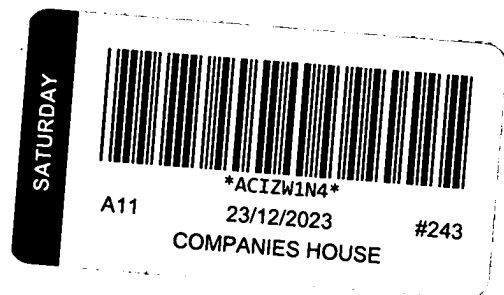


Company Registration Number: 08119703 (England & Wales)

**MERCIA LEARNING TRUST**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**



---

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

---

**CONTENTS**

---

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 20
Statement of regularity, propriety and compliance	21
Statement of trustees' responsibilities	22
<i>Independent auditor's report on the financial statements</i>	23 - 26
Independent reporting accountant's report on regularity	27 - 28
Statement of financial activities incorporating income and expenditure account	29 - 30
Balance sheet	31 - 32
Statement of cash flows	33
Notes to the financial statements	34 - 64

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

<b>Members</b>	P.D. Smith G. Burke A. Singh T. Khan B. Abrams
<b>Trustees</b>	P.D. Smith, Chair S. Pearson R.A Dodds J. Millward D. Angrave F. Benoist M. Butler
<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 Egbert School - P Haigh, Headteacher Newfield School - E. Anderson, Headteacher Totley Primary School - B. Paxman, Headteacher Woodlands Primary School - L. Johnstone, Headteacher The Nether Edge Primary School - M. Nott, Headteacher Mercia School - D Webster, Headteacher C Chance, Director of Finance and Operations
<b>Independent auditor</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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

---

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

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

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

***Structure, governance and management***

***a. Constitution***

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

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

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

The charitable company is known as Mercia Learning Trust.

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

***b. Members liability***

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

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

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**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, 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***

The FRS 102 definition of key management personnel covers Trustees and the SLT team listed on page 1 of this report.

When setting pay for all employees (including leadership and management), the Trust follows either:

- the national School Teachers Pay and Conditions Document (STPCD) that covers guidance on teachers' pay and conditions; the national teachers' pay scales include leadership pay scales.
- Or the Local authority NJC (National Joint Council) pay scales are followed for support staff.

The Trust pay policy is reviewed to reflect statutory changes, pay rises are approved annually by the Board of Trustees in line with national and local guidance for both teaching and support staff.

Accountabilities and expectations for the CEO role are set and appraised each year by a panel of Trustees and an external Trust School Improvement Partner.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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

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

***Relevant union officials***

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

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

<b><i>Percentage of time</i></b>	<b><i>Number of employees</i></b>
0%	1
1%-50%	6
51%-99%	-
100%	-

<b><i>Percentage of pay bill spent on facility time</i></b>	<b><i>£</i></b>
Total cost of facility time	2,301
Total pay bill	283,882
Percentage of total pay bill spent on facility time	1 %

***Paid trade union activities***

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
---	-------

***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
- Volunteers' policy
- Health and 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 2023**

---

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

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

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

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

**The trust objectives for 2022-23**

1. Continue to support and improve Individual school effectiveness and secure the best possible Ofsted inspection judgements if inspection occurs.
2. Manage internal growth without detriment to school effectiveness. Specifically:
  - a. Totley Primary School – the completion of its transition from a one to a two-form school (phased by a year group each year) finally into Year 6.
  - b. Mercia Secondary School – the continuation of its phased growth (a year group each year) into Year 11, and its subsequent plan to open a Sixth Form in September 2023.
  - c. King Ecgbert Secondary – delivery of the plan to expand its Year 7 Pupil Admission Number (PAN) from 193 to 240 from September 2023, backed by a major capital project to construct a new sixth form centre.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**Objectives and activities (continued)**

3. Secure strategic growth with the right local school partners, in the light of our agreed locality strategy.
4. Manage our resources carefully so that we can securely navigate this period of budget uncertainty and continue to invest in, and support schools deliver their priorities.

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

Whilst schools returned to normality during the year, the impact of the covid-19 pandemic became more apparent across the year. This was in relation to pupil attendance, well-being and resilience, emerging gaps in learning and an increase in the number of children with complex SEN needs.

**Our Offer:**

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

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

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

**c. Public benefit**

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

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

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

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

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

***b. Going concern***

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

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

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

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

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

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

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

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

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

***d. Review of activities***

**King Egbert School**

King Egbert had a strong year and continued to focus on further refinement and improvement. Specifically:

1. The communication and realisation of its ethos, values, expectations, and culture.
2. Pupil attendance, movement around school and social time conduct.
3. Behaviour, with a specific focus on attitude to learning in lessons, and a small minority of more vulnerable pupils.
4. The quality of education, with a specific focus on those with SEN and lower ability.
5. Pupil outcomes in the light of a return to pre-covid KS4 and Post 16 examination conventions.

**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2023*

---

**Strategic report (continued)**

**Achievements and performance (continued)**

**School expansion**

Given the planned increase to Year 7 PAN (193 to 240) from September 2023, driven by the expansion of Totley Primary School, and its desire to retain its full catchment integrity, the school managed (with the Local Authority & Construction Company (Turners)) a substantial construction project to create a new sixth form base. This entailed the loss / partitioning of key parts of the site to create a building site and compound, careful management of health and safety, refinement of detailed interior plans, and the development of the building maintenance strategy. Significant construction delays meant that the planned completion date for 1st September 2023 could not be realised. Consequently, remedial plans to accommodate more children within the existing building had to be secured in readiness.

**Summary**

Strong progress was secured against school priorities, summer outcomes remained strong and well above average in comparison with national school outcomes, against the backdrop of a complicated construction project. It also retained very strong community support and was once again over-subscribed.

**Newfield School**

Newfield had a secure year, but one where the legacy of covid-19, brought additional contextual challenges. School focused upon:

1. The communication of its ethos, values, expectations, and culture.
2. Pupil attendance, movement around school and social time conduct.
3. Behaviour, with a specific focus on attitude to learning in lessons, and a small minority of more vulnerable pupils.
4. The quality of education, with a specific focus on those with SEN given changes to the number of children with complex needs.
5. Pupil outcomes in the light of a return to pre-covid KS4 conventions.
6. The development of support (& remodelled spaces) for more vulnerable children.

**Summary**

School navigated the contextual challenges well, although the summer GCSE outcomes were affected by the weak attendance of a minority of vulnerable pupils. It continues to be over-subscribed and enjoys strong community support.

**Mercia School**

The school began its fifth year of expansion as pupils progressed into Year 11, being the first cohort to undertake GCSE examinations in summer 2023, and a larger (180 pupil) year began in Year 7.

This further growth was managed extremely well following further strong recruitment and tweaks to key operational challenges (dining and kitchen capacity investment) driven by pupil numbers.

Planning for the launch of the new sixth form in 2023, led into a strong marketing and promotional strategy, and further tweaks to accommodation were completed in readiness.

In February 2023, the school had a full section 5 inspection by Ofsted and was graded as outstanding in all categories and overall.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

The opening section of the subsequent Ofsted Report (published in May) stated:

*'Mercia School is a warm and welcoming place. Positive relationships are at the heart of the school's approach to education. Pupils are polite and understand the importance of respect. They recognise how the structures that leaders have put in place help them to stay safe and learn. Pupils feel happy and safe in school. Bullying is extremely rare at Mercia School. Pupils' behaviour is exemplary. Parents and pupils are proud to be part of the school community.*

*Leaders have an ambitious vision for the school and are determined that all pupils will achieve well. This includes pupils with special educational needs and/or disabilities (SEND), who receive expert support to make strong progress through the curriculum. All pupils study an ambitious curriculum. This helps them to build the knowledge and cultural capital they need to be ready for the next stage of their education.*

*Pupils' wider development is exceptional. They access a wide range of enrichment activities that help them to develop their talents and interests. These include sports, cooking, orchestra, and chess. Pupils develop strong relationships across the different year groups through 'family dining' and use this time to discuss and debate topics that they study as part of the mastery curriculum. They develop their public speaking by giving thanks to staff and peers through 'appreciation' time.'*

Mercia is the only secondary school in Sheffield to have secured an outstanding Section 5 Ofsted judgement under the current inspection framework, and one of very few across the country. This was an exceptional achievement for the school which vindicated its mission.

Following on from this, school GCSE results published in the summer were also exceptional. Mercia School was named as number one out of 6,951 secondary schools in the whole country for the overall performance of disadvantaged pupils, and third place for progress overall. By every DfE performance metric, it has also outperformed every state and private school in Sheffield.

**Summary**

2022-23 was exceptional, and the school is now acknowledged as one of the leading schools across the country. As you would expect it enjoys exceptional community support and is the most over-subscribed school in the city.

**Totley Primary School**

Totley began the final year of its planned expansion from a one to a two form, as two class groups entered Year 6. It continued to focus on further refinement in the following areas:

1. The communication of its ethos, values, expectations, and culture.
2. Pupil attendance, movement around school and social time provision.
3. The quality of education.
4. Personal Development.
5. Pupil outcomes.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

**Summary**

School emerged from the year in a very secure position, with its overall effectiveness exceptionally strong, reinforced by outcomes in all key stages that were similarly robust. As important (and impressive), was the seamless execution of its growth plan over several years, its acceleration of school effectiveness during this time, its maintenance of its unique culture and ethos, and continued (improved) community confidence in the school.

An exceptional year which ensured school continues to be heavily over-subscribed and is increasingly recognised as a leading primary school.

**Woodlands Primary School**

Following the rapid transformation over the last few years, and the Good Ofsted inspection in 2022, the school strongly embarked on the next phase of its improvement journey.

It focused on the following areas:

1. The communication of its ethos, values, expectations, and culture.
2. Pupil attendance, movement around school and social time provision.
3. Behaviour and attitudes to learning.
4. The quality of education with a major focus on reading and oracy.
5. Personal Development.
6. Provision for the most vulnerable / SEN pupils.

**Summary**

School secured another substantial step forward, with tangible further improvement across all priority areas, reinforced by improving outcomes. Given high levels of community support it was for the first time over-subscribed and also generating further interest from the sector about its practice.

**Nether Edge Primary School**

Having secured much needed stability around school leadership, the school had an exceptional year.

It focused on the following areas:

1. The communication of its ethos, values, expectations, and culture
2. Pupil attendance, movement around school and social time provision.
3. Behaviour and attitudes to learning.
4. The quality of education.
5. Personal Development.
6. Provision for the most vulnerable / SEN pupils.

**Summary**

Rapid and secure improvement was made across all areas of effectiveness, so that it now very effective. This progress has attracted interest from other schools. It enjoys high levels of community support and as such is over-subscribed.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

**Trust developments**

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

*School Improvement* - This strategy was enhanced by a larger central improvement team including more capacity to lead safeguarding and SEN, Additional primary improvement capacity, and even higher levels of external scrutiny from School Improvement Partners (SIPs).

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

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

*Payroll* – continued to function smoothly without error.

*Estates* – as before the trust estates policy (including compliance) was followed, and pooled capital resources ensured substantial investment took place in all schools. By the end of the year this strategic investment in school estates meant that the quality of the learning environment in every school was very good and often exceptional.

*IT* – the plan to up grade Inter active whiteboards (& other devices) continued, as did a major plan to up grade primary infra structure. Critically the trust oversaw technical support for all primary schools, began a strategy to centralise IT infra-structure and focus even more on cyber security.

*Human Resources* – a focus on alignment of policy and practice, staff wellbeing and staff absence monitoring were priorities. The latter led to a tangible impact.

*Marketing and design* – the team continued to ensure trust schools enjoyed a strong profile with the re-development / refinement of all school websites, key documentation, and recruitment materials. The team were also instrumental in the marketing associated with potential trust growth, and the consultation/s linked to growth with other schools

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

**Strategic growth**

Following the agreement of a locality-based growth strategy, the trust was approached by Anns Grove Primary School to consider potential future academy partnership.

Anns Grove is a very successful school with a strong and inclusive culture and is the most over-subscribed primary school in the city. It is a feeder school to two trust secondary schools and had strong cultural alignment with the values that underpin Mercia Trust.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

As a consequence, both parties embarked on a comprehensive process of familiarisation, due diligence, and consultation, which ultimately led to a successful application to the DFE for it to join the trust in the early autumn of 2023 (which was secured on the 1.10.23)

This opportunity for strategic partnership marked a further period of sustainable growth and adds to our capacity to partner schools within our current geographical area. It also shows the strong reputation that the trust enjoys locally.

**Financial review**

**a. Results for the year**

For the year ended 31 August 2023, there was a deficit on GAG funds of £1,202,343 (2022: surplus of £924,460) and a surplus of £59,912 (2022: deficit of £140,278) on unrestricted funds.

Trustees allocated the reserves to support cost of living increases, including unfunded pay rises and energy costs, and provide additional support for disadvantaged youngsters.

At 31 August 2023, the net book value of fixed assets was £63,721,153 (2022: £64,899,695) and movements in tangible fixed assets are shown in note 14 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 2023 and supporting notes to the accounts (see note 23).

**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 (£1,273,230), and discretionary reserves above this amount will fund trust priorities as defined by the Board.

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

At 31 August 2023, the trust held unrestricted funds of £1,209,650 (2022: £952,179) and GAG funds of £206,032 (2022: £1,681,834) i.e. free funds of £1,415,682 (2022: £2,634,013) which equates to 4.4% (2022: 9.3%) of income. Reserves will be used to support the most vulnerable learners across the trust with additional staffing support, speech and language therapy, additional tutoring including reading strategies and educational psychologist support.

In addition to the free reserves, the trust also held £134,722 restricted funds i.e. a total of £1,550,404 unrestricted funds, GAG funds and restricted funds.

***c. Investment policy***

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

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

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

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

***Fundraising***

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

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

***Streamlined energy and carbon reporting***

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

	<b>2023</b>	<b>2022</b>
Energy consumption used to calculate emissions (kWh)	<b>4,707,204</b>	4,717,814
<b><i>Energy consumption breakdown (kWh):</i></b>		
Gas	<b>2,901,098</b>	2,974,813
Electricity	<b>1,789,810</b>	1,728,824
Transport fuel	-	14,177
<b><i>Scope 1 emissions (in tonnes of CO2 equivalent):</i></b>		
Gas consumption	<b>529.62</b>	546.98
Owned transport	<b>2.85</b>	2.87
<b><i>Total scope 1</i></b>	<b>532.47</b>	549.85
<b><i>Scope 2 emissions (in tonnes of CO2 equivalent):</i></b>		
Purchased electricity	<b>370.62</b>	403.06
<b><i>Scope 3 emissions (in tonnes of CO2 equivalent):</i></b>		
Business travel in employee-owned or rental vehicles	<b>2.01</b>	1.30
<b><i>Total gross emissions (in tonnes of CO2 equivalent):</i></b>	<b>905.10</b>	954.21
<b><i>Intensity ratio:</i></b>		
Tonnes of CO2 equivalent per pupil	<b>0.21</b>	0.22

The Multi Academy Trust has followed and used the following quantification and reporting methodologies:

- 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 2023 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio at 0.21 is the total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

**Measures Taken to Improve Energy Efficiency**

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

---

**MERCIA LEARNING TRUST**

**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (CONTINUED)**

*FOR THE YEAR ENDED 31 AUGUST 2023*

---

***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 and SEN pupils. This will ensure we establish firm foundations and strong transition from our primary schools, and 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.

**Summary**


2022-23 was another strong year for the trust. We continued to strongly support schools and grew through partnership with another strong local school. At year end we had four schools who were graded by Ofsted as outstanding and three that were strongly good. Critically, Mercia School had cemented its reputation as one of the strongest schools in the country. This places the trust as one of the most effective in the region, with a growing reputation at a national level.

***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 21, 2023 and signed on its behalf by:

  
Phil Smith (Dec 21, 2023 10:32 GMT)  
.....  
**P.D. Smith**  
Chair of Trustees

---

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

---

**GOVERNANCE STATEMENT**

---

**Scope of responsibility**

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

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

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

**Governance**

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

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

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

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

The Finance Risk and Audit Committee normally meet every term to discuss finance and audit matters and provide assurance over the suitability of, and compliance with its financial systems and controls. The Finance Risk and Audit Committee met 4 times in the academic year with an additional extra-ordinary meeting to discuss a specific risk.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
David Angrave	3	4
Fiona Benoist	3	4
Phil Smith	4	4
Rhona Dodds	3	4
Malcolm Butler	1	4

The DfE Governance Handbook acknowledges that an external review of effectiveness is particularly important before the

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Governance (continued)**

board undertakes any significant change. Trustees thereby deferred the planned Summer 2023 review until 2023/24 prior to the change of CEO.

**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, prioritised health and safety and focused on energy efficiencies during each academic year whilst delivering on key priorities. During the year we have:

- Implemented a digital platform to manage health and safety compliance across the estate centrally.
- Invested in access control systems to control who has access to school buildings and when, providing a safer environment.
- Invested in strategically replacing old and inefficient projectors with new and more efficient interactive teacher displays. The new screens are more energy efficient and don't require costly replacement bulbs. The screens were upgraded in the most heavily used areas and procured through a local supplier, who, through negotiation, were able to commit to framework level pricing over multiple years, ensuring no price increases over the course of the multi-year replacement programme.
- Used Consortium Procurement Construction (CPC) to provide access to contractors who have already been vetted and have the necessary accreditation to work in the public sector. The framework aims to reduce the carbon footprint of the Trust and focuses on cost effectiveness, net zero solutions and local social value priorities.
- Considered the Display Energy Certificate (DEC) energy use recommendations in all school buildings and implemented where reasonably practicable. The DEC is displayed for public view, and we encourage staff to be more thoughtful of their energy usage whilst on site, with reminders and signage placed strategically around the schools.
- implemented a replacement scheme of external lighting using LED's for energy efficiency. A schedule of works is in place to further improve energy efficiency via the Public Sector Decarbonisation Fund.
- Trust wide licences such as Adobe Creative Cloud, Senso, Cloud Backup (Veeam) and Cisco Umbrella Security Suite. These are procured centrally for all schools which saves money and allows for a centralised and more efficient deployment model

**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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**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 2022 to 31 August 2023 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. It includes:

- Comprehensive budgeting and monitoring systems with annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance, Risk and Audit Committee of reports which indicate the financial performance against the forecasts and of major purchase plans, capital works and expenditure programme
- Clearly defined purchasing guidelines
- Identification and management of risks
- Review of internal audit reports and management responses by Trustees
- clearly defined purchasing (asset purchase or capital investment) guidelines

The Board of Trustees has decided to employ Duncan and Toplis as internal auditor.

The internal auditor performed a range of checks on governance and regularity, information technology, income, expenditure, banking, credit card and petty cash transactions.

The internal auditor has delivered their schedule of work as planned across all sites. No material control issues arose.

On an annual basis, the internal auditor prepares a summary report for the Finance, Risk and Audit Committee outlining the areas reviewed, key findings and recommendations to help the committee consider actions and assess year on year progress.

**Review of effectiveness**

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

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

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

---


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

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

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

  
\_\_\_\_\_  
Phil Smith (Dec 21, 2023 10:32 GMT)

Date: Dec 21, 2023

---

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

---

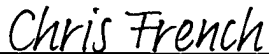
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As accounting officer of Mercia Learning Trust I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including estate safety and management, 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 Trust Handbook 2022, including responsibilities for estates safety and management.

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 Trust Handbook 2022.

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 (Dec 21, 2023 16:00 GMT)

**C French**  
Accounting Officer  
Date: Dec 21, 2023

---

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

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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 2022 to 2023;
- 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 21, 2023 10:32 GMT)  
.....  
**P.D. Smith**  
Chair of Trustees  
Date: Dec 21, 2023

---

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

---

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

---

**Opinion**

We have audited the financial statements of Mercia Learning Trust (the 'multi academy trust') for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

---

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

---

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

---

**Other information**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

---

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

---

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

---

**Responsibilities of trustees**

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

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

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

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

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

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

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

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

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

---

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

---

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

---

**Use of our report**

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



Philip Allsop (Dec 22, 2023 08:26 GMT)

**Philip Allsop (Senior statutory auditor)**

for and on behalf of

**BHP LLP**

2 Rutland Park

Sheffield

S10 2PD

Date: Dec 22, 2023

---

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

---

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

---

In accordance with the terms of our engagement letter dated 24 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Mercia Learning Trust's funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

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

---

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

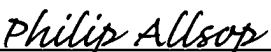
---

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

---

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
Philip Allsop (Dec 22, 2023 08:26 GMT)

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

Date: Dec 22, 2023

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note					
<b>Income from:</b>						
Donations and capital grants	3	6,011	369,927	669,827	1,045,765	738,094
Other trading activities	5	867,966	-	-	867,966	682,255
Investments	6	104,546	-	-	104,546	10,553
Charitable activities:	4					
Educational operations		189,418	29,623,065	-	29,812,483	26,824,747
Teaching school hub		-	-	-	-	152,865
<b>Total income</b>		<b>1,167,941</b>	<b>29,992,992</b>	<b>669,827</b>	<b>31,830,760</b>	<b>28,408,514</b>
<b>Expenditure on:</b>						
Raising funds		276,950	364,697	-	641,647	465,605
Charitable activities:	8					
Educational operations		831,079	30,825,343	1,850,544	33,506,966	29,999,489
Teaching school hub		-	-	-	-	182,114
<b>Total expenditure</b>		<b>1,108,029</b>	<b>31,190,040</b>	<b>1,850,544</b>	<b>34,148,613</b>	<b>30,647,208</b>
<b>Net income/(expenditure)</b>		<b>59,912</b>	<b>(1,197,048)</b>	<b>(1,180,717)</b>	<b>(2,317,853)</b>	<b>(2,238,694)</b>
Transfers between funds	17	197,559	(281,979)	84,420	-	-
<b>Net movement in funds before other recognised gains</b>		<b>257,471</b>	<b>(1,479,027)</b>	<b>(1,096,297)</b>	<b>(2,317,853)</b>	<b>(2,238,694)</b>
<b>Other recognised gains:</b>						
Actuarial gains on defined benefit pension schemes	23	-	1,755,000	-	1,755,000	12,684,000
<b>Net movement in funds</b>		<b>257,471</b>	<b>275,973</b>	<b>(1,096,297)</b>	<b>(562,853)</b>	<b>10,445,306</b>

---

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

---

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	952,179	(2,640,219)	65,109,775	63,421,735	52,976,429
Net movement in funds	257,471	275,973	(1,096,297)	(562,853)	10,445,306
<b>Total funds carried forward</b>	<b>1,209,650</b>	<b>(2,364,246)</b>	<b>64,013,478</b>	<b>62,858,882</b>	<b>63,421,735</b>

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

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	63,721,153	64,899,695
		<u>63,721,153</u>	<u>64,899,695</u>
<b>Current assets</b>			
Debtors	15	809,669	783,199
Cash at bank and in hand		3,367,992	3,903,460
		<u>4,177,661</u>	<u>4,686,659</u>
Creditors: amounts falling due within one year	16	(2,334,932)	(1,739,619)
<b>Net current assets</b>		<u>1,842,729</u>	<u>2,947,040</u>
<b>Net assets excluding pension liability</b>		<u>65,563,882</u>	<u>67,846,735</u>
Defined benefit pension scheme liability	23	(2,705,000)	(4,425,000)
<b>Total net assets</b>		<u><u>62,858,882</u></u>	<u><u>63,421,735</u></u>
<b>Funds of the Multi Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	64,013,478	65,109,775
Restricted income funds	17	340,754	1,784,781
		<u>64,354,232</u>	<u>66,894,556</u>
Restricted funds excluding pension liability	17	64,354,232	66,894,556
Pension reserve	17	(2,705,000)	(4,425,000)
<b>Total restricted funds</b>	17	<u>61,649,232</u>	<u>62,469,556</u>
<b>Unrestricted income funds</b>	17	<u>1,209,650</u>	<u>952,179</u>
<b>Total funds</b>		<u><u>62,858,882</u></u>	<u><u>63,421,735</u></u>

---


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

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2023**

---

The financial statements on pages 29 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

  
Phil Smith (Dec 21, 2023 10:32 GMT)  
.....  
**P.D. Smith**

Date: Dec 21, 2023

The notes on pages 34 to 64 form part of these financial statements.

---

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

---

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<b>(994,222)</b>	541,089
<b>Cash flows from investing activities</b>	20	<b>458,754</b>	198,518
<b>Change in cash and cash equivalents in the year</b>		<b>(535,468)</b>	739,607
Cash and cash equivalents at the beginning of the year		<b>3,903,460</b>	3,163,853
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b>3,367,992</b>	3,903,460

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 AUGUST 2023*

---

**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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

**1.2 Fund accounting**

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

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

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

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

**1.3 Income**

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

• **Grants**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

---

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

1.5 Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

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

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

**1.7 Operating leases**

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

**1.8 Interest receivable**

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

**1.9 Taxation**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**1. Accounting policies (continued)**

**1.10 Debtors**

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

**1.11 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.

**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 15. 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 16. 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**1. Accounting policies (continued)**

**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.

**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.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**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 23, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Restricted fixed asset funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Donations	6,011	-	-	<b>6,011</b>	2,563
School fund income	-	369,927	-	<b>369,927</b>	257,265
Capital grants	-	-	669,827	<b>669,827</b>	478,266
	<u>6,011</u>	<u>369,927</u>	<u>669,827</u>	<u><b>1,045,765</b></u>	<u>738,094</u>
Total 2022	<u>2,563</u>	<u>257,265</u>	<u>478,266</u>	<u>738,094</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Education</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant	-	23,059,202	<b>23,059,202</b>	21,397,110
Other DfE/ESFA grants				
Pupil Premium	-	1,420,407	<b>1,420,407</b>	1,315,044
Post-16	-	1,827,562	<b>1,827,562</b>	1,712,746
Teachers' Pay and Pension Grant	-	82,384	<b>82,384</b>	123,016
Other	143,592	1,493,685	<b>1,637,277</b>	846,192
	<b>143,592</b>	<b>-</b>	<b>28,026,832</b>	<b>25,394,108</b>
<b>Other Government grants</b>				
Local authority grants	12,750	1,272,373	<b>1,285,123</b>	924,994
	<b>12,750</b>	<b>1,272,373</b>	<b>1,285,123</b>	<b>924,994</b>
<b>Other income from the Multi Academy Trust's education</b>	<b>33,076</b>	<b>-</b>	<b>33,076</b>	<b>128,053</b>
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Recovery premium	-	290,789	<b>290,789</b>	166,322
School led tutoring	-	176,663	<b>176,663</b>	169,054
	<b>-</b>	<b>467,452</b>	<b>467,452</b>	<b>335,376</b>
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Other Covid-19 funding	-	-	<b>-</b>	42,216
	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,216</b>
<b>Total Education</b>	<b>189,418</b>	<b>29,623,065</b>	<b>29,812,483</b>	<b>26,824,747</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Teaching school hub</b>				
DfE/ESFA grants	-	-	-	89,816
Other Government grants	-	-	-	60,595
Other income	-	-	-	2,454
<b>Total Teaching school hub</b>	-	-	-	152,865
	189,418	29,623,065	<b>29,812,483</b>	26,977,612
Total 2022	228,256	26,749,356	26,977,612	

The above Recovery Premium and School-led tutoring income was all spent during the year. The prior year has been reclassified to show Post-16 income separately from GAG income within DfE/ESFA grants.

**5. Income from other trading activities**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	37,880	<b>37,880</b>	39,583
School to school support	23,506	<b>23,506</b>	26,005
Other	806,580	<b>806,580</b>	616,667
	867,966	<b>867,966</b>	682,255
Total 2022	682,255	682,255	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**6. Investment income**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	104,546	104,546	10,553
Total 2022	10,553	10,553	

**7. Expenditure**

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on school fund:					
Direct costs	-	-	331,110	331,110	229,402
Expenditure on fundraising trading activities:					
Direct costs	22,484	-	288,053	310,537	236,203
Education:					
Direct costs	20,568,203	1,269,743	2,347,224	24,185,170	22,340,213
Allocated support costs	3,295,121	4,506,817	1,519,858	9,321,796	7,659,276
Teaching school hub:					
Direct costs	-	-	-	-	1,870
Allocated support costs	-	-	-	-	180,244
	23,885,808	5,776,560	4,486,245	34,148,613	30,647,208
Total 2022	21,903,575	4,903,064	3,840,569	30,647,208	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	24,185,170	9,321,796	33,506,966	29,999,489
Teaching school hub	-	-	-	182,114
	<u>24,185,170</u>	<u>9,321,796</u>	<u>33,506,966</u>	<u>30,181,603</u>
Total 2022	<u>22,342,083</u>	<u>7,839,520</u>	<u>30,181,603</u>	

**Analysis of direct costs**

	Education 2023 £	Teaching school hub 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	183,000	-	183,000	276,000
Staff costs	20,568,203	-	20,568,203	19,030,827
Depreciation	1,269,743	-	1,269,743	1,293,558
Educational supplies	1,290,901	-	1,290,901	1,105,062
Examination fees	343,704	-	343,704	265,439
Staff development	211,463	-	211,463	182,636
Other direct costs	298,257	-	298,257	173,793
Technology costs	19,899	-	19,899	14,768
	<u>24,185,170</u>	<u>-</u>	<u>24,185,170</u>	<u>22,342,083</u>
Total 2022	<u>22,340,213</u>	<u>1,870</u>	<u>22,342,083</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Analysis of support costs**

	<b>Education</b>	<b>Teaching</b>	<b>Total</b>	<b>Total</b>
	<b>2023</b>	<b>school hub</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	3,170,661	-	<b>3,170,661</b>	2,744,715
Depreciation	224,072	-	<b>224,072</b>	228,275
Other support costs	1,147,848	-	<b>1,147,848</b>	1,024,752
Recruitment and support	73,577	-	<b>73,577</b>	42,062
Maintenance of premises and equipment	856,067	-	<b>856,067</b>	716,935
Cleaning	139,927	-	<b>139,927</b>	99,656
Rent and rates	110,027	-	<b>110,027</b>	96,695
Energy costs	309,022	-	<b>309,022</b>	184,886
Insurance	202,299	-	<b>202,299</b>	170,138
Catering	8,750	-	<b>8,750</b>	9,975
Technology costs	12,008	-	<b>12,008</b>	73,267
PFI property costs	2,867,705	-	<b>2,867,705</b>	2,283,059
Bank interest and charges	3,386	-	<b>3,386</b>	2,031
Legal costs - conversion	2,515	-	<b>2,515</b>	-
Legal costs - other	36,532	-	<b>36,532</b>	25,721
Governance costs	157,400	-	<b>157,400</b>	137,353
	<b>9,321,796</b>	<b>-</b>	<b>9,321,796</b>	<b>7,839,520</b>
Total 2022	<b>7,659,276</b>	<b>180,244</b>	<b>7,839,520</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	59,033	46,495
Depreciation of tangible fixed assets	1,493,815	1,521,833
Fees paid to auditor for:		
- audit	21,020	20,845
- other services	6,855	8,445
	<u>21,020</u>	<u>20,845</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	17,771,138	15,298,445
Social security costs	1,753,126	1,509,796
Pension costs	3,814,372	4,594,337
	<u>23,338,636</u>	<u>21,402,578</u>
Agency staff costs	541,027	500,997
Staff restructuring costs	6,145	-
	<u>23,885,808</u>	<u>21,903,575</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	6,145	-
	<u>6,145</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**10. Staff (continued)**

**b. Special staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments of £4,200 (2022: £nil).

**c. Staff numbers**

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>256</b>	244
Management	<b>47</b>	39
Admin and support	<b>294</b>	273
	<b>597</b>	556

The average headcount expressed as full-time equivalents was:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>234</b>	214
Management	<b>36</b>	35
Admin and support	<b>233</b>	220
	<b>503</b>	469

**d. Higher paid staff**

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

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**10. Staff (continued)**

***d. Higher paid staff (continued)***

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>11</b>	10
In the band £70,001 - £80,000	<b>4</b>	4
In the band £80,001 - £90,000	<b>1</b>	1
In the band £90,001 - £100,000	<b>1</b>	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	<b>2</b>	1
In the band £160,001 - £170,000	-	1
In the band £170,001 - £180,000	<b>1</b>	-

**e. Key management personnel**

The key management personnel of the Multi Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi Academy Trust was £1,129,839 (2022: £1,022,000).

**11. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

**12. 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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**12. Central services (continued)**

- 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:

	2023	2022
	£	£
King Egbert School	375,277	358,949
Newfield School	305,470	298,049
Totley School	76,578	68,845
Woodlands (previously Valley Park)	82,213	87,210
Nether Edge	83,201	79,347
Mercia School	197,165	147,544
<b>Total</b>	<b>1,119,904</b>	<b>1,039,944</b>

**13. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2022	71,965,759	757,218	1,196,711	95,882	74,015,570
Additions	-	70,330	244,943	-	315,273
Disposals	-	(9,000)	(400)	-	(9,400)
At 31 August 2023	71,965,759	818,548	1,441,254	95,882	74,321,443
<b>Depreciation</b>					
At 1 September 2022	7,676,854	550,429	813,915	74,677	9,115,875
Charge for the year	1,095,746	143,274	233,590	21,205	1,493,815
On disposals	-	(9,000)	(400)	-	(9,400)
At 31 August 2023	8,772,600	684,703	1,047,105	95,882	10,600,290
<b>Net book value</b>					
At 31 August 2023	63,193,159	133,845	394,149	-	63,721,153
At 31 August 2022	64,288,905	206,789	382,796	21,205	64,899,695

Included in land and buildings is land at valuation of £9,298,000 (2022: £9,298,000) which is not depreciated.

**15. Debtors**

	2023 £	2022 £
Trade debtors	70,198	40,958
Other debtors	155,025	258,775
Prepayments and accrued income	584,446	483,466
	809,669	783,199

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>1,139,495</b>	1,063,546
Other taxation and social security	<b>124,908</b>	84,485
Other creditors	<b>3,315</b>	2,284
Accruals and deferred income	<b>1,067,214</b>	589,304
	<b>2,334,932</b>	1,739,619
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2022	<b>298,247</b>	236,561
Resources deferred during the year	<b>547,433</b>	298,247
Amounts released from previous periods	<b>(298,247)</b>	(236,561)
	<b>547,433</b>	298,247

Deferred income relates to income received which relates to the following financial year. The majority of this deferred income related to local government growth funding, universal infant income and school trips.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**17. Statement of funds**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b><i>Unrestricted funds</i></b>						
General funds	952,179	1,167,941	(1,108,029)	197,559	-	1,209,650
<b><i>Restricted general funds</i></b>						
GAG	1,681,834	23,059,202	(24,261,545)	(273,459)	-	206,032
Pupil premium	-	1,420,407	(1,420,407)	-	-	-
School fund	94,427	369,927	(329,632)	-	-	134,722
Post opening grant	-	90,000	(90,000)	-	-	-
Post-16	-	1,827,562	(1,827,562)	-	-	-
Other DfE/ESFA grants	-	736,293	(736,293)	-	-	-
Rates funding	-	109,331	(109,331)	-	-	-
PE grant	-	58,160	(58,160)	-	-	-
UIFSM grant	-	137,601	(137,601)	-	-	-
FEL funding	-	382,617	(382,617)	-	-	-
Growth fund	-	209,199	(209,199)	-	-	-
Teaching school	8,520	-	-	(8,520)	-	-
Teachers Pay and Pension	-	82,384	(82,384)	-	-	-
Recovery funds	-	467,452	(467,452)	-	-	-
Other restricted funds	-	519,437	(519,437)	-	-	-
Local government IR funding	-	225,094	(225,094)	-	-	-
Local government banded funding	-	298,326	(298,326)	-	-	-
Pension reserve	(4,425,000)	-	(35,000)	-	1,755,000	(2,705,000)
	(2,640,219)	29,992,992	(31,190,040)	(281,979)	1,755,000	(2,364,246)

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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

***Restricted fixed  
asset funds***

Restricted fixed asset funds	<b>65,109,775</b>	<b>669,827</b>	<b>(1,850,544)</b>	<b>84,420</b>	<b>-</b>	<b>64,013,478</b>
<b><i>Total Restricted funds</i></b>	<b>62,469,556</b>	<b>30,662,819</b>	<b>(33,040,584)</b>	<b>(197,559)</b>	<b>1,755,000</b>	<b>61,649,232</b>
<b><i>Total funds</i></b>	<b>63,421,735</b>	<b>31,830,760</b>	<b>(34,148,613)</b>	<b>-</b>	<b>1,755,000</b>	<b>62,858,882</b>

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

Unrestricted funds

The unrestricted funds represent funds available to the trustees 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 ESFA. 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.

Post 16 - annual funding allocations from ESFA for the provision of 16 to 19 education.

Other DfE/ESFA - funds received restricted for specific use by the Trust for educational purposes.

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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

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 received grant funding to ensure the quality of system leadership remains as high as possible. There is no longer a separate teaching school so the balance brought forward from the prior year has been transferred into general funds where the Mercia Learning Alliance activity is now shown.

Teachers Pay and Pension Grants - to support the increased employment costs as a result of the teachers' pay award and increases in pension contributions.

Recovery funds - ESFA funding to cover costs associated with recovery from Covid including catch up tuition.

Local Government IR Funding - SCC per pupil funding for pupils 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.

Pension reserve - 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, other funds and DfE/ESFA capital grants.

**Transfers**

A transfer of £189,039 has been made from GAG to unrestricted funds to fund recharged expenditure, including salaries, in the central trust.

A transfer has been made out of GAG to restricted fixed asset funds of £84,420 to reflect assets purchased out of GAG funding.

The Multi Academy Trust is not subject to GAG carried forward limits.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General funds	1,172,457	923,627	(1,063,905)	(80,000)	-	952,179
<b>Restricted general funds</b>						
GAG	712,655	23,109,856	(22,185,396)	44,719	-	1,681,834
Pupil premium	-	1,315,044	(1,315,044)	-	-	-
School fund	68,069	257,265	(230,907)	-	-	94,427
Post opening grant	-	121,000	(121,000)	-	-	-
Other DfE/ESFA grants	-	504,445	(504,445)	-	-	-
Rates funding	-	97,701	(97,701)	-	-	-
PE grant	-	57,730	(57,730)	-	-	-
UIFSM grant	-	134,045	(134,045)	-	-	-
FEL funding	-	328,863	(328,863)	-	-	-
Growth fund	-	174,774	(174,774)	-	-	-
Teaching school	37,768	152,865	(182,113)	-	-	8,520
Summer school	-	7,495	(7,495)	-	-	-
Teachers Pay and Pension	-	123,016	(123,016)	-	-	-
Recovery funds	60,000	211,270	(271,270)	-	-	-
Other restricted funds	-	15,452	(15,452)	-	-	-
Local government IR funding	-	179,467	(179,467)	-	-	-
Local government banded funding	-	216,333	(216,333)	-	-	-
Pension reserve	(15,682,000)	-	(1,427,000)	-	12,684,000	(4,425,000)
	(14,803,508)	27,006,621	(27,572,051)	44,719	12,684,000	(2,640,219)

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

***Restricted fixed  
asset funds***

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

**Total funds analysis by academy**

Fund balances at 31 August 2023 were allocated as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
King Egbert School	<b>486,656</b>	813,607
Newfield School	<b>147,374</b>	604,247
Totley School	<b>29,285</b>	42,571
Woodlands Primary School (previously Valley Park)	<b>169,225</b>	268,803
Nether Edge Primary School	<b>87,659</b>	100,367
Mercia School	<b>506,618</b>	517,116
Mercia Learning Trust	<b>123,587</b>	390,249
Total before fixed asset funds and pension reserve	<b>1,550,404</b>	2,736,960
Restricted fixed asset fund	<b>64,013,478</b>	65,109,775
Pension reserve	<b>(2,705,000)</b>	(4,425,000)
<b>Total</b>	<b>62,858,882</b>	<b>63,421,735</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**17. 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 2023 £	Total 2022 £
King Egbert School	6,526,117	414,046	338,527	2,190,656	<b>9,469,346</b>	8,723,902
Newfield School	5,200,474	528,596	259,932	2,171,645	<b>8,160,647</b>	7,433,228
Totley School	1,435,034	211,603	170,103	384,465	<b>2,201,205</b>	1,963,856
Woodlands Primary School (previously Valley Park)	1,898,182	318,798	164,117	500,335	<b>2,881,432</b>	2,860,510
Nether Edge Primary School	1,668,271	230,028	183,852	341,720	<b>2,423,871</b>	2,342,455
Mercia School	3,295,540	575,874	264,389	836,543	<b>4,972,346</b>	3,506,988
Mercia Learning Trust	988,625	594,621	118,331	844,374	<b>2,545,951</b>	2,294,436
<b>Multi Academy Trust</b>	<b>21,012,243</b>	<b>2,873,566</b>	<b>1,499,251</b>	<b>7,269,738</b>	<b>32,654,798</b>	<b>29,125,375</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	63,721,153	<b>63,721,153</b>
Current assets	1,193,007	2,692,329	292,325	<b>4,177,661</b>
Creditors due within one year	16,643	(2,351,575)	-	<b>(2,334,932)</b>
Provisions for liabilities and charges	-	(2,705,000)	-	<b>(2,705,000)</b>
<b>Total</b>	<b>1,209,650</b>	<b>(2,364,246)</b>	<b>64,013,478</b>	<b>62,858,882</b>

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

	<b>2023</b>	2022
	<b>£</b>	£
Net expenditure for the year (as per statement of financial activities)	<b>(2,317,853)</b>	(2,238,694)
<b>Adjustments for:</b>		
Depreciation	<b>1,493,815</b>	1,521,833
Capital grants from DfE and other capital income	<b>(669,827)</b>	(478,266)
Interest receivable	<b>(104,200)</b>	(10,553)
Defined benefit pension scheme cost less contributions payable	<b>(148,000)</b>	1,151,000
Defined benefit pension scheme finance cost	<b>183,000</b>	276,000
Increase in debtors	<b>(43,113)</b>	(16,695)
Increase in creditors	<b>611,956</b>	336,464
<b>Net cash (used in)/provided by operating activities</b>	<b>(994,222)</b>	541,089

**20. Cash flows from investing activities**

	<b>2023</b>	2022
	<b>£</b>	£
Dividends, interest and rents from investments	<b>104,200</b>	10,553
Purchase of tangible fixed assets	<b>(315,273)</b>	(290,301)
Capital grants from DfE Group	<b>669,827</b>	478,266
<b>Net cash provided by investing activities</b>	<b>458,754</b>	198,518

**21. Analysis of cash and cash equivalents**

	<b>2023</b>	2022
	<b>£</b>	£
Cash in hand and at bank	<b>3,367,992</b>	3,903,460
<b>Total cash and cash equivalents</b>	<b>3,367,992</b>	3,903,460

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

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

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	3,903,460	(535,468)	3,367,992
	<u>3,903,460</u>	<u>(535,468)</u>	<u>3,367,992</u>

**23. 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 2022.

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £2,680,864 (2022 - £2,388,209).

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 2023 was £1,586,000 (2022 - £1,340,000), of which employer's contributions totalled £1,250,000 (2022 - £1,057,000) and employees' contributions totalled £ 336,000 (2022 - £283,000). The agreed contribution rates for future years are 16.4 per cent for employers and 5.5 - 12 per cent for employees.

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 and on 21 July 2022 the Department of Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**23. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.55</b>	<b>4.05</b>
Rate of increase for pensions in payment/inflation	<b>2.95</b>	<b>3.05</b>
Discount rate for scheme liabilities	<b>5.20</b>	<b>4.25</b>

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

	<b>2023</b>	<b>2022</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
Males	<b>20.6</b>	<b>22.6</b>
Females	<b>23.6</b>	<b>25.4</b>
Retiring in 20 years		
Males	<b>21.4</b>	<b>24.1</b>
Females	<b>25.0</b>	<b>27.3</b>

**Sensitivity analysis**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>(391)</b>	<b>(397)</b>
Salary increase +0.1%	<b>38</b>	<b>58</b>
Mortality assumption - 1 year increase	<b>618</b>	<b>640</b>
CPI rate +0.1%	<b>360</b>	<b>343</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**23. Pension commitments (continued)**

**Share of scheme assets**

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	8,970,690	8,099,000
Bonds	2,730,210	2,314,000
Property	1,170,090	1,041,300
Cash and other liquid assets	130,010	115,700
<b>Total market value of assets</b>	<b>13,001,000</b>	<b>11,570,000</b>

The actual return on scheme assets was £(364,028) (2022 - £(197,000)).

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

	2023 £	2022 £
Current service cost	(1,102,000)	(2,208,000)
Interest income	521,000	190,000
Interest cost	(704,000)	(466,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,285,000)</b>	<b>(2,484,000)</b>

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

	2023 £	2022 £
<b>At 1 September</b>	<b>15,991,000</b>	<b>26,231,000</b>
Current service cost	1,102,000	2,208,000
Interest cost	704,000	466,000
Employee contributions	336,000	283,000
Actuarial gains	(2,250,000)	(13,063,000)
Actuarial (gains)/losses not recognised	(282,000)	(4,000)
Benefits paid	(181,000)	(130,000)
<b>At 31 August</b>	<b>15,420,000</b>	<b>15,991,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**23. Pension commitments (continued)**

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

	2023 £	2022 £
<b>At 1 September</b>	<b>11,570,000</b>	10,549,000
Interest income	521,000	190,000
Actuarial losses	(495,000)	(379,000)
Employer contributions	1,250,000	1,057,000
Employee contributions	336,000	283,000
Benefits paid	(181,000)	(130,000)
<b>At 31 August</b>	<b>13,001,000</b>	11,570,000
	2023 £	2022 £
<b>Amounts recognised in the balance sheet</b>		
Present value of the defined benefit obligations	15,420,000	15,991,000
Fair value of the academy trust's share of scheme assets	(13,001,000)	(11,570,000)
Schemes in surplus not recognised in the balance sheet	286,000	4,000
<b>Defined benefit pension scheme liability</b>	<b>2,705,000</b>	4,425,000

The net pension surpluses of £276,000 (2022: £4,000) for the Central Trust and £10,000 for Mercia School at 31 August 2023, assessed in accordance with FRS 102, is not recognised in the balance sheet as the academy trust is unable to recover this surplus from the pension scheme.

**24. Operating lease commitments**

At 31 August 2023 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	42,871	64,253
Later than 1 year and not later than 5 years	25,950	55,853
	<b>68,821</b>	120,106

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

---

**25. Related party transactions**

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

During the year a transaction was notified to the ESFA involving £1,898 paid to Twinkl Limited for books. D Angrave, a Trustee, is the chief operating officer of Twinkl Limited. In entering into this transaction, Trustee and CEO approval was sought and the service provided was deemed as good value for money.

**26. Financial commitments under PFI arrangements**

At 31 August 2023 the trust had future commitments under PFI arrangements as follows:

	2023 £	2022 £
<b>Amounts payable:</b>		
Within 1 year	3,222,732	2,494,895
Between 1 and 5 years	12,890,928	9,979,580
After more than 5 years	19,694,832	17,246,263
<b>Total</b>	<b>35,808,492</b>	<b>29,720,738</b>

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

**27. 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 2023 the trust received £20,979 (2022: £20,667) and disbursed £20,979 (2022: £20,667) from the fund.

**28. 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 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 cease to be a member.