u>
<b>Unrestricted income funds</b>	17		<u>173,934</u>		<u>197,468</u>
<b>Total funds</b>			<u><u>1,600,383</u></u>		<u><u>1,504,186</u></u>

The accounts set out on pages 31 to 53 were approved by the board of trustees and authorised for issue on 13/12/2017 and are signed on its behalf by:



V M Van Den Bergh  
Minister of Religion, Chair

Company Number 08748904

# MERCIA PRIMARY ACADEMY TRUST

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	20		(36,075)		31,661
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		255		377	
Capital grants from DfE and EFA		124,122		11,866	
Payments to acquire intangible fixed assets		(5,250)		-	
Payments to acquire tangible fixed assets		(128,394)		(12,394)	
			(9,267)		(151)
<b>Change in cash and cash equivalents in the reporting period</b>			(45,342)		31,510
Cash and cash equivalents at 1 September			332,324		300,814
<b>Cash and cash equivalents at 31 August</b>			286,982		332,324

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mercia Primary Academy 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

###### Grants receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is 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.

###### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### 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.

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### Other income

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

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 5 years

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets and depreciation

Assets costing £500 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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Plant & Machinery	10 years
Computer equipment	5 years
Fixtures, fittings & equipment	3 years

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

#### 1.7 Liabilities

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

#### 1.8 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.9 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.10 Financial instruments

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

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

#### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

#### 1.11 Taxation

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

#### 1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.13 Fund accounting

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



# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. 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 19, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

#### Critical areas of judgement

The trustees consider the critical areas involve the forecasting process and going concern evaluation.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	124,122	124,122	11,866
Other donations	7,415	5,814	13,229	23,374
	<u>7,415</u>	<u>129,936</u>	<u>137,351</u>	<u>35,240</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,309,359	1,309,359	1,374,697
Other DfE / ESFA grants	-	194,412	194,412	198,731
	-	1,503,771	1,503,771	1,573,428
<b>Other government grants</b>				
Local authority grants	-	80,941	80,941	65,854
<b>Other funds</b>				
Other incoming resources	25,265	-	25,265	18,335
<b>Total funding</b>	25,265	1,584,712	1,609,977	1,657,617

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	11,464	-	11,464	5,686
Catering income	5,451	-	5,451	16,173
Parental contributions	46,246	-	46,246	35,554
	63,161	-	63,161	57,413

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	254	-	254	377

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	1,117,605	-	69,146	1,186,751	888,157
- Allocated support costs	336,505	163,575	180,715	680,795	932,101
	<u>1,454,110</u>	<u>163,575</u>	<u>249,861</u>	<u>1,867,546</u>	<u>1,820,258</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for audit services	5,250	11,014
Depreciation of tangible fixed assets	50,480	48,994
Net interest on defined benefit pension liability	17,000	24,000

### Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	18,297	1,168,454	1,186,751	888,157
Support costs - educational operations	30,155	650,640	680,795	932,101
	<u>48,452</u>	<u>1,819,094</u>	<u>1,867,546</u>	<u>1,820,258</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Charitable activities

(Continued)

	2017 £	2016 £
<b>Analysis of support costs</b>		
Support staff costs	336,505	508,206
Depreciation and amortisation	50,480	48,994
Technology costs	18,343	31,528
Premises costs	89,421	106,890
Other support costs	157,136	223,689
Governance costs	28,910	12,794
	<u>680,795</u>	<u>932,101</u>

### 9 Staff costs

	2017 £	2016 £
Wages and salaries	1,084,225	991,681
Social security costs	97,197	77,283
Operating costs of defined benefit pension schemes	262,395	239,336
Staff costs	<u>1,443,817</u>	<u>1,308,300</u>
Supply staff costs	2,761	23,720
Staff development and other staff costs	7,532	8,415
Total staff expenditure	<u>1,454,110</u>	<u>1,340,435</u>

#### Staff numbers

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

	2017 Number	2016 Number
Teachers	15	13
Administration and support	18	18
Management	5	3
	<u>38</u>	<u>34</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 9 Staff costs

(Continued)

##### Higher paid staff

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

	2017 Number	2016 Number
£80,001-£90,000	1	1

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £341,229 (2016: £326,841).

#### 10 Trustees' remuneration and expenses

The executive headteacher and staff trustees only received remuneration in respect of services they provide undertaking the roles of executive headteacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments from the trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

R Lane (principal):

- Remuneration £85,000 - £90,000 (2016: £80,000-£85,000)
- Employer's pension contributions £10,000- £15,000 (2016: £10,000-£15,000)

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

Other related party transactions involving the trustees are set out within the related parties note.

#### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5m on any one claim and the cost for the year ended 31 August 2017 was £610 (2016: £610).

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2016	-
Additions	5,250
At 31 August 2017	5,250
<b>Amortisation</b>	
At 1 September 2016	-
Charge for year	962
At 31 August 2017	962
<b>Net book value</b>	
At 31 August 2017	4,288
At 31 August 2016	-

### 13 Tangible fixed assets

	Land and buildings £	Plant & Machinery £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 September 2016	2,124,821	6,000	32,043	24,909	2,187,773
Additions	-	121,016	-	7,378	128,394
At 31 August 2017	2,124,821	127,016	32,043	32,287	2,316,167
<b>Depreciation</b>					
At 1 September 2016	84,744	1,600	26,300	7,959	120,603
Charge for the year	35,097	4,633	4,310	5,479	49,519
At 31 August 2017	119,841	6,233	30,610	13,438	170,122
<b>Net book value</b>					
At 31 August 2017	2,004,980	120,783	1,433	18,849	2,146,045
At 31 August 2016	2,040,077	4,400	5,743	16,950	2,067,170

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Debtors	2017 £	2016 £
Trade debtors	5,662	5,030
VAT recoverable	49,395	19,294
Other debtors	1,068	-
Prepayments and accrued income	42,410	46,084
	<u>98,535</u>	<u>70,408</u>
15 Creditors: amounts falling due within one year	2017 £	2016 £
Trade creditors	64,793	45,078
Other taxation and social security	22,757	24,201
Other creditors	25,803	23,041
Accruals and deferred income	51,114	40,396
	<u>164,467</u>	<u>132,716</u>
16 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	<u>37,960</u>	<u>23,000</u>
Deferred income at 1 September	23,000	28,495
Released from previous years	(23,000)	(28,495)
Amounts deferred in the year	<u>37,960</u>	<u>23,000</u>
Deferred income at 31 August	<u>37,960</u>	<u>23,000</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, Rates Rebate, Devolved Formula Capital and Special Educational Needs. Deferred income also includes fees received from parents in advance for trips taking place in October 2017.

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	26,172	1,309,359	(1,389,040)	53,509	-
Other DfE / ESFA grants	32,909	194,412	(193,961)	-	33,360
Other government grants	-	80,941	(80,941)	-	-
Other restricted funds	-	5,814	(13,672)	7,858	-
	<u>59,081</u>	<u>1,590,526</u>	<u>(1,677,614)</u>	<u>61,367</u>	<u>33,360</u>
Funds excluding pensions	(833,000)	-	(91,000)	153,000	(771,000)
	<u>(773,919)</u>	<u>1,590,526</u>	<u>(1,768,614)</u>	<u>214,367</u>	<u>(737,640)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	2,080,637	124,122	(50,480)	9,810	2,164,089
	<u>2,080,637</u>	<u>124,122</u>	<u>(50,480)</u>	<u>9,810</u>	<u>2,164,089</u>
<b>Total restricted funds</b>	<u>1,306,718</u>	<u>1,714,648</u>	<u>(1,819,094)</u>	<u>224,177</u>	<u>1,426,449</u>
<b>Unrestricted funds</b>					
General funds	197,468	96,095	(48,452)	(71,177)	173,934
	<u>197,468</u>	<u>96,095</u>	<u>(48,452)</u>	<u>(71,177)</u>	<u>173,934</u>
<b>Total funds</b>	<u>1,504,186</u>	<u>1,810,743</u>	<u>(1,867,546)</u>	<u>153,000</u>	<u>1,600,383</u>

The transfers between funds for the year relate to the funding of fixed asset acquisitions from unrestricted and non-capital grant income, the use of DFC towards expenditure not capitalised, and the use of unrestricted funds to cover restricted expenditure.

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

#### Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and includes grants from The Education Funding Agency and Staffordshire County Council.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward as at 31st August 2017.

#### Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the trustees.

#### Restricted Fixed Asset Funds

These comprise resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and Staffordshire County Council where the asset acquired or created is held for a specific purpose.



# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	44,102	1,374,697	(1,391,369)	(1,258)	26,172
Other DfE / ESFA grants	19,627	198,731	(182,641)	(2,808)	32,909
Other government grants	-	65,854	(65,854)	-	-
Other restricted funds	-	2,027	(528)	(1,499)	-
	<u>63,729</u>	<u>1,641,309</u>	<u>(1,640,392)</u>	<u>(5,565)</u>	<u>59,081</u>
Funds excluding pensions					
Pension reserve	(653,000)	-	(55,000)	(125,000)	(833,000)
	<u>(589,271)</u>	<u>1,641,309</u>	<u>(1,695,392)</u>	<u>(130,565)</u>	<u>(773,919)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	2,112,200	11,866	(48,994)	5,565	2,080,637
	<u>2,112,200</u>	<u>11,866</u>	<u>(48,994)</u>	<u>5,565</u>	<u>2,080,637</u>
<b>Total restricted funds</b>	<u>1,522,929</u>	<u>1,653,175</u>	<u>(1,744,386)</u>	<u>(125,000)</u>	<u>1,306,718</u>
<b>Unrestricted funds</b>					
General funds	175,868	97,472	(75,872)	-	197,468
	<u>175,868</u>	<u>97,472</u>	<u>(75,872)</u>	<u>-</u>	<u>197,468</u>
<b>Total funds</b>	<u>1,698,797</u>	<u>1,750,647</u>	<u>(1,820,258)</u>	<u>(125,000)</u>	<u>1,504,186</u>

#### Total funds analysis by academy

	Total £
Fund balances at 31 August 2017 were allocated as follows:	
Lark Hall Infant School	38,258
Flax Hill Junior School	169,036
	<u>207,294</u>
Total before fixed assets fund and pension reserve	
Restricted fixed asset fund	2,164,089
Pension reserve	(771,000)
	<u>1,393,089</u>
Total funds	<u>1,600,383</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Lark Hall Infant School	350,579	123,925	5,305	120,122	599,931
Flax Hill Junior School	767,026	212,580	63,839	173,690	1,217,135
	<u>1,117,605</u>	<u>336,505</u>	<u>69,144</u>	<u>293,812</u>	<u>1,817,066</u>

#### Funds analysis by academy - previous year

	Total 2016 £
Fund balances at 31 August 2016 were allocated as follows:	
Lark Hall Infant School	60,260
Flax Hill Junior School	196,289
Total before fixed assets fund and pension reserve	256,549
Restricted fixed asset fund	2,080,637
Pension reserve	(833,000)
Total funds	<u>1,504,186</u>

#### Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
Lark Hall Infant School	333,963	103,565	14,402	137,467	589,397
Flax Hill Junior School	725,827	192,654	64,567	198,819	1,181,867
	<u>1,059,790</u>	<u>296,219</u>	<u>78,969</u>	<u>336,286</u>	<u>1,771,264</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Intangible fixed assets	-	-	4,288	4,288
Tangible fixed assets	-	-	2,146,045	2,146,045
Current assets	173,934	190,994	20,589	385,517
Creditors falling due within one year	-	(157,634)	(6,833)	(164,467)
Defined benefit pension liability	-	(771,000)	-	(771,000)
	<u>173,934</u>	<u>(737,640)</u>	<u>2,164,089</u>	<u>1,600,383</u>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	2,067,170	2,067,170
Current assets	197,468	191,797	13,467	402,732
Creditors falling due within one year	-	(132,716)	-	(132,716)
Defined benefit pension liability	-	(833,000)	-	(833,000)
	<u>197,468</u>	<u>(773,919)</u>	<u>2,080,637</u>	<u>1,504,186</u>

#### 19 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS and LGPS related to the period ended 31 March 2016.

Contributions amounting to £24,131 (2016: £nil) were payable to the schemes at 31 August 2017 and are included within creditors.

##### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £111,188 (2016: £103,636)

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19% for employers.

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.

Total contributions made	2017 £	2016 £
Employer's contributions	84,000	75,000
Employees' contributions	24,000	22,000
Total contributions	108,000	97,000

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 19 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.8	2.5
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.4	2.0

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

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.1
- Females	24.4	24.3
Retiring in 20 years		
- Males	24.1	24.3
- Females	26.4	26.6

	2017	2016
Discount rate + 0.1%	(40,600)	(36,600)
Discount rate - 0.1%	40,600	36,600
Mortality assumption + 1 year	51,000	45,000
Mortality assumption - 1 year	(51,000)	(45,000)
CPI rate + 0.1%	31,800	23,200
CPI rate - 0.1%	(31,800)	(23,200)

#### The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	716,680	512,000
Bonds	113,160	75,000
Property	75,440	54,000
Other assets	37,720	41,000
Total market value of assets	943,000	682,000
Actual return on scheme assets - gain/(loss)	164,000	106,000

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost	158,000	106,000
Interest income	(15,000)	(20,000)
Interest cost	32,000	44,000
Total operating charge	175,000	130,000
Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	1,515,000	1,132,000
Current service cost	158,000	106,000
Interest cost	32,000	44,000
Employee contributions	24,000	22,000
Actuarial (gain)/loss	(4,000)	211,000
Benefits paid	(11,000)	-
At 31 August 2017	1,714,000	1,515,000
Changes in the fair value of the academy trust's share of scheme assets	2017 £	2016 £
Assets at 1 September 2016	682,000	479,000
Interest income	15,000	20,000
Actuarial gain	149,000	86,000
Employer contributions	84,000	75,000
Employee contributions	24,000	22,000
Benefits paid	(11,000)	-
At 31 August 2017	943,000	682,000

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(56,803)	(69,611)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(124,122)	(11,866)
Investment income receivable	(254)	(377)
Defined benefit pension costs less contributions payable	74,000	31,000
Defined benefit pension net finance cost	17,000	24,000
Depreciation of tangible fixed assets	50,480	48,994
(Increase) in debtors	(28,127)	(8,144)
Increase in creditors	31,751	17,665
<b>Net cash used in operating activities</b>	<b>(36,075)</b>	<b>31,661</b>

### 21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	790	790
Amounts due in two and five years	1,488	2,278
	<u>2,278</u>	<u>3,068</u>

### 22 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

### 23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.