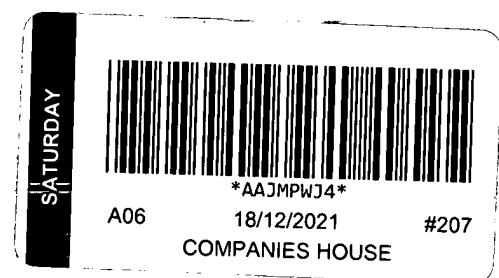


Company Registration Number: 08119703 (England & Wales)

**MERCIA LEARNING TRUST**  
(A company limited by guarantee)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**



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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	P.D. Smith G. Burke A. Singh T. Khan B. Abrams (appointed 28 May 2021)
<b>Trustees</b>	P.D. Smith, Chair S. Pearson R.A Dodds J. Hope-Gill J. Millward J.F. Deal (deceased 17 June 2021) D. Angrave (appointed 21 October 2020)
<b>Company registered number</b>	08119703
<b>Company name</b>	Mercia Learning Trust
<b>Principal and registered office</b>	Mercia Learning Trust 79 Glen Road Sheffield S7 1RB
<b>Company secretary</b>	C.F. Chance
<b>Accounting officer and Chief Executive Officer</b>	C. French
<b>Senior leadership team</b>	King Ecgbert School - P Haigh, Headteacher Newfield School - E. Anderson, Headteacher Totley Primary School - B. Paxman, Headteacher Valley Park Community Primary School - L. Johnstone, Headteacher - K. Hall, Co-Headteacher The Nether Edge Primary School - M. Nott, Headteacher Mercia School - D Webster, Headteacher C Chance, Director of Finance and Operations

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**MERCIA LEARNING TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During the year the Trust operated three secondary schools and three primary schools providing education to pupils aged 3 to 18 across South West Sheffield. The schools have a combined pupil capacity of 4,707 and had a roll of 4,211 in the school census on 1 October 2021.

***Structure, governance and management***

***a. Constitution***

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

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

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

The charitable company is known as Mercia Learning Trust .

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

***b. Members' liability***

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

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

***c. Method of recruitment and appointment or election of Trustees***

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

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

***d. Policies adopted for the induction and training of Trustees***

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

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

***e. Organisational structure***

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

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

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

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

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

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

***g. Trade union facility time***

***Relevant union officials***

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

***Percentage of time spent on facility time***

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

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

Total cost of facility time	1,046
Total pay bill	61,233
Percentage of total pay bill spent on facility time	2 %

***Paid trade union activities***

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

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

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

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

***Objectives and activities***

***a. Objects and aims***

The Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

***b. Objectives, strategies and activities***

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

As part of the Mercia Learning Trust, the schools will pool expertise and resources, operating strategically to provide collectively a higher quality of education than could be achieved individually.

Strategic objectives and priorities are detailed in a Mercia Learning Trust Improvement Plan. Some of these reflect individual school priorities which form the basis of support and scrutiny by Local Governing Bodies. The continuing growth of the Trust will achieve further economies of scale and value for money. Opportunities for staff to work across a number of schools will secure high quality recruitment and retention. The Chief Executive Officer will work with Head teachers of Trust schools to deploy staff across the Trust to provide best value in terms of curriculum management and specific academy needs. Succession planning will ensure that future leaders emerge from within the Trust and are developed with support from the teaching school, providing capacity into the future for all educational phases.

**The trust objectives for the 2020-21 year were to:**

1. Navigate a sensible and sustainable path for the Trust through the Covid-19 pandemic.
2. Provide a high quality & consistent remote learning offer.
3. Despite the pandemic, operate schools as effectively as possible, and continue to secure improvement.
4. Further build the culture and identity of the trust, and the benefits of partnership and alignment.

**Impact of the COVID-19 global pandemic**

At the outset of the academic year it was very difficult to anticipate the impact of the pandemic. However, all schools followed full national guidance for the 'safe' operation of schools, which for many meant a change to routines, organisation and approaches to group teaching.

Almost immediately some schools were affected by infection in staff and pupils, but most especially by the requirement for 'close contacts' to be identified and then to self-isolate for 10 days. This issue persisted across the academic year, and



**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

as before its impact ranged from substantial to negligible in different trust schools.

The impact of high pupil absence required all schools to provide robust home learning for pupils at home, whilst also maintaining a high quality offer for most pupils who were at school. This dual role proved challenging, but was well met by schools.

In early winter Sheffield was placed in a local lockdown, although schools thankfully continued to be open. In the New Year all schools were forced to close following a national lockdown. This forced all schools to provide a home learning offer to children, which again was provided very strongly by all schools. Schools opened again in early March 2021. Thereafter, the schools focused on a return to normality until the end of the academic year. Several secondary schools extended the academic year for more vulnerable children to help mitigate the impact of disruption throughout the year.

Despite the range of challenges, schools responded in an exceptional way and ensured educational provision was provided to all pupils right across the academic year.

**Our Offer:**

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

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

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

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

***c. Public benefit***

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

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

***Strategic report***

***Achievements and performance***

***a. Key performance indicators***

The Board of Trustees uses both financial and non-financial key performance indicators to manage the Trust. The Trust maintains a strong management information function which is focused on regular and accurate reporting including the issue of termly financial information during the year to the Trust inclusive of a financial commentary. Financial KPI's are measured continuously. Educational outcomes at each School during the year are usually disclosed in this report under Review of Activities. However, the impact of COVID 19 has altered the report focus for this year.

***b. Going concern***

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

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

***c. Promoting the success of the company***

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

a) the likely consequences of any decision in the long term – The core strategic objective is to sustain and improve the quality and effectiveness of all aspects of each school and the Trust as a whole. All strategy and decision making (short, medium and long-term) is carefully considered by all trustees, and always has recourse back to the impact on this core objective.

b) the interests of the Trust's employees – The health, safety, well-being, workload, support, development and retention of staff is a core trust commitment enshrined in its 'pledge' to staff. Procedures, policy and monitoring ensure that these commitments are delivered consistently and the interests of employees are always considered.

c) the need to foster the Trust's business relationships with suppliers, customers and others – The Trust has clear protocols and expectations which it maintains at all times.

d) the impact of the Trust's operations on the community and the environment – The Trust and each school is very aware of its importance and impact within the community and environment. Whenever possible, actions attempt to reduce this impact, and foster strong external community links.

e) the desirability of the Trust maintaining a reputation for high standards of business conduct – The trust is committed to maintaining a strong reputation and the highest standards of business conduct.

f) the need to act fairly as between members of the company – the Trust works with its members, keeping them suitably informed of the trust's activities, plans and governance arrangements so that they are able to fulfil their role effectively.

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

***d. Review of activities***

**King Egbert School**

King Egbert School (KES) was inspected by Ofsted in May 2013 and graded as Outstanding. The new Ofsted Inspection Framework means that it is no longer exempt from routine inspection.

It was awarded the status of World Class School of the Year for the 2019-20 academic year and continues to successfully lead the Mercia Learning (teaching) Alliance (and be a key partner of the emerging Sheffield TSA). In February 2020 it was awarded Ed Tech Demonstrator status and identified as a lead school in the use of IT and technology. This meant that it had a system leading role in supporting the roll out of remote learning, which was a necessity for all schools during the 2020-21 academic year.

The school continues to be substantially over subscribed. Over several years it has become apparent that current and future student admission numbers in its catchment are increasing and require a permanent solution. As such it continued to try and secure a long term solution for the beginning of the 2023-24 academic year through engagement with Sheffield Local Authority and the DFE.

During 2020-21 it continued to operate at a very strong level, managing the on-going, and changing impact of the pandemic, whilst continuing to strengthen its ethos and culture, further develop the quality of its curriculum and personal development offer. As before, summer Year 11 & 13 examinations did not take place, but as a result of its robust strategy to agree 'Teacher Assessed Grades (TAGs)', outcomes and progression routes for students were protected and secured.

KES was quite strongly affected by pupil absence (& staff) mainly due to the need for 10-day self-isolation of close contacts. As such it maintained a strong remote learning offer (whilst open and through national lockdown) throughout the academic year, whilst it continued to be open and operating as close to 'normal' as possible. Its support for the most vulnerable pupils during the national lockdown was robust.

Throughout this challenging period the school moved successfully in and out of a virtual state, maintaining its educational offer to all children. Governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2020-21 was an exceptional year for the school, and the school reputation was enhanced.

**Newfield School**

The school was graded as good by Ofsted in March 2017. During the academic year it continued to improve and operate at a strong level and it is possible that the school will be re-inspected during the 2021-22 academic year.

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

During 2020-21 it managed the on-going and changing impact of the pandemic, whilst continuing to strengthen its ethos and culture, further develop the quality of its curriculum and personal development offer. As before, summer Year 11 and 13 examinations did not take place, but as a result of its robust strategy to agree 'Teacher Assessed Grades (TAGs)', outcomes and progression routes for students were protected & secured.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

Newfield was quite strongly affected by pupil absence (and staff) mainly due to the need for 10-day self-isolation of close contacts. As such it maintained a strong remote learning offer (whilst open and through national lockdown) throughout the academic year, whilst it continued to be open and operating as close to 'normal' as possible. Its support for the most vulnerable pupils during the national lockdown was robust.

Throughout this challenging period the school moved successfully in and out of a virtual state, maintaining its educational offer to all children. Governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2020-21 was an exceptional year for the school, and the school reputation was enhanced.

**Mercia School**

Following the previous exceptional launch the school started the year once again substantially over subscribed. During 2020-21 it continued to build a strong reputation for quality, consistency, rigour, ambition and care.

Despite annual growth in student numbers and the appointment of new (and exceptional) staff, it maintained its unique approach, and the very high standards that permeate all aspects of the school. This means the school has established its aim of offering a robust alternative to local schools, and is challenging the previous status quo.

Given that the school is new, it is likely to have an Ofsted inspection in 2021-22.

Mercia, unusually, was not substantially affected by pupil absence (& staff) and was able to operate as close to normal as possible throughout most of the academic year. During the national lockdown it provided a robust home learning offer, whilst encouraging large numbers of vulnerable students to attend school. The majority of students attended an extended summer school to provide mitigation for lost learning that might have occurred.

Throughout this challenging period the school moved successfully in and out of a virtual state, maintaining its educational offer to all children. Governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2020-21 was an exceptional year for the school, and the school reputation was enhanced.

**Totley Primary School**

Totley Primary School was inspected by Ofsted in July 2015 and judged to be Outstanding. The new Ofsted Inspection Framework means that it is no longer exempt from routine inspection.

During 2020-21 the rolling expansion (from 30 to 60 pupils in a year) continued into Year 4. By 2022-23 this will mean the school has 60 pupils in every class and a total capacity in excess of 400 pupils. As a result of its reputation and popularity, it continues to be substantially over subscribed.

During 2020-21 it continued to operate at a strong level, and despite the pandemic continued to strengthen its ethos and culture, further develop the quality reading, phonics and the overall curriculum and personal development offer. Summer outcomes in all key stages were on course to remain very strong.

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

Totley was, on occasion, quite strongly affected by pupil absence (& staff) mainly due to the need for 10-day self-isolation of close contacts. As such it maintained a strong remote learning offer (whilst open and through national lockdown) throughout the academic year, whilst it continued to be open and operating as close to 'normal' as possible. Its support for the most vulnerable pupils during the national lockdown was robust.

The quality of its remote learning offer received national recognition.

Throughout this challenging period the school moved successfully in and out of a virtual state, maintaining its educational offer to all children. Governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2020-21 was an exceptional year for the school, and the school reputation was enhanced.

**Valley Park Primary School**

Valley Park School was inspected by Ofsted in 2018 and judged to require improvement. It is likely that the school will be inspected during the 2021-22 academic year.

A new Headteacher was appointed to the school in January 2021, who has strongly built upon the previous foundations of success. As such the school's local reputation was robustly enhanced and the rate of school improvement accelerated strongly.

The local school catchment (like others across the city) has seen a recent decline in primary school pupil numbers, which may have an impact from 2021-22 onwards.

During 2020-21 it continued to improve and continued to strengthen its ethos and culture, further develop the quality reading, phonics and the overall curriculum, personal development and provision for the most vulnerable.

Valley Park was on occasion, quite strongly affected by pupil absence (& staff) mainly due to the need for 10-day self-isolation of close contacts, and high rates of community infection. As such it maintained a strong remote learning offer (whilst open and through national lockdown) throughout the academic year, whilst it continued to be open and operating as close to 'normal' as possible. Its support for the most vulnerable pupils during the national lockdown was robust.

Throughout this challenging period the school moved successfully in and out of a virtual state, maintaining its educational offer to all children. Governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2020-21 was an exceptional year for the school, and the school reputation was enhanced.

**Nether Edge Primary School**

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

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

During 2020-21 it continued to strengthen its ethos and culture, further develop the quality reading, phonics and the

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

overall curriculum, personal development and provision for the most vulnerable.

Nether Edge was on occasion, quite strongly affected by pupil absence (& staff) mainly due to the need for 10-day self-isolation of close contacts. As such it maintained a strong remote learning offer (whilst open and through national lockdown) throughout the academic year, whilst it continued to be open and operating as close to 'normal' as possible. Its support for the most vulnerable pupils during the national lockdown was robust.

Throughout this challenging period the school moved successfully in and out of a virtual state, maintaining its educational offer to all children. Governance and leadership at all levels functioned really well, and it sustained exceptional communication with parents and staff.

Despite the challenges, 2020-21 was an exceptional year for the school, and the school reputation was enhanced.

**Trust Developments**

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

Its primary focus was to support schools through the pandemic through support for safety / logistical planning, and targeted resources (i.e. school meals, IT devices, additional site cleaning etc.) to mitigate the impact of the pandemic.

Given the importance of a strong remote learning offer, it established principles and expectations for all schools, and a robust process to monitor the impact of this for children and families. This meant that each school offer was robust and often aligned.

The trust also focused support and scrutiny upon school improvement; most especially culture and ethos (including attendance), curriculum implementation (teaching) and impact via the establishment of common trust principles, and the development of a common safeguarding and SEND standard.

Despite national lockdown the trust led a fully remote annual conference facilitated by national / international speakers and school staff.

Trust finance systems continued to be robust, and even more effective processes to monitor spending plans and engage with governors were introduced during the year. Internal scrutiny was focused upon finance, but also estates / health and safety and IT security. As a result, the trust developed an even more robust estates strategy, and secured greater insight (and therefore mitigations) to protect itself against cyber-attack.

The trust also engaged in further robust recruitment in to all levels of governance, and strengthened guidance and training to local governing bodies.

Using pooled resources, it continued to provide substantial capital investment in school buildings, as well as a strategy for IT development over the medium term.

Despite the challenges, 2020-21 was a very strong year for the trust.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

***Financial review***

***a. Results for the year***

For the year ended 31 August 2021, there was a surplus on GAG funds of £280,905 and a surplus of £18,328 on unrestricted funds.

At 31 August 2021, the net book value of fixed assets was £66,066,427 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trust received an actuarial assessment of pension scheme deficit in accordance with FRS 102. The deficit balance is included within the balance sheet as at 31 August 2021 and supporting notes to the accounts (see note 28).

***b. Reserves policy***

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

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

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

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

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

At 31 August 2021, the trust held unrestricted funds of £1,172,457 and GAG funds of £712,655 i.e. free funds of £1,885,112 which equates to 7.3% of income. The Trust has allocated £858,000 of the £1,855,112 to support priorities such as increased costs associated with recovery strategies, in-year deficits and backdated support staff pay rises.

***c. Investment policy***

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

***d. Principal risks and uncertainties***

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

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



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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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***Fundraising***

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

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**MERCIA LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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***Streamlined energy and carbon reporting***

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

	2021	2020
Energy consumption used to calculate emissions (kWh)	5,034,205	4,083,462
<b><i>Energy consumption breakdown (kWh):</i></b>		
Gas	3,473,191	1,865,087
Electricity	1,557,695	2,187,114
<b><i>Scope 1 emissions (in tonnes of CO2 equivalent):</i></b>		
Gas consumption	638.62	342.93
Owned transport	0.80	7.16
<b><i>Total scope 1</i></b>	<b>639.42</b>	<b>350.09</b>
<b><i>Scope 2 emissions (in tonnes of CO2 equivalent):</i></b>		
Purchased electricity	363.16	509.90
<b><i>Scope 3 emissions (in tonnes of CO2 equivalent):</i></b>		
Business travel in employee-owned or rental vehicles	0.20	2.16
<b><i>Total gross emissions (in tonnes of CO2 equivalent):</i></b>	<b>1,002.78</b>	<b>862.15</b>
<b><i>Intensity ratio:</i></b>		
Tonnes of CO2 equivalent per pupil	0.24	0.22

**Quantification and Reporting Methodology**

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

**Intensity measurement**

The chosen intensity measurement ratio at 0.24 is the total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

**Measures Taken to Improve Energy Efficiency**

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

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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***Plans for future periods***

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

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

***Disclosure of information to auditor***

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 16, 2021 and signed on its behalf by:

*Phil Smith*

Phil Smith (Dec 16, 2021 13:48 GMT)

.....  
**P.D. Smith**

Chair of Trustees

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

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

**Governance**

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

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

Trustee	Meetings attended	Out of a possible
P.D. Smith, Chair	6	6
S. Pearson	4	6
R.A Dodds	6	6
J. Hope-Gill	4	6
J. Millward	2	6
J.F. Deal	3	6
D. Angrave	5	6

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

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jōhn Dēal	3	4
Sarah Pearson	4	4
Phil Smith	4	4
David Angrave	1	4

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year whilst delivering on key priorities. During the year we have:

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

**The purpose of the system of internal scrutiny**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mercia Learning Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

The Board of Trustees appointed an internal auditor, Hart Shaw LLP to perform additional checks during 2020/21.

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

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

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

The Trust's programme of internal scrutiny for 2020/21 also comprised the following areas:

- Health and Safety
- IT Security

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

**Review of effectiveness**

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

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

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

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

Phil Smith  
Phil Smith (Dec 16, 2021 13:48 GMT)

.....  
**P. D. Smith**  
Chair of Trustees  
Date: Dec 16, 2021

Chris French  
Chris French (Dec 16, 2021 12:12 GMT)

.....  
**C. French**  
Accounting Officer

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Mercia Learning Trust I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi Academy Trust, under the funding agreement in place between the Multi Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Multi Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Multi Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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

Chris French  
Chris French (Dec 16, 2021 12:12 GMT)

**C French**  
Accounting Officer  
Date: Dec 16, 2021

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

  
Phil Smith (Dec 17, 2021 11:44 GMT)  
.....

**P.D. Smith**  
Chair of Trustees  
Date: Dec 17, 2021



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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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

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**Opinion**

We have audited the financial statements of Mercia Learning Trust (the 'multi academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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

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**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors report.

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

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

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

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

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

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

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

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

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

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

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

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

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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

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**Use of our report**

This report is made solely to the Multi Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Multi Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

  
Philip Allsop (Dec 17, 2021 15:39 GMT)

**Philip Allsop (Senior statutory auditor)**

for and on behalf of

**BHP LLP**

2 Rutland Park

Sheffield

S10 2PD

Date: Dec 17, 2021

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 11 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mercia Learning Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Mercia Learning Trust's funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

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

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Philip Allsop*  
Philip Allsop (Dec 17, 2021 15:39 GMT)

Philip Allsop (Senior statutory auditor)  
**BHP LLP**

Date: Dec 17, 2021

**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
<b>Income from:</b>						
Donations and capital grants	3	2,488	33,432	636,601	672,521	1,221,046
Charitable activities	4	136,570	24,303,822	-	24,440,392	21,931,572
Teaching schools	32	-	332,277	-	332,277	144,265
Other trading activities	7,5	425,217	47,331	-	472,548	416,949
Investments	7	213	-	-	213	4,948
<b>Total income</b>		<b>564,488</b>	<b>24,716,862</b>	<b>636,601</b>	<b>25,917,951</b>	<b>23,718,780</b>
<b>Expenditure on:</b>						
Raising funds		114,076	64,040	-	178,116	349,031
Charitable activities		495,670	25,587,277	1,481,175	27,564,122	24,378,936
<b>Total expenditure</b>	7	<b>609,746</b>	<b>25,651,317</b>	<b>1,481,175</b>	<b>27,742,238</b>	<b>24,727,967</b>
<b>Net expenditure</b>		<b>(45,258)</b>	<b>(934,455)</b>	<b>(844,574)</b>	<b>(1,824,287)</b>	<b>(1,009,187)</b>
Transfers between funds	19	63,586	357,568	(421,154)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>18,328</b>	<b>(576,887)</b>	<b>(1,265,728)</b>	<b>(1,824,287)</b>	<b>(1,009,187)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(1,648,000)	-	(1,648,000)	(749,000)
<b>Net movement in funds</b>		<b>18,328</b>	<b>(2,224,887)</b>	<b>(1,265,728)</b>	<b>(3,472,287)</b>	<b>(1,758,187)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,154,129	(12,578,621)	67,873,208	56,448,716	58,206,903
Net movement in funds		18,328	(2,224,887)	(1,265,728)	(3,472,287)	(1,758,187)
<b>Total funds carried forward</b>		<b>1,172,457</b>	<b>(14,803,508)</b>	<b>66,607,480</b>	<b>52,976,429</b>	<b>56,448,716</b>

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

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The notes on pages 34 to 67 form part of these financial statements.



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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Fixed assets</b>			
Tangible assets	16	<b>66,131,227</b>	67,105,081
		<b>66,131,227</b>	67,105,081
<b>Current assets</b>			
Debtors	17	<b>766,504</b>	893,036
Cash at bank and in hand		<b>3,163,853</b>	2,569,164
		<b>3,930,357</b>	3,462,200
Creditors: amounts falling due within one year	18	<b>(1,403,155)</b>	(1,032,565)
<b>Net current assets</b>		<b>2,527,202</b>	2,429,635
<b>Total assets less current liabilities</b>		<b>68,658,429</b>	69,534,716
<b>Net assets excluding pension liability</b>		<b>68,658,429</b>	69,534,716
Defined benefit pension scheme liability	26	<b>(15,682,000)</b>	(13,086,000)
<b>Total net assets</b>		<b>52,976,429</b>	56,448,716
<b>Funds of the Multi Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	<b>66,607,480</b>	67,873,208
Restricted income funds	19	<b>878,492</b>	507,379
		<b>67,485,972</b>	68,380,587
Restricted funds excluding pension liability	19	<b>67,485,972</b>	68,380,587
Pension reserve	19	<b>(15,682,000)</b>	(13,086,000)
<b>Total restricted funds</b>	19	<b>51,803,972</b>	55,294,587
<b>Unrestricted income funds</b>	19	<b>1,172,457</b>	1,154,129
<b>Total funds</b>		<b>52,976,429</b>	56,448,716

The financial statements on pages 29 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

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*Phil Smith*  
Phil Smith (Dec 16, 2021 13:48 GMT)

.....  
**P.D. Smith**

Date: Dec 16, 2021

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	1,101,796	930,753
<b>Cash flows from investing activities</b>	22	(507,107)	(368,181)
<b>Change in cash and cash equivalents in the year</b>		594,689	562,572
Cash and cash equivalents at the beginning of the year		2,569,164	2,006,592
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<u>3,163,853</u>	<u>2,569,164</u>

The notes on pages 34 to 67 form part of these financial statements

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**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

**1.2 Fund accounting**

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

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

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

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

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.3 Income**

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

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

- **Other income**

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

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Multi Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Multi Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.6 Government grants**

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

**1.7 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

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

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

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**MERCIA LEARNING TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.8 Operating leases**

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

**1.9 Interest receivable**

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

**1.10 Taxation**

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

Accordingly, the Multi Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.11 Cash at bank and in hand**

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

**1.12 Liabilities**

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

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.13 Financial instruments**

The Multi Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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.

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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



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**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.15 Agency arrangements**

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

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**3. Income from donations and capital grants**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	2,488	-	-	<b>2,488</b>	24,668
School fund income	-	33,432	-	<b>33,432</b>	158,612
Capital grants	-	-	507,001	<b>507,001</b>	1,037,766
Donated equipment	-	-	129,600	<b>129,600</b>	-
	<u>2,488</u>	<u>33,432</u>	<u>636,601</u>	<u><b>672,521</b></u>	<u>1,221,046</u>
Total 2020	<u>24,668</u>	<u>162,600</u>	<u>1,033,778</u>	<u>1,221,046</u>	

**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b><i>DfE/ESFA grants</i></b>				
General Annual Grant	-	20,504,034	<b>20,504,034</b>	18,230,017
Other DfE/ESFA grants				
Pupil Premium	-	1,243,294	<b>1,243,294</b>	1,260,988
Teachers' Pay and Pension Grant	-	973,313	<b>973,313</b>	913,889
Other	83,315	493,654	<b>576,969</b>	629,823
	<u>83,315</u>	<u>-</u>	<u><b>23,297,610</b></u>	<u>21,034,717</u>
<b><i>Other Government grants</i></b>				
Local authority grants	13,051	787,507	<b>800,558</b>	667,656
	<u>13,051</u>	<u>787,507</u>	<u><b>800,558</b></u>	<u>667,656</u>
<b><i>Other income from the Multi Academy Trust's education</i></b>	40,204	-	<b>40,204</b>	72,709
<b><i>COVID-19 additional funding (DfE/ESFA)</i></b>				
Catch-up Premium	-	213,200	<b>213,200</b>	82,600
Coronavirus exceptional support	-	-	-	73,890
	<u>-</u>	<u>213,200</u>	<u><b>213,200</b></u>	<u>156,490</u>
<b><i>COVID-19 additional funding (non-DfE/ESFA)</i></b>				
Other Covid-19 funding	-	88,820	<b>88,820</b>	-
	<u>-</u>	<u>88,820</u>	<u><b>88,820</b></u>	<u>-</u>
	<u>136,570</u>	<u>24,303,822</u>	<u><b>24,440,392</b></u>	<u>21,931,572</u>
Total 2020	<u>149,607</u>	<u>21,781,965</u>	<u><b>21,931,572</b></u>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the multi academy trust's funding for Teachers' Pay and Pension Grant and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The total costs relating to the above COVID catch-up premium were £153,200 during the year.

**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**5. Income from other trading activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	15,785	-	<b>15,785</b>	13,947
School to school support	20,000	-	<b>20,000</b>	848
Other	389,432	47,331	<b>436,763</b>	402,154
	<u>425,217</u>	<u>47,331</u>	<u><b>472,548</b></u>	<u>416,949</u>
Total 2020	<u>416,949</u>	<u>-</u>	<u>416,949</u>	

**6. Investment income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	213	<b>213</b>	4,948
	<u>4,948</u>	<u>4,948</u>	
Total 2020	<u>4,948</u>	<u>4,948</u>	

**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**7. Expenditure**

	<b>Staff Costs 2021 £</b>	<b>Premises 2021 £</b>	<b>Other costs 2021 £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Expenditure on raising voluntary income:					
Direct costs	-	-	24,271	<b>24,271</b>	241,677
Expenditure on fundraising trading activities:					
Direct costs	18,668	-	135,177	<b>153,845</b>	107,354
Education:					
Direct costs	17,313,979	1,258,998	1,768,450	<b>20,341,427</b>	18,005,166
Allocated support costs	2,658,519	3,207,448	1,356,728	<b>7,222,695</b>	6,373,770
	<u>19,991,166</u>	<u>4,466,446</u>	<u>3,284,626</u>	<u><b>27,742,238</b></u>	<u>24,727,967</u>
Total 2020	<u>17,640,343</u>	<u>3,970,752</u>	<u>3,116,872</u>	<u>24,727,967</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Education	<u>20,341,427</u>	<u>7,222,695</u>	<u><b>27,564,122</b></u>	<u>24,378,936</u>
Total 2020	<u>18,005,166</u>	<u>6,373,770</u>	<u>24,378,936</u>	

**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Education</b>	<b>Total</b>	<b>Total</b>
	<b>2021</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
Staff costs	2,553,093	<b>2,553,093</b>	2,237,613
Depreciation	222,176	<b>222,176</b>	200,777
Other support costs	990,682	<b>990,682</b>	981,550
Recruitment and support	35,950	<b>35,950</b>	30,120
Maintenance of premises and equipment	472,863	<b>472,863</b>	228,015
Cleaning	111,082	<b>111,082</b>	61,014
Rent and rates	100,728	<b>100,728</b>	97,240
Energy costs	141,250	<b>141,250</b>	129,523
Insurance	158,726	<b>158,726</b>	131,223
Catering	5,892	<b>5,892</b>	8,354
Technology costs	86,113	<b>86,113</b>	12,958
PFI property costs	2,159,348	<b>2,159,348</b>	2,116,448
Bank interest and charges	1,380	<b>1,380</b>	1,305
Legal costs	50,295	<b>50,295</b>	11,944
Governance costs	133,117	<b>133,117</b>	125,686
	<b>7,222,695</b>	<b>7,222,695</b>	<b>6,373,770</b>
Total 2020	<b>6,373,770</b>	<b>6,373,770</b>	

**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**9. Expenditure on raising funds**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<i>Cost of raising voluntary income</i>				
School fund expenditure	-	24,271	<b>24,271</b>	241,677
Total 2020	20,388	221,289	241,677	

**10. Expenditure on raising funds**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<i>Fundraising trading expenses</i>				
Other expenses	114,076	21,102	<b>135,178</b>	89,849
Wages and salaries	-	18,667	<b>18,667</b>	17,505
	114,076	39,769	<b>153,845</b>	107,354
Total 2020	61,911	45,443	107,354	

**11. Net expenditure**

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	<b>21,276</b>	37,412
Depreciation of tangible fixed assets	<b>1,481,174</b>	1,338,511
Fees paid to auditor for:		
- audit	<b>20,240</b>	18,730
- other services	<b>5,085</b>	5,897

**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	14,473,553	12,652,228
Social security costs	1,360,005	1,179,531
Pension costs	3,923,675	3,433,261
	<u>19,757,233</u>	<u>17,265,020</u>
Agency staff costs	233,933	375,323
	<u>19,991,166</u>	<u>17,640,343</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	27,743	-
	<u>27,743</u>	<u>-</u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,711 (2020: £nil).

**c. Staff numbers**

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

	2021 No.	2020 No.
Teachers	223	217
Management	40	37
Admin and support	249	248
	<u>512</u>	<u>502</u>



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**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**12. Staff (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	198	182
Management	36	34
Admin and support	199	184
	<u>433</u>	<u>400</u>

**d. Higher paid staff**

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	9	6
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	-	2
In the band £110,001 - £120,000	2	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	-	-
In the band £140,001 - £150,000	-	-
In the band £150,001 - £160,000	-	1
In the band £160,001 - £170,000	1	-
	<u>1</u>	<u>-</u>

The above employees participated in the Teachers' Pension Scheme or the local government pension scheme. During the period ended 31 August 2021, pension contributions for these staff amounted to £255,717 (2020: £195,873).

**e. Key management personnel**

The key management personnel of the Multi Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi Academy Trust was £810,852 (2020 £813,979).

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

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**MERCIA LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**13. Trustees' remuneration and expenses (continued)**

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

**14. Central services**

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

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

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

Flat percentage of GAG income - 4.5%.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
King Egbert School	331,000	295,188
Newfield School	274,602	256,946
Totley School	57,206	51,282
Valley Park	78,379	75,696
Nether Edge	77,316	74,634
Mercia School	94,325	56,773
<b>Total</b>	<b>912,828</b>	<b>810,519</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**15. Trustees' and Officers' insurance**

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

**16. Tangible fixed assets**

	Long-term leasehold property £	Furniture and fixtures £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2020	71,965,759	434,373	818,843	95,882	73,314,857
Additions	-	207,655	299,665	-	507,320
At 31 August 2021	71,965,759	642,028	1,118,508	95,882	73,822,177
<b>Depreciation</b>					
At 1 September 2020	5,374,897	295,509	528,023	11,347	6,209,776
Charge for the year	1,165,358	121,206	162,945	31,665	1,481,174
At 31 August 2021	6,540,255	416,715	690,968	43,012	7,690,950
<b>Net book value</b>					
At 31 August 2021	65,425,504	225,313	427,540	52,870	66,131,227
At 31 August 2020	66,590,862	138,864	290,820	84,535	67,105,081

Included in land and buildings is land at valuation of £9,298,000 (2020: £9,298,000) which is not depreciated.

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**17. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<i><b>Due within one year</b></i>		
Trade debtors	<b>97,394</b>	19,885
Other debtors	<b>104,407</b>	202,190
Prepayments and accrued income	<b>564,703</b>	670,961
	<b>766,504</b>	<b>893,036</b>

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**18. Creditors: Amounts falling due within one year**

	<b>2021</b>	2020
	<b>£</b>	£
Other loans	-	1,659
Trade creditors	<b>813,559</b>	659,413
Other taxation and social security	<b>72,844</b>	68,766
Other creditors	<b>2,538</b>	1,678
Accruals and deferred income	<b>514,214</b>	301,049
	<b>1,403,155</b>	1,032,565
	<b>2021</b>	2020
	<b>£</b>	£
Deferred income at 1 September 2020	<b>208,680</b>	315,290
Resources deferred during the year	<b>236,561</b>	208,680
Amounts released from previous periods	<b>(208,680)</b>	(315,290)
	<b>236,561</b>	208,680

At the financial year end £236,561 (2020: £208,680) was recognised in deferred income in relation to income received which relates to the following financial year. The majority of this deferred income related to local government growth funding, Universal infant income and rates relief.

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**19. Statement of funds**

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

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**19. Statement of funds (continued)**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds	67,873,208	636,601	(1,481,175)	(421,154)	-	66,607,480
<b>Total Restricted funds</b>	<b>55,294,587</b>	<b>25,353,463</b>	<b>(27,132,492)</b>	<b>(63,586)</b>	<b>(1,648,000)</b>	<b>51,803,972</b>
<b>Total funds</b>	<b>56,448,716</b>	<b>25,917,951</b>	<b>(27,742,238)</b>	<b>-</b>	<b>(1,648,000)</b>	<b>52,976,429</b>

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

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

Unrestricted funds

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

Restricted general funds

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

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

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

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

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

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

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

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

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

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

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

Local Government Funded Projects - Grants ringfenced for specific projects.

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

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

Other - miscellaneous funding towards specific purposes.



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**19. Statement of funds (continued)**

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

Restricted fixed asset funds

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

Transfers

A transfer of £356,354 has been made from restricted fixed asset funds to GAG for the repairs/refurbishment costs incurred within the year purchased via capital monies received.

A transfer of £63,586 has been made from UIFSM grant to unrestricted funds as the underspend on this fund will not be clawed back.

Under the funding agreement with the Secretary of State, the Multi Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**19. Statement of funds (continued)**

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>					
General Funds - all funds	1,031,970	773,146	(650,987)	-	1,154,129
<b>Restricted general funds</b>					
GAG	248,389	19,172,394	(18,989,033)	-	431,750
Pupil premium ESFA	-	1,275,981	(1,275,981)	-	-
School fund	121,585	158,612	(221,289)	-	58,908
Post opening grant	-	183,500	(183,500)	-	-
Rates funding	1,319	101,253	(93,856)	-	8,716
PE grant	-	57,180	(57,180)	-	-
UIFSM grant	1,017	-	(1,017)	-	-
FEL funding	5,452	317,275	(317,275)	-	5,452
Growth fund	-	194,156	(194,156)	-	-
Teaching school	-	121,580	(119,027)	-	2,553
COVID-19 fund	-	156,490	(156,490)	-	-
Local government funded projects	-	49,943	(49,943)	-	-
Local government IR funding	-	59,917	(59,917)	-	-
Local government banded funding	-	63,575	(63,575)	-	-
Pension reserve	(11,546,000)	-	(791,000)	(749,000)	(13,086,000)
	(11,168,238)	21,911,856	(22,573,239)	(749,000)	(12,578,621)
<b>Restricted fixed asset funds</b>					
Restricted fixed asset funds	68,343,171	1,033,778	(1,503,741)	-	67,873,208
<b>Total Restricted funds</b>	57,174,933	22,945,634	(24,076,980)	(749,000)	55,294,587
<b>Total funds</b>	58,206,903	23,718,780	(24,721,961)	(749,000)	56,448,716
<b>Total funds analysis by academy</b>					

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

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
King Ecgbert School	<b>584,095</b>	324,571
Newfield School	<b>575,538</b>	508,387
Totley School	<b>60,873</b>	128,989
Valley Park School	<b>231,378</b>	272,003
Nether Edge Primary School	<b>92,031</b>	217,034
Mercia School	<b>178,624</b>	114,669
Mercia Learning Trust	<b>328,410</b>	95,855
Total before fixed asset funds and pension reserve	<b>2,050,949</b>	1,661,508
Restricted fixed asset fund	<b>66,607,480</b>	67,873,208
Pension reserve	<b>(15,682,000)</b>	(13,086,000)
<b>Total</b>	<b>52,976,429</b>	56,448,716

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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
King Egbert School	5,692,881	426,207	198,941	1,740,345	<b>8,058,374</b>	7,430,174
Newfield School	4,577,617	514,105	188,818	1,524,977	<b>6,805,517</b>	6,324,691
Totley School	1,118,081	233,785	133,738	277,716	<b>1,763,320</b>	1,592,828
Valley Park School	1,740,593	428,417	113,571	301,363	<b>2,583,944</b>	2,564,825
Nether Edge Primary School	1,620,556	240,432	96,312	257,883	<b>2,215,183</b>	1,963,435
Mercia School	1,778,911	351,397	83,720	296,953	<b>2,510,981</b>	1,534,052
Mercia Learning Trust	785,340	482,844	110,747	944,814	<b>2,323,745</b>	1,979,450
<b>Multi Academy Trust</b>	<b>17,313,979</b>	<b>2,677,187</b>	<b>925,847</b>	<b>5,344,051</b>	<b>26,261,064</b>	<b>23,389,455</b>

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	(64,800)	-	66,196,027	<b>66,131,227</b>
Current assets	2,640,412	878,492	411,453	<b>3,930,357</b>
Creditors due within one year	(1,403,155)	-	-	<b>(1,403,155)</b>
Provisions for liabilities and charges	-	(15,682,000)	-	<b>(15,682,000)</b>
<b>Total</b>	<b>1,172,457</b>	<b>(14,803,508)</b>	<b>66,607,480</b>	<b>52,976,429</b>

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**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

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

**21. Reconciliation of net expenditure to net cash flow from operating activities**

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	<b>(1,824,287)</b>	(1,009,187)
<b>Adjustments for:</b>		
Depreciation	<b>1,481,174</b>	1,338,512
Dividends, interest and rents from investments	<b>(213)</b>	(4,948)
Defined benefit pension scheme cost less contributions payable	<b>701,000</b>	575,000
Defined benefit pension scheme finance cost	<b>247,000</b>	216,000
Decrease/(increase) in debtors	<b>126,532</b>	(340,325)
Increase in creditors	<b>370,590</b>	155,701
<b>Net cash provided by operating activities</b>	<b>1,101,796</b>	930,753

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**22. Cash flows from investing activities**

	2021 £	2020 £
Dividends, interest and rents from investments	213	4,948
Purchase of tangible fixed assets	(507,320)	(373,129)
<b>Net cash used in investing activities</b>	<b>(507,107)</b>	<b>(368,181)</b>

**23. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand and at bank	3,163,853	2,569,164
<b>Total cash and cash equivalents</b>	<b>3,163,853</b>	<b>2,569,164</b>

**24. Analysis of changes in net debt**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,569,164	594,689	3,163,853
Debt due within 1 year	(1,659)	1,659	-
	<b>2,567,505</b>	<b>596,348</b>	<b>3,163,853</b>

**25. Capital commitments**

	2021 £	2020 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	36,414	59,922

**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**26. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £ - (2020 - £1,999,464).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,223,000 (2020 - £1,072,000), of which employer's contributions totalled £970,000 (2020 - £851,000) and employees' contributions totalled £ 253,000 (2020 - £221,000). The agreed contribution rates for future years are 16.4 per cent for employers and 5.5 - 12 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Principal actuarial assumptions**

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>4.05</b>	3.55
Rate of increase for pensions in payment/inflation	<b>2.9</b>	2.4
Discount rate for scheme liabilities	<b>1.7</b>	1.8
Inflation assumption (CPI)	<b>2.8</b>	2.3

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



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**26. Pension commitments (continued)**

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
Males	<b>22.5</b>	22.4
Females	<b>25.3</b>	25.2
Retiring in 20 years		
Males	<b>24.0</b>	23.9
Females	<b>27.2</b>	27.1

**Sensitivity analysis**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>13,254</b>	(1,965)
Salary increase +0.1%	<b>13,864</b>	(1,084)
Mortality assumption - 1 year increase	<b>14,542</b>	(1,460)
CPI rate +0.1%	<b>13,695</b>	(986)

**Share of scheme assets**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Equities	<b>5,105,716</b>	3,799,110
Government bonds	<b>1,455,762</b>	1,178,205
Other bonds	<b>780,626</b>	705,320
Property	<b>907,214</b>	673,260
Cash and other liquid assets	<b>105,490</b>	288,540
Other	<b>2,194,192</b>	1,370,565
<b>Total market value of assets</b>	<b>10,549,000</b>	8,015,000

The actual return on scheme assets was £[enter amount] (2020 - £398,000).

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**26. Pension commitments (continued)**

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

	2021 £	2020 £
Current service cost	(1,671,000)	(1,406,000)
Past service cost	-	(20,000)
Interest income	133,000	99,000
Interest cost	(380,000)	(315,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,918,000)</b>	<b>(1,642,000)</b>

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

	2021 £	2020 £
<b>At 1 September</b>	<b>21,101,000</b>	<b>17,625,000</b>
Current service cost	1,671,000	1,406,000
Interest cost	380,000	315,000
Employee contributions	253,000	221,000
Actuarial losses	3,028,000	1,596,000
Benefits paid	(202,000)	(82,000)
Past service costs	-	20,000
<b>At 31 August</b>	<b>26,231,000</b>	<b>21,101,000</b>

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

	2021 £	2020 £
<b>At 1 September</b>	<b>8,015,000</b>	<b>6,079,000</b>
Administration expenses	153,000	99,000
Interest income	(20,000)	-
Actuarial gains	1,380,000	847,000
Employer contributions	970,000	851,000
Employee contributions	253,000	221,000
Benefits paid	(202,000)	(82,000)
<b>At 31 August</b>	<b>10,549,000</b>	<b>8,015,000</b>

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**27. Operating lease commitments**

At 31 August 2021 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>39,884</b>	31,634
Later than 1 year and not later than 5 years	<b>47,584</b>	15,238
	<b>87,468</b>	<b>46,872</b>

**28. Related party transactions**

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

The wife of John Deal, a late Trustee, works as an invigilator at King Ecgbert School.

Charlotte Chance, the Director of Finance and Operations, has a daughter who worked as a play worker at Totley Primary School during the year.

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

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**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. Financial commitments under PFI arrangements**

At 31 August 2021 the trust had future commitments under PFI arrangements as follows:

	2021	2020
	£	£
<i>Amounts payable:</i>		
Within 1 year	2,194,533	2,179,910
Between 1 and 5 years	8,778,132	8,719,640
After more than 5 years	15,187,988	17,243,012
<b>Total</b>	<b>26,160,653</b>	<b>28,142,562</b>

**30. Agency arrangements**

The Multi Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £23,065 (2020: £28,131) and disbursed £23,065 (2020: £28,131) from the fund.

**31. Members' liability**

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

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**32. Teaching school trading account**

	2021 £	2021 £	2020 £	2020 £
<b>Income</b>				
<b>Direct income</b>				
Teaching school income	332,277		144,265	
<b>Total income</b>		332,277		144,265
<b>Expenditure</b>				
Direct staff costs	297,062		119,027	
<b>Total expenditure</b>		297,062		119,027
<b>Surplus from all sources</b>		35,215		2,553
<b>Teaching school balances at 1 September 2020</b>		2,553		-
<b>Teaching school balances at 31 August 2021</b>		37,768		2,553