

MERCIA LEARNING TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

MERCIA LEARNING TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P.D. Smith G. Burke (resigned 31 March 2024) A. Singh T. Khan (resigned 20 May 2024) B. Abrams R. Dodds (appointed 23 September 2024) C. French (appointed 4 October 2024)
Trustees	R.A. Dodds, Chair (from 1 August 2024) P.D. Smith, Chair (resigned 31 August 2024) S. Pearson J. Millward D. Angrave (resigned 5 June 2024) F. Benoist M. Butler B. Karim (appointed 15 May 2024) A. Thomas (appointed 24 June 2024) S. Mashford (appointed 4 November 2024)
Company registered number	08119703
Company name	Mercia Learning Trust
Principal and registered office	Mercia Learning Trust 79 Glen Road Sheffield S7 1RB
Company secretary	C.F. Chance
Accounting officer and Chief Executive Officer	C. French N Miley (from 1 June 2024)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Senior leadership team

King Egbert School
- P. Haigh, Headteacher
Newfield School
- E. Anderson (resigned 31 August 2024), Headteacher
- C. Jenkinson (appointed 1 September 2024), Co-Headteacher
- S. Dawson (appointed 1 September 2024), Co-Headteacher
Totley Primary School
- B. Paxman, Headteacher
Woodlands Primary School
- L. Johnson (resigned 31 August 2024), Headteacher
- M. Bennett (appointed 1 September 2024), Headteacher
The Nether Edge Primary
- M. Nott, Headteacher
Mercia School
- D. Webster (changed position within trust 1 September 2024), Headteacher
- J. Fisher (appointed 1 September 2024), Co-Headteacher
- R. Hollingsworth (appointed 1 September 2024), Co-Headteacher
Anns Grove
- A. Hayden (appointed 1 September 2024), Head of School
- A. Farrar, Headteacher
C. Chance, Director of Finance and Operations

Independent auditor

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Bankers

Yorkshire Bank
Fargate
Sheffield
S1 1LL

Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Solicitors

Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

MERCIA LEARNING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

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 2024. 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 four primary schools (one joining in October 2023) providing education to pupils aged 3 to 18 across South West Sheffield. The schools have a combined pupil capacity of 5,140 and had a roll of 5,125 in the school census on 1 October 2023.

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.

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 and 2 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 with guidance from external experts, as required.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	9
Full-time equivalent employee number	8

Percentage of time spent on facility time

<i>Percentage of time</i>	Number of employees
0%	3
1%-50%	6
51%-99%	-
100%	-

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

Total cost of facility time	12,311
Total pay bill	16,822,074
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	52 %
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h. Engagement with employees (including disabled persons)

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

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

- Equality Policy
- Volunteers' policy
- Health and safety policy
- Whistleblowing 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.

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 2023-24

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. Mercia Secondary School – the continuation of its phased growth (increasing to 180 pupils per year) into Year 11, and the first year of its Sixth Form provision (opened September 2023).
 - b. King Ecgbert Secondary – delivery of the plan to expand its Year 7 Pupil Admission Number (PAN) from 193 to 240 in September 2023 and the finalisation and opening of the new sixth form centre.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

3. Continue to secure strategic growth with the right local school partners, in the light of our agreed locality strategy. This includes the final stages of due diligence and transfer of Anns Grove Primary School into our trust.
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.
5. Development of three Specialist Resource Provisions to help support the ever growing SEND needs in our schools.
6. Recruit a new CEO and deliver a transition programme between the outgoing and incoming CEO.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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. Pupil attendance, especially for the most vulnerable.
2. The quality of education, with a specific focus on the most vulnerable (SEND and PP).
3. Pupil growth and the integration of new systems to accommodate increasing number of pupils.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

School expansion

With the increasing pupil numbers from September 2023, driven by local expansion, the school was extended to include a brand new, purpose built Post-16 provision. This entailed the cordoning 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. Due to previous delays, the building was not completed to schedule (originally 1 September 2023) and instead slipped to midway through the year. This added strain to an already limited internal space but was managed effectively by staff and had no discernible impact on the education of all pupils.

Summary

The summer outcomes for GCSE and A Levels were the best in the school's recent history. All areas were well above average and will place the school amongst some of the highest locally and nationally. The continued success of the school is reflected in its high-levels of staff retention and exceptionally high number of year-on-year applications for pupils.

Newfield School

Newfield stabilised across the year, this was a significant change from previous years where Covid had a larger impact on the school culture. Newfield continued to work in the following areas:

1. Pupil attendance and movement around school.
2. Behaviour, with a specific focus on attitude to learning in lessons, and a small minority of more vulnerable pupils.
3. The quality of education, with a specific focus on the most vulnerable
4. The development of a specialist resource provision for pupils.

Summary

Across the year, Newfield continued to show marked improvements from the previous year. Attendance had stabilised and was starting to increase, furthermore, incidents of behaviour issues decreased. Furthermore, results stabilised and the previous few years of decline stopped.

At the end of the academic year the headteacher decided to move into a new role with another trust. The new role included leading a larger school with Post-16 provision. Across 2024 we will be securing a replacement headteacher, in the interim, the two deputy headteachers will step into the role, with support from our trust leadership team.

We successfully secured the funding for a 30 place internal Specialist Resource Provision (SRP) to support our most vulnerable pupils and across the coming year will work with the council to secure a suitable building to support this expansion in numbers.

Mercia School

The school began its sixth year of expansion as pupils progressed into Year 12, being the first cohort to undertake GCSE examinations in summer 2023, and the continued increase of larger (180 pupil) cohorts entering the school continued.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Summary

Whilst 2022/23 was an exceptional year, 2023/24 continued this standard. The results at the end of 2024 were broadly in line with the previous exceptional results and the school is established as one of the leading schools across the country. The standout increase this year was for disadvantaged pupils who achieved a progress score higher than others in the school. This has never been achieved by a school with an above average disadvantaged intake and overall results above a P8 score of +2.

The school continues to experience exceptional community support and is the most over-subscribed school in the city.

Totley Primary School

Totley is now full, with all year groups consisting of 60 pupils.

Totley continued to focus on further refinement in the following areas:

1. Pupil attendance, especially for the most vulnerable.
2. The quality of education for all pupils, ensuring a greater number of pupils leave with KS2 results in the greater depth range.
3. Increasing the support mechanisms and processes to support a changing population and an increase in SEND need.

Summary

Totley 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. Totley worked alongside other trust schools across the year to help support a Reception cohort with significant SEND needs. This work led to a redesign of approaches which will help Totley in the future to meet the needs of a changing demographic.

The school continues to be heavily over-subscribed and is increasingly recognised as a leading primary school. This is supported by a stable staffing body and high-levels of retention in all areas.

Woodlands Primary School

Woodlands' year included a variety of significant changes, including the appointment of a new headteacher and the setup of a new specialist resource provision to meet the exceptionally high-levels of need. However, although there were quite significant changes, the school remained stable and continued its journey of rapid improvement.

Woodlands focused on the following areas:

1. Pupil attendance, especially for the most vulnerable.
2. Behaviour and attitudes to learning across all phases.
3. The development of a robust curriculum to support all learners.
4. Provision for the most vulnerable/SEND pupils.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Summary

At the end of the year, a new experienced headteacher was appointed and the specialist resource provision plans were fully realised to ensure a stable start to the coming academic year. The results in Phonics improved significantly and placed the school amongst the best in our trust.

Nether Edge Primary School

Nether Edge continues to go from strength to strength and whilst the start of the year showed some areas for development, these were quickly addressed and the school finished the year very successfully. The year also included the setup of a new specialist resource provision to support the increasing local SEND need.

Nether Edge continued to focus on further refinement in the following areas:

1. Pupil attendance, especially for the most vulnerable.
2. The quality of education with a major focus on reading and oracy.
3. The development of a specialist resource provision for pupils.

Summary

The results at the end of the year showed a marked increase from the previous academic year. This was across all key stages and was supported by an attendance figure that was the most improved in the city. The community support for the school has grown and the introduction of a specialist resource provision has drawn interest from across the city and further afield. Nether Edge continues to strive for perfection and is supporting other schools to develop their own practice.

Anns Grove Primary School

Anns Grove joined our trust in October 2023 and had a successful transition to being an academy.

The process of onboarding into a new organisation and the creation of systems to support areas of operation were a main area of focus for the school in the first half of the year. Additionally, Anns Grove is going through a period of student number growth, moving from a PAN of 45 per year, to 60. In addition, Anns Grove focused on the following areas:

1. Develop an outstanding curriculum in all areas.
2. Pupil attendance, especially for the most vulnerable.
3. Develop and implement a new behaviour policy.
4. Improve educational outcomes in all areas to match the very best locally and nationally.
5. Manage the growth of the school and the buildings to support the growth.

Summary

Across the year, the team worked closely with the central team to go onboard into new systems and processes, moving away from the systems previously used with the council.

Furthermore, Anns Grove worked alongside the school improvement team to review practices, putting themselves in a position to accelerate progress across the coming academic year.

Strategic report (continued)

Achievements and performance (continued)

Trust developments

Our trust continued to operate strongly and in full support of individual schools. Given the return to normality, support focused on school improvement. Specifically:

1. Routines and systems to support higher levels of attendance.
2. Sharing of best practice to secure improved outcomes across all phases for all pupils.
3. Develop and a shared understanding of best practice in key areas, such as SEND and Safeguarding.
4. Development of leadership processes and practices, leading to a reduction in workload and the creation of shared standards.

School Improvement – The school improvement team increased in size across the year, with a new post being developed to improve secondary standards. This is in addition to the external support through SIPs and the internal support from current primary improvement team and our trust improvement director. Much of the work was focused on Woodlands and Newfield to ensure systems and structures are amongst the best in our trust. This led to significant and sustained improvements across different areas that will lead to

Our 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 refined throughout the year. Financial controls continue to be a strength in our trust.

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 upgrade Inter active whiteboards (& other devices) continued, alongside ensuring the new King Ecgbert Post-16 building was fully equipped. Additionally, Anns Grove was provided additional support to bring their systems in line with the rest of our trust. Crucially, the strategy to centralise IT infrastructure was fully developed, ready for execution in 2024/25. This will allow for greater control and improved security posture.

Human Resources – a continued focus on alignment of policy and practice, staff wellbeing and staff absence monitoring were priorities. Staff absence fluctuated throughout the year but reduced significantly in the summer term.

Marketing and design – the team supported individual schools with redevelopment of their internal design. This allowed for the creation of specific templates for design to be developed. Furthermore, 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 recruiting a stronger cadre of governors and trustees. Furthermore, with the current chair of the trust board retiring, a process was followed to find his successor.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Strategic growth

Following the agreement of a locality-based growth strategy, in the 2022/23 academic year our 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.

Consequently, 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). Throughout the year the school continued to onboard and familiarise themselves with our trust principles and operations.

Across the rest of the year our trust spent a period of time embedding and stabilising, in preparation for the start of our new CEO.

Neil Miley started in June 2024 and completed an extended induction with the outgoing CEO, Chris French. This induction allowed Neil to get a firm understanding of our trust and meant the start to 2024 would be as successful as possible.

Furthermore, our Chair of Trust Board, Phil Smith, resigned from his post, after over 10 years of successful service as a governor and trustee. Both Phil and Chris have remained in our trust as members.

Financial review

a. Results for the year

For the year ended 31 August 2024, there was a deficit on GAG funds of £549,213 (2023: deficit of £1,202,343) and a deficit of £39,213 (2023: surplus of £59,912) 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 pupils.

At 31 August 2024, the net book value of fixed assets was £67,544,606 (2023: £63,721,153) 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.

Anns Grove Primary School joined the trust in October 2023 at a net gain of £4,648,096 for the trust. This has secured efficiencies in terms of central services and school improvement for both the school and 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 2024 and supporting notes to the accounts (see note 23).

b. Reserves policy

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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.
- Manage fluctuations in income such as delays between spending and receipt of grants.
- Enable a robust programme for the renewal and replacement of school assets, particularly ICT, to be developed and maintained
- Provide a cushion to deal with unexpected emergencies such as urgent maintenance and any unanticipated financial issues.

In achieving this, our trustees will be mindful that existing pupils 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. Our trust adopts reserves pooling to function and remain financially sustainable. Trust reserves should not fall below a minimum agreed level of 3% of income, and should, in most years, be maintained above 5%. Discretionary reserves above this amount will fund trust priorities as defined by our board.

At 31 August 2024, the trust held unrestricted funds of £790,323 (2023: £1,209,650) and GAG funds of £nil (2023: £206,032) i.e. free funds of £790,323 (2023: £1,415,682) which equates to 1.9% (2023: 4.4%) 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 £103,087 restricted funds i.e. a total of £893,410 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Streamlined energy and carbon reporting

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

	2024	2023
Energy consumption used to calculate emissions (kWh)	5,495,196	4,707,204
<i>Energy consumption breakdown (kWh):</i>		
Gas	3,219,049	2,901,098
Electricity	2,250,175	1,789,810
<i>Scope 1 emissions (in tonnes of CO2 equivalent):</i>		
Gas consumption	589.60	529.62
Owned transport	8.02	2.85
<i>Total scope 1</i>	597.62	532.47
<i>Scope 2 emissions (in tonnes of CO2 equivalent):</i>		
Purchased electricity	465.95	370.62
<i>Scope 3 emissions (in tonnes of CO2 equivalent):</i>		
Business travel in employee-owned or rental vehicles	1.28	2.01
<i>Total gross emissions (in tonnes of CO2 equivalent):</i>	1,064.85	905.10
<i>Intensity ratio:</i>		
Tonnes of CO2 equivalent per pupil	0.21	0.21

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 2024

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

2023-24 was another strong year for our 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, two graded as good and one awaiting inspection. Mercia School had cemented its reputation as one of the strongest schools in the country. The trust placed in the top ten secondary trusts nationally for progress and is 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 19/12/2024 GMT and signed on its behalf by:



•Signer ID: HQ2YKHHCOA:.....

R.A Dodds

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
R.A. Dodds, Chair (from 1 August 2024)	4	6
P.D. Smith, Chair (resigned 31 August 2024)	5	6
S. Pearson	6	6
J. Millward	4	6
D. Angrave (resigned 5 June 2024)	0	5
F. Benoist	4	6
M. Butler	3	6
B. Karim (appointed 15 May 2024)	1	1
A. Thomas (appointed 24 June 2024)	1	1
S. Mashford (appointed 4 November 2024)	0	0

Throughout 2023-24, our board of trustees underwent several significant changes to enhance its capacity and broaden its skill set. We welcomed Bolawa Karim, an IT expert with extensive experience in technology, risk, and project management. Andrew Thomas, a management accountant and Director of Operations at the ESFA, joined to strengthen our financial scrutiny and support. Additionally, Sarah Mashford, a solicitor, was appointed to bring valuable expertise in estate management and legal obligations.

While welcoming new members, we also bid farewell to dedicated leaders. David Angrave, Chair of the FRA, stepped down due to personal reasons, and Phil Smith, Chair of the Board, retired after 12 years of exemplary service.

These changes underscore our commitment to fostering a diverse and skilled board, ensuring we are well-positioned to navigate the challenges and opportunities of the evolving educational landscape.

The Trust maintains an up to date and complete register of business and pecuniary interests. Details are published on the Trust's website and 'Declarations of Pecuniary Interests' is a standard agenda item for all Trust Committees.

MERCIA LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Trustees commissioned an external review of governance by the Confederation of School Trusts (CST) in 2023/24 to evaluate their effectiveness. This will conclude in December 2024 when the findings and recommendations will be reviewed by the Board.

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 3 times in the academic year.

During the period, the FRA Committee considered the feasibility of opening Specialist Resource Provisions (SRPs). The SRPs opened in Sept 2024 to provide high quality provision and meet the need of youngsters in 3 of our schools. Challenges of unfunded pay awards and increasing energy costs were also monitored during the year alongside any impact on reserves. The FRA Committee also oversaw the MIS tender process.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
D. Angrave (resigned 5 June 2024)	0	3
F. Benoist	3	3
P.D. Smith (resigned 31 August 2024)	1	3
R.A. Dodds	3	3
M. Butler	2	3
J. Milward	2	3

Due to the absence of David Angrave, Joanne Milward joined the FRA committee at the start of 2024 to add capacity.

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Multi Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, 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:

- 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.
- Implemented automatic shutdown policies at all sites when IT machines are not in use for a set period of time.
- Invested in access control systems to control who has access to school buildings and when, providing a safer environment.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- 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 strategically placed 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.
- Purchased a new MIS system (Bromcom) for all schools through a centrally run tender which replaces the Sims.net contracts and Edulink contracts. The Bromcom system is all cloud based reducing the demands on infrastructure and IT support in the schools.
- Moved the Internet Connections from all schools away from Sheffield City Council and centrally procured Internet Connections and Web Content filtering. We chose to contract directly with suppliers rather than via a third party to reduce the costs incurred.
- Implemented an integrated Applicant Tracking System offering a cost-efficient, fast, and compliant hiring, saving significant staff hours through automation. It is more affordable than previous platforms, while enhancing the overall recruitment experienced
- Introduced online social media checks providing a cost-efficient and compliant solution for vetting candidates, significantly reducing staff hours compared to labour-intensive manual methods. This efficient process is more thorough, aligns with KCSIE guidelines, and improves hiring quality while mitigating recruitment risks

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mercia Learning Trust for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

Duncan and Toplis have been employed as internal auditors because the revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it.

The internal auditor performed a range of 11 checks on internal payroll processes.

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

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.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

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:



Signer ID: HO2YKHHCOA...
R. A. Dodds

Chair of Trustees

Date: 19/12/2024 GMT



Signer ID: PE855RHHBB...
N. Miley

Accounting Officer

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Mercia Learning Trust I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, 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 2023, 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 2023.

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

During the year, a related party transaction was not disclosed on the ESFA related party portal before the transaction took place, the transaction was reported 2-3 weeks after the transaction date. This is not line with the requirements of the Academies Trust Handbook which requires reporting to be done prior to the transaction taking place.

N Miley

Signer ID: PE855RHHBB...

N Miley

Accounting Officer

Date: 19/12/2024 GMT

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024;
- 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:



Signer ID: HQ2YKHHCOA:.....
R.A Dodds

(Chair of Trustees)

Date: 19/12/2024 GMT

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 2024 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 2023 to 2024 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 2024 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 2023 to 2024 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 Trustees' report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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.

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.

MERCIA LEARNING TRUST
(A company limited by guarantee)

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with management, and from our knowledge and experience of the industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including but not limited to those issued by or relating to Ofsted, ESFA, GDPR, Safeguarding and Health and Safety.
- we assessed the extent of compliance with the laws and regulations identified above through discussions with management 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 trust's website to ensure the required disclosures had been made in line with the Academies Trust Handbook.
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

MERCIA LEARNING TRUST
(A company limited by guarantee)

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

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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.

BHP LLP

Signer ID: CZYRUVFAHR...

Nicola Adams (Senior statutory auditor)

for and on behalf of

BHP LLP

2 Rutland Park

Sheffield

S10 2PD

Date: 19/12/2024 GMT

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 12 September 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, 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 2023 to 31 August 2024 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 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year, a related party transaction was not disclosed on the ESFA related party portal before the transaction took place, the transaction was reported 2-3 weeks after the transaction date. This is not line with the requirements of the Academies Trust Handbook which requires reporting to be done prior to the transaction taking place.

BHP LLP

Signer ID: CZYRUVFAHR...

Nicola Adams (Senior statutory auditor)

BHP LLP

Date: 19/12/2024 GMT

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:						
Donations and capital grants:	3					
Local authority school conversion		266,659	(434,000)	4,815,437	4,648,096	-
Other donations and capital grants		8,536	434,894	985,458	1,428,888	1,045,765
Other trading activities	5	1,023,989	7,598	-	1,031,587	867,966
Investments	6	126,355	-	-	126,355	104,546
Charitable activities	4	1,218,161	34,105,952	-	35,324,113	29,812,483
Total income		2,643,700	34,114,444	5,800,895	42,559,039	31,830,760
Expenditure on:						
Raising funds		325,852	499,722	-	825,574	641,647
Charitable activities	8	2,356,970	34,390,570	2,000,183	38,747,723	33,506,966
Total expenditure		2,682,822	34,890,292	2,000,183	39,573,297	34,148,613
Net (expenditure)/income		(39,122)	(775,848)	3,800,712	2,985,742	(2,317,853)
Transfers between funds	17	(380,205)	343,181	37,024	-	-
Net movement in funds before other recognised gains/(losses)		(419,327)	(432,667)	3,837,736	2,985,742	(2,317,853)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	23	-	451,000	-	451,000	1,755,000
Net movement in funds		(419,327)	18,333	3,837,736	3,436,742	(562,853)

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
 (CONTINUED)
 FOR THE YEAR ENDED 31 AUGUST 2024

Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Reconciliation of funds:					
Total funds brought forward	1,209,650	(2,364,246)	64,013,478	62,858,882	63,421,735
Net movement in funds	(419,327)	18,333	3,837,736	3,436,742	(562,853)
Total funds carried forward	790,323	(2,345,913)	67,851,214	66,295,624	62,858,882

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 66 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	67,544,606	63,721,153
		67,544,606	63,721,153
Current assets			
Debtors	15	913,677	809,669
Cash at bank and in hand		2,360,398	3,367,992
		3,274,075	4,177,661
Creditors: amounts falling due within one year	16	(2,074,057)	(2,334,932)
Net current assets		1,200,018	1,842,729
Net assets excluding pension liability		68,744,624	65,563,882
Defined benefit pension scheme liability	23	(2,449,000)	(2,705,000)
Total net assets		66,295,624	62,858,882
Funds of the Multi Academy Trust			
Restricted funds:			
Fixed asset funds	17	67,851,214	64,013,478
Restricted income funds	17	103,087	340,754
Restricted funds excluding pension liability	17	67,954,301	64,354,232
Pension reserve	17	(2,449,000)	(2,705,000)
Total restricted funds	17	65,505,301	61,649,232
Unrestricted income funds	17	790,323	1,209,650
Total funds		66,295,624	62,858,882

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

The financial statements on pages 30 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Signer ID: HQ2YKHHCOA.....
R.A Dodds

Date: 19/12/2024 GMT

The notes on pages 35 to 66 form part of these financial statements.

MERCIA LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	19	(1,670,246)	(994,222)
Cash flows from investing activities	20	662,652	458,754
Change in cash and cash equivalents in the year		(1,007,594)	(535,468)
Cash and cash equivalents at the beginning of the year		3,367,992	3,903,460
Cash and cash equivalents at the end of the year	21, 22	2,360,398	3,367,992

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, are 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 2023 to 2024 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.

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.

• **Transfer of existing academies into the Multi Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Multi Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Multi Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Multi Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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.

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
Motor vehicles	- Straight line over 3 years

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

1.7 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.

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.

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 2024

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 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations					
Local authority school conversion	266,659	(434,000)	4,815,437	4,648,096	-
Donations	8,536	-	-	8,536	6,011
School fund income	-	434,894	-	434,894	369,927
Capital grants	-	-	985,458	985,458	669,827
	<u>275,195</u>	<u>894</u>	<u>5,800,895</u>	<u>6,076,984</u>	<u>1,045,765</u>
Total 2023	<u>6,011</u>	<u>369,927</u>	<u>669,827</u>	<u>1,045,765</u>	

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Education				
DfE/ESFA grants				
General Annual Grant	-	27,204,801	27,204,801	23,059,202
Other DfE/ESFA grants				
Pupil Premium	-	1,624,770	1,624,770	1,420,407
Post-16	-	2,174,706	2,174,706	1,827,562
Teachers' Pay and Pension Grant	-	794,904	794,904	82,384
Mainstream Schools Additional Grant	-	864,774	864,774	350,292
Other	149,890	385,696	535,586	1,286,985
	149,890	-	33,199,541	28,026,832
Other Government grants				
Local authority grants	1,019,248	677,337	1,696,585	1,285,123
	1,019,248	677,337	1,696,585	1,285,123
Other income from the Multi Academy Trust's education				
	49,023	-	49,023	33,076
COVID-19 additional funding (DfE/ESFA)				
Recovery premium	-	310,800	310,800	290,789
School led tutoring	-	68,164	68,164	176,663
	-	378,964	378,964	467,452
	1,218,161	34,105,952	35,324,113	29,812,483
Total 2023	189,418	29,623,065	29,812,483	

The above Recovery Premium and School-led tutoring income was all spent during the year.

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5. Income from other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Lettings	40,997	-	40,997	37,880
School to school support	14,709	-	14,709	23,506
Other	968,283	7,598	975,881	806,580
	<u>1,023,989</u>	<u>7,598</u>	<u>1,031,587</u>	<u>867,966</u>
Total 2023	<u>867,966</u>	<u>-</u>	<u>867,966</u>	

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment income	126,355	126,355	104,546
	<u>126,355</u>	<u>126,355</u>	<u>104,546</u>
Total 2023	<u>104,546</u>	<u>104,546</u>	

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

7. Expenditure

	Staff Costs 2024 £	Premises 2024 £	Other 2024 £	Total 2024 £	Total 2023 £
Expenditure on school fund:					
Direct costs	-	-	466,529	466,529	331,110
Expenditure on fundraising trading activities:					
Direct costs	-	-	359,045	359,045	310,537
Education:					
Direct costs	24,453,735	1,171,529	2,633,096	28,258,360	24,185,170
Allocated support costs	3,694,219	5,088,656	1,706,488	10,489,363	9,321,796
	<u>28,147,954</u>	<u>6,260,185</u>	<u>5,165,158</u>	<u>39,573,297</u>	<u>34,148,613</u>
Total 2023	<u>23,885,808</u>	<u>5,776,560</u>	<u>4,486,245</u>	<u>34,148,613</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Education	28,258,360	10,489,363	38,747,723	33,506,966
Total 2023	<u>24,185,170</u>	<u>9,321,796</u>	<u>33,506,966</u>	

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education	Total	Total
	2024	funds	funds
	£	2024	2023
		£	£
Staff costs	3,530,545	3,530,545	3,170,661
Depreciation	216,180	216,180	224,072
Other support costs	1,351,137	1,351,137	1,147,848
Recruitment and support	65,449	65,449	73,577
Maintenance of premises and equipment	809,380	809,380	856,067
Cleaning	381,727	381,727	139,927
Rent and rates	148,356	148,356	110,027
Energy costs	418,865	418,865	309,022
Insurance	204,335	204,335	202,299
Catering	8,819	8,819	8,750
Technology costs	-	-	12,008
PFI property costs	3,123,588	3,123,588	2,867,705
Bank interest and charges	6,347	6,347	3,386
Legal costs - conversion	-	-	2,515
Legal costs - other	50,578	50,578	36,532
Governance costs	174,057	174,057	157,400
	<u>10,489,363</u>	<u>10,489,363</u>	<u>9,321,796</u>
Total 2023	<u>9,321,796</u>	<u>9,321,796</u>	

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2024	2023
	£	£
Operating lease rentals	52,810	59,033
Depreciation of tangible fixed assets	1,378,270	1,493,815
Fees paid to auditor for:		
- audit	27,500	21,020
- other services	5,230	6,855
	52,810	59,033
	1,378,270	1,493,815
	27,500	21,020
	5,230	6,855

10. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2024	2023
	£	£
Wages and salaries	20,823,987	17,771,138
Social security costs	2,060,165	1,753,126
Pension costs	4,588,227	3,814,372
Other employee benefits	-	-
	27,472,379	23,338,636
Agency staff costs	643,306	541,027
Staff restructuring costs	32,269	6,145
	28,147,954	23,885,808

Staff restructuring costs comprise:

	2024	2023
	£	£
Redundancy payments	26,777	-
Severance payments	5,492	6,145
	32,269	6,145

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10. Staff (continued)

b. Severance payments

The Multi Academy Trust paid 2 severance payments in the year, disclosed in the following bands:

	2024
	No.
£0 - £25,000	1
£25,001 - £50,000	1
	<u> </u>

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments of £32,269 (2023: £4,200).

d. Staff numbers

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

	2024	2023
	No.	No.
Teachers	300	256
Management	45	47
Admin and support	321	294
	<u> </u>	<u> </u>
	666	597
	<u> </u>	<u> </u>

The average headcount expressed as full-time equivalents was:

	2024	2023
	No.	No.
Teachers	256	234
Management	42	36
Admin and support	249	233
	<u> </u>	<u> </u>
	547	503
	<u> </u>	<u> </u>

MERCIA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10. Staff (continued)

e. Higher paid staff

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	14	11
In the band £70,001 - £80,000	9	4
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	-	2
In the band £130,001 - £140,000	2	-
In the band £140,001 - £150,000	-	1
In the band £170,001 - £180,000	-	1
In the band £180,001 - £190,000	1	-

f. Key management personnel

The key management personnel of the Multi Academy Trust comprise the Trustees and the senior management team as listed on page 2. 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 £1,304,311 (2023: £1,129,839).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

MERCIA LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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
- 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:

	2024	2023
	£	£
King Ecgbert School	398,354	375,277
Newfield School	343,065	305,470
Totley School	83,849	76,578
Woodlands Primary School	97,028	82,213
Nether Edge Primary School	88,927	83,201
Mercia School	239,208	197,165
Anns Grove Primary School	69,036	-
Total	1,319,467	1,119,904

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 2024

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2023	71,965,759	818,548	1,441,254	95,882	74,321,443
Additions	-	147,157	302,004	-	449,161
Acquired on conversion	4,810,000	-	5,437	-	4,815,437
Disposals	-	-	(107,064)	(58,907)	(165,971)
At 31 August 2024	76,775,759	965,705	1,641,631	36,975	79,420,070
Depreciation					
At 1 September 2023	8,772,600	684,703	1,047,105	95,882	10,600,290
Charge for the year	1,113,810	87,877	239,458	-	1,441,145
On disposals	-	-	(107,064)	(58,907)	(165,971)
At 31 August 2024	9,886,410	772,580	1,179,499	36,975	11,875,464
Net book value					
At 31 August 2024	66,889,349	193,125	462,132	-	67,544,606
At 31 August 2023	63,193,159	133,845	394,149	-	63,721,153

Included in land and buildings is land at valuation of £10,098,000 (2023: £9,298,000) which is not depreciated.

15. Debtors

	2024 £	2023 £
Trade debtors	54,030	70,198
Other debtors	209,425	155,025
Prepayments and accrued income	650,222	584,446
	913,677	809,669

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16. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	1,241,403	1,139,495
Other taxation and social security	131,552	124,908
Other creditors	1,112	3,315
Accruals and deferred income	699,990	1,067,214
	<hr/> 2,074,057 <hr/>	<hr/> 2,334,932 <hr/>
	2024	2023
	£	£
Deferred income at 1 September 2023	547,433	298,247
Resources deferred during the year	456,872	547,433
Amounts released from previous periods	(547,433)	(298,247)
	<hr/> 456,872 <hr/>	<hr/> 547,433 <hr/>

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.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
<i>Unrestricted funds</i>						
General funds	1,209,650	2,643,700	(2,682,822)	(380,205)	-	790,323
<i>Restricted general funds</i>						
GAG	206,032	27,204,801	(27,754,014)	343,181	-	-
Pupil premium	-	1,624,770	(1,624,770)	-	-	-
School fund	134,722	434,894	(466,529)	-	-	103,087
Post-16	-	2,174,706	(2,174,706)	-	-	-
Other DfE/ESFA grants	-	21,648	(21,648)	-	-	-
Rates funding	-	122,374	(122,374)	-	-	-
PE grant	-	66,544	(66,544)	-	-	-
UIFSM grant	-	174,616	(174,616)	-	-	-
Growth fund	-	224,895	(224,895)	-	-	-
Teachers Pay and Pension	-	794,904	(794,904)	-	-	-
Recovery funds	-	378,963	(378,963)	-	-	-
Local government IR funding	-	204,474	(204,474)	-	-	-
Local government banded funding	-	44,650	(44,650)	-	-	-
Other restricted funds	-	1,076,205	(1,076,205)	-	-	-
Pension reserve	(2,705,000)	(434,000)	239,000	-	451,000	(2,449,000)
	(2,364,246)	34,114,444	(34,890,292)	343,181	451,000	(2,345,913)

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2024

17. Statement of funds (continued)

***Restricted fixed
 asset funds***

Restricted fixed asset funds	64,013,478	5,800,895	(2,000,183)	37,024	-	67,851,214
<i>Total Restricted funds</i>	61,649,232	39,915,339	(36,890,475)	380,205	451,000	65,505,301
<i>Total funds</i>	62,858,882	42,559,039	(39,573,297)	-	451,000	66,295,624

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 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.

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.

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.

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

17. Statement of funds (continued)

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 has been made out of GAG to restricted fixed asset funds of £37,024 to reflect assets purchased out of GAG funding.

A further transfer of £380,205 was made from unrestricted funds to GAG to cover a deficit on GAG funds. This resulted in a net transfer value of £343,181.

Under the funding agreement with the Secretary of State, the Multi Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

17. Statement of funds (continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General funds	952,179	1,167,941	(1,108,029)	197,559	-	1,209,650
Restricted general funds						
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)	-	-	-
Local government IR funding	-	519,437	(519,437)	-	-	-
Local government banded funding	-	225,094	(225,094)	-	-	-
Other restricted funds	-	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)

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

***Restricted fixed
 asset funds***

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

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024	2023
	£	£
King Ecgbert School	98,833	486,656
Newfield School	115,462	147,374
Totley School	12,163	29,285
Woodlands Primary School	221,995	169,225
Nether Edge Primary School	59,492	87,659
Mercia School	170,791	506,618
Anns Grove Primary School	92,024	-
Mercia Learning Trust	122,650	123,587
Total before fixed asset funds and pension reserve	893,410	1,550,404
Restricted fixed asset fund	67,851,214	64,013,478
Pension reserve	(2,449,000)	(2,705,000)
<i>Total</i>	66,295,624	62,858,882

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2024 £	Total 2023 £
King Ecgbert School	7,001,628	501,677	305,353	2,475,164	10,283,822	9,469,346
Newfield School	5,504,250	685,713	313,089	2,318,920	8,821,972	8,160,647
Totley School	1,473,769	181,468	159,131	399,014	2,213,382	2,201,205
Woodlands Primary School	2,095,595	220,982	204,674	540,434	3,061,685	2,881,432
Nether Edge Primary School	1,786,904	124,156	258,667	416,576	2,586,303	2,423,871
Mercia School	4,106,227	835,872	213,980	895,386	6,051,465	4,972,346
Anns Grove Primary School	1,719,170	146,143	106,173	245,273	2,216,759	-
Mercia Learning Trust	1,283,626	480,774	150,290	982,074	2,896,764	2,545,951
Multi Academy Trust	24,971,169	3,176,785	1,711,357	8,272,841	38,132,152	32,654,798

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	-	67,544,606	67,544,606
Current assets	760,666	2,206,801	306,608	3,274,075
Creditors due within one year	29,657	(2,103,714)	-	(2,074,057)
Provisions for liabilities and charges	-	(2,449,000)	-	(2,449,000)
Total	790,323	(2,345,913)	67,851,214	66,295,624

Analysis of net assets between funds - prior period

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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

	2024	2023
	£	£
Net expenditure for the year (as per statement of financial activities)	2,985,742	(2,317,853)
Adjustments for:		
Depreciation	1,441,145	1,493,815
Capital grants from DfE and other capital income	(985,458)	(669,827)
Interest receivable	(126,355)	(104,200)
Defined benefit pension scheme inherited	434,000	-
Defined benefit pension scheme cost less contributions payable	(376,000)	(148,000)
Defined benefit pension scheme finance cost	137,000	183,000
Increase in debtors	(104,008)	(43,113)
(Decrease)/increase in creditors	(260,875)	611,956
Fixed assets acquired on conversion	(4,815,437)	-
Net cash used in operating activities	(1,670,246)	(994,222)

20. Cash flows from investing activities

	2024	2023
	£	£
Dividends, interest and rents from investments	126,355	104,200
Purchase of tangible fixed assets	(449,161)	(315,273)
Capital grants from DfE Group	985,458	669,827
Net cash provided by investing activities	662,652	458,754

21. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand and at bank	2,360,398	3,367,992
Total cash and cash equivalents	2,360,398	3,367,992

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	3,367,992	(1,007,594)	2,360,398
	3,367,992	(1,007,594)	2,360,398

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 2020 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.

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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the year amounted to £3,523,209 (2023 - £2,680,864).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Multi Academy Trust has taken advantage of the exemption in FRS 102 and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

23. Pension commitments (continued)

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 2024 was £1,880,000 (2023 - £1,586,000), of which employer's contributions totalled £1,489,000 (2023 - £1,250,000) and employees' contributions totalled £391,000 (2023 - £336,000). The agreed contribution rates for future years are 16.4 per cent for employers and 5.5 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	3.25	3.55
Rate of increase for pensions in payment/inflation	2.65	2.95
Discount rate for scheme liabilities	5.00	5.20

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

	2024	2023
	Years	Years
Retiring today		
Males	20.5	20.6
Females	23.6	23.6
Retiring in 20 years		
Males	21.3	21.4
Females	25.0	25.0

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Sensitivity analysis

	2024	2023
	£000	£000
Discount rate +0.1%	(476)	(391)
Salary increase +0.1%	18	38
Mortality assumption - 1 year increase	759	618
CPI rate +0.1%	467	360

Share of scheme assets

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

	At 31 August	At 31 August
	2024	2023
	£	£
Equities	11,379,950	8,970,690
Bonds	3,566,850	2,730,210
Property	1,698,500	1,170,090
Cash and other liquid assets	339,700	130,010
Total market value of assets	16,985,000	13,001,000

The actual return on scheme assets was £1,613,575 (2023 - £(364,028)).

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

	2024	2023
	£	£
Current service cost	(1,113,000)	(1,102,000)
Interest income	765,000	521,000
Interest cost	(902,000)	(704,000)
Total amount recognised in the Statement of Financial Activities	(1,250,000)	(1,285,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

23. Pension commitments (continued)

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

	2024 £	2023 £
At 1 September	15,420,000	15,991,000
Transferred in on existing academies joining the trust	1,359,000	-
Current service cost	1,113,000	1,102,000
Interest cost	902,000	704,000
Employee contributions	391,000	336,000
Actuarial losses/(gains)	198,000	(2,250,000)
Actuarial (gains)/losses not recognised	(168,000)	(282,000)
Benefits paid	(235,000)	(181,000)
	<u>18,980,000</u>	<u>15,420,000</u>

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

	2024 £	2023 £
At 1 September	13,001,000	11,570,000
Transferred in on existing academies joining the trust	925,000	-
Interest income	765,000	521,000
Actuarial gains/(losses)	649,000	(495,000)
Employer contributions	1,489,000	1,250,000
Employee contributions	391,000	336,000
Benefits paid	(235,000)	(181,000)
	<u>16,985,000</u>	<u>13,001,000</u>

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	2024	2023
	£	£
Amounts recognised in the balance sheet		
Present value of the defined benefit obligations	18,980,000	15,420,000
Fair value of the academy trust's share of scheme assets	(16,985,000)	(13,001,000)
Schemes in surplus not recognised in the balance sheet	454,000	286,000
	<hr/>	<hr/>
Defined benefit pension scheme liability	2,449,000	2,705,000
	<hr/> <hr/>	<hr/> <hr/>

The net pension surpluses of £389,000 (2023: £276,000) for the Central Trust and £65,000 for Mercia School at 31 August 2024 (2023: £10,000), 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 2024 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	45,590	42,871
Later than 1 year and not later than 5 years	52,249	25,950
	<hr/>	<hr/>
	97,839	68,821
	<hr/> <hr/>	<hr/> <hr/>

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 transactions were notified to the ESFA involving £2,639 (2023: £1,898) paid to Twinkl Limited for online educational materials. D Angrave, a Trustee, is the chief operating officer of Twinkl Limited. In entering into these transactions, Trustee and CEO approval was sought and the service provided was deemed as good value for money.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

26. Financial commitments under PFI arrangements

At 31 August 2024 the trust had future commitments under PFI arrangements as follows:

	2024	2023
	£	£
Amounts payable:		
Within 1 year	2,984,772	3,222,732
Between 1 and 5 years	11,939,088	12,890,928
After more than 5 years	18,184,992	19,694,832
Total	33,108,852	35,808,492

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 2024 the trust received £36,604 (2023: £20,979) and disbursed £34,931 (2023: £20,979) from the fund. As at 31 August 2024, the cumulative unspent 16-19 bursary fund is £1,697 (2023: £nil), of which £nil (2023: £nil) relates to undistributed funding that is repayable to ESFA.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

29. Transfer from local authority on conversion

On 1 October 2023 the Anns Grove Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Mercia Learning Trust from Sheffield City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Anns Grove

	Value reported by transferring trust £	Transfer in recognised £
<i>Tangible fixed assets</i>		
Long-term leasehold property	4,810,000	4,810,000
Computer equipment	5,437	5,437
<i>Current assets</i>		
Cash at bank and in hand	266,659	266,659
<i>Pensions</i>		
Pensions - pension scheme assets	(1,359,000)	(1,359,000)
Pensions - pension scheme liabilities	925,000	925,000
<i>Net assets</i>	4,648,096	4,648,096