

Company registration number 08748904 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

# MERCIA PRIMARY ACADEMY TRUST

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# MERCIA PRIMARY ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

S Boden  
G Hirons (Appointed 29 February 2024)

### Trustees

L M Colclough (Trust Director) (Resigned 28 February 2024)  
R J Lane (Chief Executive Officer, Trust Director)  
A Dolphin (Trust Director)  
A Hollis (Trust Director)  
G Hirons (Chair of Directors)  
Z Schnepf (Trust Director)  
M Grimley (Trust Director) (Appointed 28 February 2024)

### Senior management team

- Headteacher	R J Lane
- Headteacher	N Probert
- Head of schools	M L Booth
- Deputy Headteacher	V Gardner
- Deputy Headteacher	A Roberts
- Deputy Headteacher	P Williams
- MAT Business Manager	T Bavin-Matthews
- Senior Operations Manager	R Miladowski

### Company secretary

Tanya Bavin-Matthews (MAT Business Manager)

### Company registration number

08748904 (England and Wales)

### Principal and registered office

Chestnut Avenue  
Tamworth  
B79 8QZ

### Academies operated

Lakeside Primary Academy  
Lark Hall Infant & Nursery Academy  
Flax Hill Junior Academy

### Location

Staffordshire  
Staffordshire  
Staffordshire

### CEO/Headteacher

N Probert  
R Lane  
R Lane

### Independent auditor

Haines Watts Tamworth  
Chartered Accountants and Statutory Auditors  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

# MERCIA PRIMARY ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Bankers**

Lloyds Bank  
17 George Street  
Tamworth  
B79 7LW

**Other advisors**

Entrust Support Services  
Riverway Centre  
Stafford  
Staffordshire  
ST16 3TH

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2024

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates one infant, one junior and one primary academy in Tamworth, Staffordshire. Lark Hall Infant has a capacity of 90 with 84 on roll as of the January 2024 census not including preschool. Flax Hill Junior has a capacity of 300 with 313 on roll as of the January 2024 census. Lakeside has a capacity of 210 with 196 on roll from the January 2024 census.

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

##### Constitution

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

The charitable company operates as Mercia Primary Academy Trust.

The constituent academies of the trust are:

- Lark Hall Infant & Nursery Academy
- Flax Hill Junior Academy
- Lakeside Primary School

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

##### Members' liability

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

##### Trustees' indemnities

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

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

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of Articles of Association. The Members may agree unanimously in writing to remove any Member(s) who is a signatory to the Memorandum (save that the agreement of a signatory to the Memorandum who is to be removed shall not be required), provided that it is in the interests of the Company to remove such Member(s). The Members may agree by passing a special resolution in writing to appoint such additional Members as they think fit and may agree by passing a special resolution in writing to remove any such additional Members provided that such appointment or removal is in the interests of the Company.

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

The training and induction provided for new governors and trustees will depend upon their existing experience. Induction is tailored specifically to the individual. New trustees are invited to attend "Welcome to being a Governor" training event run by Entrust Support Services. Webinars and training via GovernorHub are also available for trustees to participate in. All new trustees are provided with access to GovernorHub, policies an induction by the Headteacher.

The Clerk to Trustees keeps a log of courses attended and training is a standard agenda item, all items are recorded on Governor Hub.

Trustees participate in an annual self-review process to highlight any weaknesses and to address any additional training needs. The Business Manager will provide training relating to the finance system if required.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Organisational structure

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

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

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

The CEO is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets as set out in the Scheme of Delegation.

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

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

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

#### Related parties and other connected charities and organisations

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

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

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### Objectives and activities

#### Objects and aims

Our aim - Everyone is valued and shares responsibility for the challenging learning that takes place through partnership between Governors, staff, parents, pupils, external partners and the local community. The academy trust will provide the facilities, resources and vision to enable the Academy to flourish and provide pupils with the best possible education.

Statement written 11.11.2024 R J Lane

In light of the recent announcement on 4th November 2024 that funding for Academy Conversions will no longer be available, the Trust now faces an uncertain future as do all academies. We recognise that further expansion could place unnecessary strain on resources, as funds that should be directed toward supporting pupils' education would instead need to be allocated to growth-related initiatives—something the trust does not prioritise at this time.

### Trust Improvement focus 2024-2025

- Delivery of a broad and balanced curriculum
- Enhancing language development and vocabulary
- Focusing on reading, writing, and mathematics
- Establishing learning networks
- Building collaborative partnerships with other small trusts (5-10 year strategic plan)

#### Objectives, strategies and activities

The strategic objectives of the academy trust are centered on ensuring the delivery of high-quality education across all academies within the trust. Our aim is to enhance the academic and personal outcomes of every pupil through a balanced approach of support and challenge. To achieve this, we will focus on the following key strategies:

- **Governance and Accountability:** Establishing and maintaining robust governance structures through effective academy committees to ensure clear oversight and accountability.
- **School Improvement:** Providing targeted intervention and support to drive continuous school improvement across the trust.
- **Curriculum Development:** Promoting collaborative curriculum initiatives that foster key skills, enhance independence, all while maintaining high standards of teaching quality.
- **Pupil Progress and Achievement:** Implementing comprehensive systems for monitoring pupil progress and achievement, ensuring that all students reach their full potential.
- **Evaluation and Strategy Development:** Developing effective monitoring and evaluation strategies that support school improvement and inform future planning.
- **Financial Oversight:** Overseeing the trust's financial performance, ensuring efficient use of resources and supporting the procurement of high-quality central services that offer best value.
- **Collaboration and Safeguarding:** Encouraging the sharing of best practices across academies and ensuring safeguarding policies and procedures are robust and consistently applied.

While the trust remains committed to supporting the government's aim of providing an equal standard of education for all children, recent developments, specifically the cessation of funding for Academy Conversions, mean that expansion of the trust through the addition of new schools is no longer feasible. Consequently, our focus will shift toward maximising the impact and reach of our existing academies.

We also aim to develop a 5-10 year strategic plan to establish close partnerships with other small trusts, that maintain healthy reserves, with the intention of exploring potential amalgamation opportunities in the medium to long term.

#### To achieve this, the trust will:

- **Strengthen Collaboration:** Develop a strategic marketing approach to engage with local stakeholders, including Headteacher forums and the Department for Education (DfE), to identify potential opportunities for collaborative partnerships, rather than new academy conversions.
- **Build Internal Capacity:** Establish a robust management structure that enhances the capabilities of the central team, providing essential support to the board of trustees to drive continuous improvement across the trust.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2024*

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- **Deliver Expert Training:** Leverage the expertise within the trust to create targeted training programs, sharing best practices and educational strategies with other local education providers.
- **Enhance Collaboration:** Develop and implement more effective methods of collaboration with other schools and trusts, enabling the exchange of best practices and fostering a culture of shared improvement and mutual support.

In this way, the trust will continue to support the wider educational community, despite the limitation on growth, while maintaining a focus on improving educational outcomes.

### Public benefit

Mercia Primary Academy Trust is a charitable entity, approved by the Department for Education (DfE) and funded entirely by the Education and Skills Funding Agency (ESFA). The trust is dedicated to advancing the education of pupils in accordance with the requirements set out in the ESFA Funding Agreement, ensuring that all pupils are admitted without charge. Parents have the opportunity to apply for their children's admission in line with these criteria, with the governance body ensuring that all applications are carefully and fairly considered.

In fulfilling its mission, the trust is guided by the principles outlined in the Charity Commission's general guidance on public benefit. The trustees are committed to ensuring that the trust's activities align with these principles, demonstrating a clear focus on advancing education for the benefit of the wider community.

While expanding its reach, the trust prioritises working collaboratively with local stakeholders, including parents, governors, and external partners, to foster a strong, inclusive community where every child's educational needs are met. By leveraging local resources and expertise, the trust aims to provide not only high-quality education but also meaningful contributions to the community. The trustees believe that the ongoing success of the trust will positively impact pupils and the broader community, advancing public benefit through education.



# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### Strategic report

#### Achievements and performance

The directors and members of the academy trust hold the crucial responsibility of ensuring the effective governance and management of the trust. They possess the necessary skills, expertise, and knowledge to hold executive leaders accountable, set the strategic direction, ensure financial integrity, and adhere to legal and regulatory requirements, including compliance with the Academy Trust Handbook.

#### Governance Key Performance Indicators (KPIs):

- All schools within the trust are governed by well-represented and effective governing bodies.
- Clear distinctions are maintained between the roles of directors and members as outlined in the Academies Financial Handbook.
- Directors and members are fully aware of their duties and responsibilities as stipulated in the Companies Act 2006.

#### Financial Key Performance Indicators (KPIs):

- The trust ensures a robust system of internal scrutiny, with independent assurance provided.
- Effective risk management processes are in place.
- The trust demonstrates value for money in all financial dealings.
- Annual financial accounts are accurate.
- All required returns are submitted in accordance with deadlines.
- Opportunities for additional funding streams are actively explored.

#### Human Resources Key Performance Indicators (KPIs):

- The trust recruits and retains high-calibre staff.
- High-quality professional development opportunities are available for staff.
- Performance management is implemented where appropriate to support staff growth and development.

#### School Standards Key Performance Indicators (KPIs):

- Attendance rates meet or exceed national standards for measurable and meaningful cohorts.
- Disadvantaged pupils outperform national averages for similar cohorts.
- Attainment at key external assessment points surpasses national averages for similar FSM schools.
- Health and safety compliance shows consistent year-on-year improvements.

#### Maintaining a balanced budget at the year-end:

The trustees conduct termly reviews of the financial position to ensure fiscal responsibility. Directors are acutely aware of the necessity to maintain a balanced budget, understanding that as funding levels remain static while costs increase, schools within the trust must prioritise efficiency. This involves focusing on doing fewer things to a higher standard, ensuring that resources are allocated effectively to support both financial sustainability and educational outcomes.

#### Trust Attainment and attendance 2023-2024:

	<b>Trust</b>	<b>National</b>
EYFS profile	66.5	65
Phonics	73	79
KS1		
Reading	63.4	68
Writing	57.5	60
Maths	68.4	70
KS2		
Reading	77	74
Writing	70.3	72
Maths	74	73
Combined RWM	59	61
Spag	72	72

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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Overall, the trust generally performs at or slightly below the National average, with particular strengths in KS2 reading and writing. While there are areas for improvement, particularly in KS1 and the combined RWM at KS2, the data shows a relatively strong performance with specific areas of excellence to build upon.

It is important to note that the trust's catchment area has a higher-than-national average for Free School Meal (FSM) eligibility and is predominantly White British. Given these demographics, the trust's performance, when compared to national averages, can be considered strong and reflective of a 'good' standard of achievement.

#### Attendance:

School	23/24 Attendance %	National Average
Lark Hall	93.2%	94.5%
Flax Hill	94.7%	
Lakeside	94.6%	

School	% of children who are persistently absent in 23/24 (less than 90% attendance)	National Average
Lark Hall	20.00%	15.20%
Flax Hill	12.40%	
Lakeside	11.60%	

The attendance data for the 2023/24 academic year shows that Flax Hill and Lakeside—have achieved attendance rates above the national average of 94.50%. It should be noted that Lark Hall is an Infant school and using our data management system it suggests that Lark Hall's attendance matches that of other Infant schools. These figures reflect a strong commitment to ensuring consistent student attendance, which is critical for academic success.

However, when considering the percentage of students who are persistently absent (i.e., those with attendance below 90%), Lark Hall shows a higher rate of 20.0%, exceeding the national average of 15.2%. In contrast, Flax Hill and Lakeside have persistently absent rates of 12.4% and 11.6%, respectively, both of which are below the national benchmark.

These statistics suggest that while the schools are generally performing well in terms of overall attendance, there is an opportunity for Lark Hall to implement targeted interventions to reduce persistently absent students. Addressing absenteeism is crucial, as regular attendance is closely linked to improved educational outcomes for all students.

#### MPAT 23-24

The trust is currently in a strong position across all schools. Staff recruitment and retention remain robust, with Lakeside's financial outlook significantly improving following a series of difficult restructuring decisions. Reserves are healthy, and student intake has reached an all-time high, reflecting growing demand for the trust's schools.

However, the education sector is facing a challenging and uncertain few year's ahead. Even with a change in government, it is unlikely that funding will see any significant increase in the short to medium term. This presents a considerable challenge to the sustainability of the sector, and it is important to acknowledge that the trust does not exist in isolation. Understanding these external pressures will allow us to plan accordingly and adapt to the changing landscape.

#### Challenges in Education and Trust-Specific Concerns

All measurable indicators of the trust's health-attendance, attainment, and safeguarding-remain positive. Attendance across our schools generally sits just above the national average, and safeguarding practices are exemplary, ensuring that students are supported at every level. Our challenge, however, is to maintain these outcomes despite the external financial pressures and political uncertainty.

#### Lakeside Restructuring and Staff Redundancies

The restructuring process at Lakeside has been a significant undertaking. Mr. Probert and the Lakeside governing body, with support from Mrs Bavin-Matthews and Insight HR, have managed this process with professionalism and sensitivity. Although staff morale has been impacted, the knowledge that those on Staffordshire County Council contracts are entitled to generous redundancy packages has offered some reassurance.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Succession Planning and Leadership Development

Several key leadership roles are expected to become vacant due to retirements over the next five to seven years. This includes senior positions such as headteachers. As more schools' transition to executive headships, the trust must plan for these changes. It is clear that leadership models are evolving, and we must adapt. Additionally, the recent changes to pension schemes have introduced two possible retirement ages (60 and 67), complicating workforce planning further.

#### SEND and Mental Health Support

SEND remains a significant concern for the trust, with increasing delays in access to essential services. Nationally, waiting lists for assessments and interventions are growing, and local authorities are shifting more financial responsibility onto schools. In Staffordshire, schools are now required to fund external advisors before applying for Education, Health, and Care Plans (EHCPs), further increasing pressure on our SENDCO teams. Without significant changes in policy, it is unlikely this situation will improve, and the trust must remain vigilant in advocating for the needs of our students.

In addition to SEND, mental health support for both students and their families is becoming an ever-greater concern. Lakeside has implemented a dedicated parent support worker to assist families in accessing the services they need, while Flax Hill and Lark Hall are encouraging parents to seek medical advice.

#### Online Safety

Online safety remains an ongoing challenge, particularly at Flax Hill and Lakeside. Despite efforts to educate parents and students about the dangers of inappropriate content, many children continue to access non-age-appropriate apps. Flax Hill has invested in resources to support parents, but uptake has been limited and this will not be repeated. Both schools continue to work directly with students to address these concerns, and we remain committed to safeguarding children in the digital realm.

#### Third-Party Services and Financial Pressures

The rising cost of third-party services, including catering, has become a significant concern. Many of our service providers have raised their prices by approximately 10% due to inflation and the rising cost of living. Securing competitive quotes has become more challenging, and obtaining timely responses from suppliers is increasingly difficult, further placing pressure on the central team.

#### Health and Safety and Infrastructure Developments

Health and safety continue to be a priority across the trust, with our Building Manager leading efforts to address identified issues. However, securing quotes and mobilising contractors remains a slow process, with significant delays in some areas. Financially, the trust is committed to investing in infrastructure improvements. This academic year Flax Hill has seen the rebuild of their chair store and Lark Hall has seen the site receive a full ICT WiFi upgrade. This academic year coming up will include the Lakeside kitchen renovations, these projects are vital for maintaining the quality of our facilities and ensuring they meet the needs of students and staff.

#### Conclusion

Despite the many challenges facing the education sector, the trust remains in a strong position. Our focus remains on ensuring the best possible outcomes for our students, maintaining high standards of safeguarding, and adapting to the evolving landscape of education. The senior leadership team is committed to managing resources efficiently, planning for future growth, and ensuring the sustainability of our schools in the face of ongoing financial uncertainty. With exceedingly healthy reserves, the trust can look towards at least five more years running before all reserves are depleted.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Key performance indicators

##### **Flax Hill Junior School**

**Ofsted 3 and 4 November 2021**

#### 'Flax Hill Junior Academy continues to be a good school'

Pupils are proud to attend their school. They say that they are happy and they feel safe in school because they are well cared for. Relationships between staff and pupils are very positive. Staff integrate the core values of 'ready, respectful and safe' into all aspects of school. Pupils understand the importance of these values.

Staff want all pupils at the school, including those with special educational needs and/or disabilities (SEND), to become well-rounded citizens. Leaders have thought carefully about the curriculum to make sure that it is broad and balanced. Pupils' behaviour is a strength of the school. They behave extremely well in lessons and around the school. Pupils live up to the high expectations that staff have for them.

Pupils know how to stay safe, including when online. Pupils say that bullying is very rare, but they trust adults to deal with it if it did happen. All leaders and staff have a clear vision for the school. They want pupils to succeed. Leaders have created a purposeful environment where pupils are keen to learn. Leaders want every pupil to develop a love of reading. As a result of this, they have put reading at the forefront of the curriculum. Everyone values reading.

The school's phonics programme is well planned. All staff have had training in the teaching of phonics so that they can support pupils effectively with their reading. Children love reading. They talk about their favourite books and authors with understanding and pleasure. One child said that, 'Once I start reading a book, I can't put it down. I feel like I am there, and I just enjoy it so much I don't want to stop reading'. This is typical of what pupils say about reading.

The music curriculum is a strength of the school. Subject plans are ambitious. Progression in music is carefully considered to produce high-quality musical outcomes. Pupils love music lessons and there is very high demand to join musical clubs.

Pupils' behaviour in music lessons is exemplary. In mathematics, pupils start each lesson with an 'Intelligent Maths' session where they focus on number, basic skills and reasoning. This helps staff to check if pupils can remember what they have learned. In many subjects, leaders have planned a curriculum which builds pupils' knowledge and skills well.

In some subjects, plans show clearly what vocabulary and concepts children need to know. However, in subjects where this is not the case, it is not as clear how curriculum plans support pupils in building their vocabulary knowledge over time.

Pupils with SEND receive good support. Leaders and staff understand pupils' needs well. Staff receive regular training, including from specialists outside of the school, about how to support pupils with SEND. Pupils engage fully in lessons, and have work and support matched to their needs.

Some aspects of wider development are well developed. The school provides good pastoral support and children know how to keep themselves safe and healthy. Pupils also take part in a range of clubs, including dodgeball, choir and gardening. Pupils have less knowledge of some aspects of the fundamental British values. Leaders have plans to develop this. Pupils understand why they need to show respect to others. They feel valued and treat each other in the same way.

Governors are passionate about their work and know the school well. Staff are proud to work at the school. They speak highly of the training they receive and of the support from leaders around their workload and well-being.'

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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**Lakeside Primary Academy**  
**Ofsted 28 and 29 June 2022**

'Lakeside Primary School continues to be a good school'

Pupils feel happy and secure at Lakeside Primary School. They love the extended grounds and fields where they play and learn. Leaders set high aspirations for all. The school's values of 'kindness, respect and tolerance' are at the heart of everything. Pupils are encouraged to challenge themselves, learn from mistakes and never give up. They try hard and are proud of their school.

Right from the start, children learn the school's five golden behaviour rules. Teachers expect all pupils to use good manners, listen to others and get along together. As a result, behaviour is good. Bullying hardly ever happens. Pupils are confident that adults are fair and deal with any problems quickly. Parents and carers agree.

Pupils enjoy learning the full range of curriculum subjects. Teachers' expectations of what pupils will learn in each subject have been significantly raised over time. Pupils enjoy different learning experiences, such as science work with the University of Birmingham and visits from interactive theatre companies.

The school has good links with sports clubs and pupils enjoy a range of after-school activities. Pupils are proud of the history of Tamworth.

Throughout Lakeside Primary School, there is a strong sense of 'we are a team, we work together, we can do it'. Leaders are ambitious. Governors are well informed. They understand how well things are working and what more needs to be done. Relationships are based on trust. Leaders have designed an ambitious curriculum. Despite the disruptions of the COVID-19 pandemic, everyone has worked tirelessly to bring this curriculum to life. Subject leaders share their expertise with staff and provide more help and support as needed. Curriculum planning is well structured. Teachers identify the key subject knowledge and vocabulary that pupils need to know and remember for future learning.

Leaders have taken decisive actions to improve the way that early reading is taught from nursery onwards. Children experience language-rich routines and activities right from the start. This paves the way for future learning. Once in Reception, children follow a well-structured phonics programme. Books are well matched to the sounds that pupils are learning. Teachers have high expectations and teach phonics well. They check that pupils are remembering and using new sounds. They keep a close eye on those pupils who are not keeping up. These pupils receive extra help.

Mathematics is taught well. Learning is sequenced towards very clear, ambitious outcomes from early years to Year 6. There is a strong focus on securing pupils' confidence and mental fluency. This starts in early years where children are taught early number through practical activities, stories and rhymes. Teachers display and promote mathematical language throughout the school. More sessions have recently been introduced to help pupils recall and apply mathematical knowledge at speed and with accuracy.

Teachers provide the right support for those pupils who need it so that everyone is fully included in school life. Pupils with special educational needs and/or disabilities (SEND) learn the same curriculum as others. Even when pupils have very high levels of need, lessons are adapted to make sure that they experience the same curriculum. As a result, pupils with SEND achieve well.

The curriculum extends and broadens pupils' experiences in a range of subjects. Pupils enjoy learning about important people in history. Pupils are beginning to talk about big ideas in history, such as continuity and change. Likewise, in art, the curriculum is well organised. Pupils study artists ranging from Banksy and street art to American and Japanese art and sculpture. This broadens pupils' thinking. As a result, they are beginning to talk about art and artists with confidence.

There is a clear focus on the mental well-being of pupils and staff. Staff feel valued and are highly positive about leaders. They say that leaders are supportive and considerate about workload. Staff feel included in the development of the curriculum. They appreciate the training and resources and say that help and advice are always available if needed.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Lark Hall Infant & Nursery Academy Ofsted 1 December 2021

#### 'Lark Hall Infant & Nursery Academy continues to be a good school'

Lark Hall is a happy, friendly and welcoming school. Pupils like school because they enjoy the exciting activities it offers. For example, they spoke enthusiastically about exploring nature and building dens in forest school. They also enjoy music lessons taught by a specialist teacher, where they have opportunities to sing and compose.

Leaders and staff have high expectations of all pupils and want the best for them. Consequently, pupils feel safe, work hard and achieve well. Pupils behave well in lessons and around school. They know and understand the three school rules, 'ready, respectful, safe'. They told inspectors these rules were strengths of the school. Pupils use them to describe what they are doing and how they should behave. Staff manage behaviour very well, so the school is calm and orderly. Breaktimes and lunchtimes are well supervised, and pupils join in organised games enthusiastically. All parents and carers who responded to Ofsted Parent View said the school makes sure pupils are well behaved. Pupils know who they would turn to for help if they needed it. They say there is no bullying but are confident that, should there be any, adults in school would deal with it quickly and effectively.

Lark Hall is well led. Leaders have designed a curriculum that enables pupils to make good progress because they ensure adults teach knowledge in the right order. Leaders and staff check what pupils know and remember. For example, mathematics lessons begin with questions that help pupils to recall what they already know. Pupils practise their mathematical skills and use them as the basis for new learning. As a result, pupils remember their learning well.

Children begin to learn phonics from their first days in school. They quickly learn the sounds they need to read fluently and confidently. Staff regularly check the sounds the children know so that if a child is in danger of falling behind, adults quickly help them to catch up.

Adults promote pupils' love of reading well. Pupils read every day. Teachers make sure that pupils read books that match their reading skills. Year 2 pupils enjoy completing quizzes when they have finished a book. Consequently, pupils understand and remember the books they have read. Leaders prioritise pupils' language skills. In some lessons, staff introduce new words and encourage pupils to use them, so they become familiar with their meaning. For example, in pre-school, children weigh 'moon rocks' and talk about whether they are heavy or light. However, although curriculum plans identify key vocabulary for each subject, this is not taught consistently well. As a result, pupils' understanding of key words and terms does not develop well enough over time.

Almost all the time, pupils listen carefully and concentrate well in lessons. When there is any low-level misbehaviour, adults stop it quickly so that it does not interrupt lessons. The curriculum promotes pupils' well-being and their spiritual, moral, social and cultural development well. For example, pupils take part in community events and give to charity.

They enjoy a range of after-school sports clubs, such as gymnastics. Pupils consider local and world events and learn about different faiths. Forest school helps pupils to appreciate the environment.

Leaders and staff identify the needs of pupils with special educational needs and/or disabilities effectively. The extra help from adults ensures that these pupils gain confidence and achieve well. Staff feel well supported by leaders. They know staff well-being is a priority. For example, they appreciate the recent review of marking, which makes their work manageable.

Governors are mindful of the staff's workload and well-being. They know the strengths of the school and what needs improving. They ask questions to check on the impact of leaders' actions and hold leaders to account effectively.

Parents are overwhelmingly positive about the school. They particularly welcome the regular contact from school staff and the wide-ranging information they receive.'

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Going concern

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

#### **Financial review**

Income for the period was £3,935,678 of which £3,365,280 was provided by the Department of Education (DfE) via the Education Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants and other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining £570,398.

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £3,623,243 with the largest element of this expenditure being attributed to staff costs totalling £2,788,291 for the period. The amortisation/depreciation charge on assets of £93,772 has been included. Net income for the period was £312,435.

The academy trust element of the Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2024, showing a net surplus of £334,000.

As at 31 August 2024, the net book value of fixed assets was £3,462,742 and the movement in intangible fixed assets and tangible fixed assets are shown in Note 13 and Note 14 of the financial statements respectively. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

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

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

#### Reserves policy

As at 31 August 2024 the academy trust has a reserve total of £967,015. Flax Hill has a balance of £473,853, Lark Hall has a balance of £300,161, Lakeside has a balance of £191,684, and Central Services has a balance of £1,317.

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

#### Investment policy

The academy trust currently has no material investments.

# MERCIA PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### Principal risks and uncertainties

A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding. The Company's Risk Register highlights some of the identified risks and strategies for managing these risks in line with relevant laws and regulations. There are many uncertainties facing the education sector currently but the main risk facing education is the lack of funding. This lack of funding, if it continues, may lead to a reduced number of employees, lower performance figures, further degradation of buildings and financial uncertainty. A detailed strategic overview along with physical actions are continuously being undertaken to monitor and manage these risks, while providing the highest level of education across our sites.

### **Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

### **Plans for future periods**

In accordance with the aims and objectives of Mercia Primary Academy Trust, it will continue to further the education and drive improvements in the performance of all pupils to the best of their abilities. The Academy will continue to develop its resources, assets and staff to achieve these aims and objectives. Focus areas have been extended to cover building maintenance and increased Cyber Security Awareness.

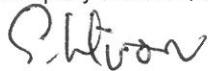
It is anticipated that during 2024/25 further academies will look at joining the trust. The CEO has presented to numerous schools. Three schools have shown a keen interest, one of which the trust is currently collaborating with in the aim of them joining the trust in 2024/25.

### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2024 and signed on its behalf by:



G Hirons  
**Chair of Directors**



# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Scope of responsibility

Mercia Primary Academy Trust was founded by members who have a general duty to exercise their powers, to further the academy trust's charitable purpose. Members play a limited but crucial role in safeguarding the academy trusts governance.

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

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

As set out in the Governance Handbook, all trust boards have three core functions:

- Ensuring clarity of the vision, ethos and strategic direction.
- Holding the Executive Leaders to account for the educational performance of the school(s) and its pupils and the effective and efficient performance management of staff.
- Overseeing the financial performance of the school(s) and making sure that money is well spent.

The Trusts Directing Board delegates some powers to individual governing bodies. Information on who holds which functionality can be found in the Trust's Scheme of Delegation.

#### 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 three times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
L M Colclough (Trust Director) (Resigned 28 February 2024)	1	3
R J Lane (Chief Executive Officer, Trust Director)	3	3
A Dolphin (Trust Director)	3	3
A Hollis (Trust Director)	2	3
G Hirons (Chair of Directors)	3	3
Z Schnepf (Trust Director)	0	3
M Grimley (Trust Director) (Appointed 28 February 2024)	1	3

#### Conflicts of interest

The academy trust maintains an up-to-date complete register of interests.

A trustee absents from any discussions where a conflict may arise.

# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### **Governance reviews**

The academy trust reviews its principles and personal attributes within its governance, strategic leaderships, educational and financial performance, employees and legal compliance. This is undertaken by multiple internal self-assessment reviews alongside external reviews such as audits. Directors use benchmarking to ensure the trust matches and/or exceeds like trusts and national targets. By undertaking such reviews, the trust ensures accountability and can hold the workforce to account to maintain and improve standards.

### Scope of Responsibility

As trustees of Mercia Primary Academy Trust, we acknowledge our overarching responsibility to ensure that the trust operates with an effective and appropriate system of control—both financial and operational. This system is designed to manage, rather than eliminate, the risks associated with achieving the trust's business objectives. While it aims to provide reasonable assurance against material misstatement or loss, it cannot guarantee absolute protection.

In carrying out our duties, we have reviewed the guidance provided in the Department for Education's (DfE) Governance Handbook and the Competency Framework for Governance, ensuring that our actions align with best practices and statutory requirements. We are committed to maintaining the integrity of the trust's governance and operations at all levels.

### Governance and Strategic Leadership

Strategic leadership at all levels is focused on achieving shared objectives while continuously evaluating and identifying areas for improvement. Through robust internal assessment and monitoring processes, we ensure the highest standards of performance are upheld. This approach drives both operational success and proactive problem-solving, enabling the trust to address challenges effectively and maintain its commitment to drive ongoing excellence.

By undertaking regular assessments, the board can ensure that the trust remains accountable to all stakeholders—particularly our students, staff, and the broader community. Additionally, these assessments allow us to identify opportunities for growth and enhancement, ensuring that the trust continues to meet and exceed expectations in every area of its operations.

During the course of 2023/24, there has been a change in Directorship with the previous Chair of Directors, L Colclough moving over to a members position and G Hirons moving into the chair of directors position. The trustees have appointed a new director, M Grimley who's expertise include ICT, cyber security and business management. The trust is approaching a building specialist with experience in tendering EU level quotes and is hoping they will join the board next calendar year.

The trust can report increasing difficulty in recruiting governors with the right skills and expertise in areas such as finance and audit, business management, cyber security, law and policy publications. The reduction in this area could be related to the increase in complexity within their responsibilities, lack of knowledge and understanding of the education sector and financial loss due to an increase in panel meetings such as exclusions, complaints and grievances.

The trust is continuously exploring new avenues for expanding its membership and strengthening its governance at all levels. In this regard, several potential solutions have been identified, each offering a unique opportunity to enhance the trust's capacity to address emerging challenges. However, it is important to recognise that each of these avenues also presents potential risks that need to be carefully mitigated to ensure the continued integrity and success of the trust. Some of the areas the trust has considered are:

- Explore advertising in differing areas to gain access to a new demographic.
- Support directors/governors to manage time demands.

Some of the strategies considered are:

- Reviewing meeting times, expected frequency and duration.
- Hybrid meetings – adopt technology and business practices.
- Access to additional training.

# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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By proactively addressing these risks, the trust can leverage the opportunities presented by new avenues while safeguarding its long-term success and reputation.

#### Annual Self-Assessment

All governors and directors are required to complete an annual skills audit to assess their individual competencies and identify any areas for development. To support this process, the trust has engaged Attingham Education, a specialist provider, to monitor and evaluate the skills and needs of both governors and directors. Attingham Education reports directly to the respective boards on their findings, and this information is subsequently cascaded upwards to ensure that the appropriate skill sets and knowledge are in place to effectively govern and manage the trust.

The CEO carefully reviews the findings of the self-assessment and identifies areas where additional training and support are required. Currently, for the 2024-25 period, the primary focus remains on expanding membership and ensuring that governance at all levels possesses a broad and diverse skill set. These challenges have been ongoing and represent the most pressing issues regarding membership faced by the trust for at least the past five years.

#### External Reviews and Benchmarking

The trust has received exceptionally positive external reviews, which reflect the strength of its governance and financial controls. When benchmarked against other trusts, our systems and practices consistently exceed the standards expected of most other academies. The directors attribute this success to their vigilance, expertise, and commitment to robust governance. As a result, the trust is in a strong position to support other trusts, should the need arise.

The trust continually benchmarks its performance against national standards across all areas, ensuring that its operations remain of the highest quality. In addition to internal self-assessments, external experts are engaged to provide further insight into the trust's operations. This dual approach ensures that we maintain a forward-thinking and evidence-based strategy, driving continuous improvement.

In accordance with the Academies Handbook, the Risk and Finance Committee will undertake research to commission a comprehensive review of governance at all levels for the 2025-26 calendar year. Following this review, the Committee will develop an action plan with SMART targets to address any identified issues and ensure continuous improvement in governance practices.

#### Strategic Focus and Resource Allocation

While the trust remains open to external reviews, when necessary, we have made the strategic decision to prioritise funding for teaching and learning within the trust, rather than for extensive external governance reviews. The directors believe that the trust is already operating effectively, as evidenced by key performance metrics and the positive outcomes of previous assessments. External governance reviews, therefore, are not seen as the most effective use of the trust's limited resources at this time.

The directors remain committed to an evidence-led approach and, in collaboration with the CEO, have chosen to focus financial resources on enhancing teaching and learning. The trust will reconsider the need for an external governance review only if future metrics indicate that such a review would be beneficial to the continued growth and effectiveness of the organisation.

Governing bodies and directorship self-review at every meeting – using metrics to measure our success. Meetings make clear that the ever-increasing responsibility that directors and governors need to hold, needs to be matched with skills and knowledge to allow them to undertake this process. However, the trust appreciates the need to follow the Academies Handbook and will be undertaking a governance review for the calendar year 2025-26.

#### Conclusion

The board of trustees is dedicated to maintaining the highest standards of governance and accountability across all areas of the trust's operations. By continually reviewing our practices, delegating responsibilities appropriately, and focusing resources on strategic priorities, we are confident in the trust's ability to achieve its objectives and support the long-term success of our students.

# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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The audit and risk committee is a sub-committee of the main board of trustees. Its purpose is to:

Oversee that all categories of risk are identified, assessed and addresses appropriately. To ensure all major risks are identified the board considers various types of risk to categories them and determine what action is best to take. These are:

- **Internal risks** – these are risks over which the academy trust has some control, by managing them through internal controls/additional mitigating actions. Examples of such risks include health and safety risks, data security risks.
- **External risks** – this focuses on big external events and considers how to make the academy trust more resilient to such events. Examples of such risks include a pandemic and extreme weather.
- **Strategic risks** – these are risks to the achievement of the academy trust's core objectives. For example, the risk of high staff turnover.
- **Project risks** – risks associated with any critical project the academy trust may be involved in. For example, delayed or extended timescale for a new building.

The risk climate can change rapidly and it is important emerging risks are carefully assessed and where appropriate are reflected in the academy trust risk register. The academy trust believes active risk management is fundamental and must remain embedded in the operational management of the academy trust.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
L M Colclough (Trust Director) (Resigned 28 February 2024)	1	3
R J Lane (Chief Executive Officer, Trust Director)	3	3
A Dolphin (Trust Director)	3	3
A Hollis (Trust Director)	3	3
G Hirons (Chair of Directors)	2	3

#### Review of value for money

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

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

- Looking closely at academies SLAs and negotiate contracts and services at trust level to ensure value for money
- Undertaken a review of staff structures and actioned amendments to balance budgets.
- Deploying staff in the most appropriate way to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio and curriculum management
- The academy has continued to invested in further developing effective tracking systems in relation to the new curriculum to record all aspects of student data including progress through the school; ensuring interventions and support are targeted to achieve value for money
- The academy trust has produced a detailed analysis of how the pupil premium was spent and the impact of the funding for individual pupils
- Sports funding continues to be used to provide enriching opportunities for children, extra sport opportunities after school and by providing expert PE coaching
- Focus areas within the school development plan covering the curriculum consist of writing, math and relationships and funds will be made available to support these areas.
- Cyber Security will remain as an identified focus area for the trust moving forward.

# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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

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

#### **Capacity to handle risk**

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

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

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

- clearly communicated procedures, structures and training of staff;
- appropriate day to day supervision and checks by management;
- ensure delegated financial authorities are complied with;
- maintain appropriate segregation of duties;
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- apply discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations;
- deliver independent checking of controls, systems, transactions and risks by undertaking annual internal and external internal and external audit reviews;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- plan and oversee capital projects including those relating to estates safety;
- setting targets to measure financial and other performance;
- reduce the risk of fraud and theft;
- identification and management of risks within the Risk Register.

The board of trustees has decided:

- to buy in an internal audit service from WBG Services LLP (previously known as Wylie Bisset Internal Audit Services).

This option has been chosen to ensure a separation of internal and external audit.

# MERCIA PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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

- Testing of payroll systems.
- Testing of appointments and terminations.
- Testing of purchase systems.
- Testing of income streams.
- Testing of business debit cards.
- Testing of control account/bank reconciliations.
- Testing of ESFA return submissions.
- Testing of policies and procedures.
- Testing of roles and responsibilities.
- Testing of segregation of duties.
- Testing of adequate management oversight of financial processes.
- Testing of Governance – approval of budgets, policies and legal duties.
- Testing of inventory records.
- Testing of data protection.
- Testing of other identified areas pinpointed by the trustees via the management of risk (Risk Register).

The trust has undertaken additional arrangements to review and audit the appropriate controls covering ICT and cyber security. It covers the arrangements and controls in place to mitigate the loss of business-critical information due to a cyber-attack or failure of key systems/suppliers. The audit was based on the National Cyber Security Centre's (NCSC) 10 Steps to Cyber Security guidance. The objectives of this review were to ensure:

- Testing of appropriate risk-based approach to securing data and systems which have been adopted.
- Testing of appropriate cyber-awareness training for staff that has been mandated.
- Testing of the architecture and configuration of key systems are easily maintained and updated to adapt effectively to emerging cyber threats.
- Testing appropriate solutions are in place to control access the information systems (MIS).
- Testing appropriate solutions are in place to protect data from unauthorized access, modification and deletion.
- Testing of systems to ensure they are patched appropriately to minimise the risk of vulnerabilities being successfully exploited in an attack.
- Testing of appropriate processes and procedures to enable an effective response to security incidents that will prevent further damage.
- Testing of appropriate processes for vetting new suppliers and assessing the adequacy of their cyber security controls.
- Testing of an understanding of all assets that are part of the trust's IT network and environment.
- Testing of appropriately monitored systems with information which is logged and actively analysed.

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

#### **Review of effectiveness**

As accounting officer, the CEO/Headteacher 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 or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor

## MERCIA PRIMARY ACADEMY TRUST

### GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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

The trust was given substantial assurance by the internal auditors with several good practice points raised within both the financial compliance and cyber security audit reports. The financial compliance report included 3 low grade recommendations for improvement. These recommendations have all been actioned at the time of this report. The cyber security report included 3 medium grade and 1 low grade recommendations for improvement. These recommendations are currently underway and have been partly actioned to date.

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.

Approved by order of the board of trustees on 11 December 2024 and signed on its behalf by:



G Hirons  
**Chair of Directors**

## MERCIA PRIMARY ACADEMY TRUST

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2024**


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As accounting officer of Mercia Primary Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and managements.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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

R J Lane  
**Accounting Officer**



11 December 2024



# MERCIA PRIMARY ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2024**

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The trustees (who are also the directors of Mercia Primary Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

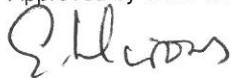
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2024 and signed on its behalf by:



G Hirons  
Chair of Directors

# MERCIA PRIMARY ACADEMY TRUST

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

*FOR THE YEAR ENDED 31 AUGUST 2024*

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### Opinion

We have audited the accounts of Mercia Primary 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 notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy 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.

### Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts 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.

# MERCIA PRIMARY ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2024**

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011, the Charities SORP (FRS102) and the Accounts Direction and Academies Handbook issued by the ESFA.

We considered the extent of the compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

## MERCIA PRIMARY ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2024**

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- making enquires of management and Trustees as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates;
- reviewing minutes of meetings of those charged with governance;
- reviewing internal audit reports.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of Haines Watts Tamworth

**Chartered Accountants  
Statutory Auditor**

*11 December 2024*

Chartered Accountants and Statutory  
Auditors  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

# MERCIA PRIMARY ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2024**

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In accordance with the terms of our engagement letter dated 26 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mercia Primary Academy Trust during the period 1 September 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 Primary Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Mercia Primary Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mercia Primary Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Mercia Primary Academy Trust's funding agreement with the Secretary of State for Education dated 23 December 2013 and the 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 period 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

## MERCIA PRIMARY ACADEMY TRUST

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

*FOR THE YEAR ENDED 31 AUGUST 2024*

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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



#### **Reporting Accountant**

Haines Watts Tamworth

Dated: .....

*11 December 2024*

## MERCIA PRIMARY ACADEMY TRUST

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2024 £	Total 2023 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	443	903	18,477	19,823
Charitable activities:					
- Funding for educational operations	4	66,538	3,731,451	-	3,797,989
Other trading activities	5	114,648	3,098	-	117,746
Investments	6	120	-	-	120
<b>Total</b>		<u>181,749</u>	<u>3,735,452</u>	<u>18,477</u>	<u>3,935,678</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	173,245	3,356,226	93,772	3,623,243
<b>Total</b>	7	<u>173,245</u>	<u>3,356,226</u>	<u>93,772</u>	<u>3,623,243</u>
<b>Net income/(expenditure)</b>		8,504	379,226	(75,295)	312,435
Transfers between funds	18	-	(96,738)	96,738	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	247,000	-	247,000
<b>Net movement in funds</b>		8,504	529,488	21,443	559,435
<b>Reconciliation of funds</b>					
Total funds brought forward		184,696	578,327	3,455,812	4,218,835
Total funds carried forward		<u>193,200</u>	<u>1,107,815</u>	<u>3,477,255</u>	<u>4,778,270</u>

## MERCIA PRIMARY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

<b>Comparative year information</b>		<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
<b>Year ended 31 August 2023</b>		<b>funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2023</b>
<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and capital grants	3	823	2,518	59,962	63,303
Charitable activities:					
- Funding for educational operations	4	52,142	3,374,043	-	3,426,185
Other trading activities	5	98,231	453	-	98,684
Investments	6	98	-	-	98
<b>Total</b>		<u>151,294</u>	<u>3,377,014</u>	<u>59,962</u>	<u>3,588,270</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	143,841	3,357,588	94,797	3,596,226
<b>Total</b>	7	<u>143,841</u>	<u>3,357,588</u>	<u>94,797</u>	<u>3,596,226</u>
<b>Net income/(expenditure)</b>		7,453	19,426	(34,835)	(7,956)
Transfers between funds	18	-	(11,689)	11,689	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	509,000	-	509,000
<b>Net movement in funds</b>		7,453	516,737	(23,146)	501,044
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>177,243</u>	<u>61,590</u>	<u>3,478,958</u>	<u>3,717,791</u>
Total funds carried forward		<u>184,696</u>	<u>578,327</u>	<u>3,455,812</u>	<u>4,218,835</u>



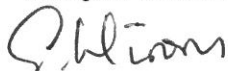
# MERCIA PRIMARY ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		3,462,742		3,419,103
<b>Current assets</b>					
Debtors	15	136,524		133,887	
Cash at bank and in hand		1,174,147		960,263	
			1,310,671		1,094,150
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(329,143)		(317,418)	
<b>Net current assets</b>			981,528		776,732
<b>Net assets excluding pension liability</b>			4,444,270		4,195,835
Defined benefit pension scheme asset	20		334,000		23,000
<b>Total net assets</b>			4,778,270		4,218,835
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			3,477,255		3,455,812
- Restricted income funds			773,815		555,327
- Pension reserve			334,000		23,000
<b>Total restricted funds</b>			4,585,070		4,034,139
<b>Unrestricted income funds</b>	18		193,200		184,696
<b>Total funds</b>			4,778,270		4,218,835

The accounts on pages 29 to 52 were approved by the trustees and authorised for issue on 11 December 2024 and are signed on their behalf by:



G Hirons  
Chair of Directors

Company registration number 08748904

# MERCIA PRIMARY ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

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	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		332,698		91,548
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		120		98	
Capital grants from DfE Group		18,477		59,962	
Purchase of tangible fixed assets		(137,411)		(34,943)	
<b>Net cash (used in)/provided by investing activities</b>			(118,814)		25,117
<b>Net increase in cash and cash equivalents in the reporting period</b>			213,884		116,665
Cash and cash equivalents at beginning of the year			960,263		843,598
<b>Cash and cash equivalents at end of the year</b>			1,174,147		960,263

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# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 1 Accounting policies

Mercia Primary Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

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

##### 1.3 Income

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

##### Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is no unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

##### Sponsorship income

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

##### Donations

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

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### 1 Accounting policies

(Continued)

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

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 net income or expenditure 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.

#### 1.11 Fund accounting

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

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

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

#### 2 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit asset 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 20, will impact on the carrying amount of the pension asset. 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 asset 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 asset.

## MERCIA PRIMARY ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

#### 2 Critical accounting estimates and areas of judgement (Continued)

Critical areas of judgement

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

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Capital grants	-	18,477	18,477	59,962
Other donations	443	903	1,346	3,341
	<u>443</u>	<u>19,380</u>	<u>19,823</u>	<u>63,303</u>

#### 4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	2,812,065	2,812,065	2,611,524
Other DfE/ESFA grants:				
- UIFSM	-	43,505	43,505	47,164
- Pupil premium	-	252,738	252,738	236,607
- Mainstream Schools Additional Grant	-	99,592	99,592	-
- Teachers' Pension Grant	-	26,681	26,681	-
- Supplementary grant	-	-	-	79,481
- PE & Sports Grant	-	53,220	53,220	53,130
- Others	-	77,479	77,479	81,372
	<u>-</u>	<u>3,365,280</u>	<u>3,365,280</u>	<u>3,109,278</u>
<b>Other government grants</b>				
Local authority grants	-	351,268	351,268	254,718
Other incoming resources	<u>66,538</u>	<u>14,903</u>	<u>81,441</u>	<u>62,189</u>
<b>Total funding</b>	<u><u>66,538</u></u>	<u><u>3,731,451</u></u>	<u><u>3,797,989</u></u>	<u><u>3,426,185</u></u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Hire of facilities	6,703	-	6,703	4,698
Catering income	443	-	443	-
Parental contributions	103,316	2,398	105,714	89,435
Other income	4,186	700	4,886	4,551
	<u>114,648</u>	<u>3,098</u>	<u>117,746</u>	<u>98,684</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Short term deposits	<u>120</u>	<u>-</u>	<u>120</u>	<u>98</u>

### 7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2024 £	Total 2023 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	2,497,268	-	112,810	2,610,078	2,512,353
- Allocated support costs	278,730	408,691	325,744	1,013,165	1,083,873
	<u>2,775,998</u>	<u>408,691</u>	<u>438,554</u>	<u>3,623,243</u>	<u>3,596,226</u>

### Net income/(expenditure) for the year includes:

	2024 £	2023 £
Fees payable to auditor for audit services	11,500	9,500
Depreciation of tangible fixed assets	93,772	94,474
Amortisation of intangible fixed assets	-	323
Net interest on defined benefit pension liability	(3,000)	20,000
	<u>111,272</u>	<u>124,307</u>



# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 8 Central services

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

- MAT staffing expertise including CEO and CFO;
- Governance which includes, pension audit, internal audit;
- External audit;
- Payroll;
- Third party finance support costs;
- Capacity for continuous self-improvement;
- Headteacher and staff support;
- Quality assurance and accountability;
- Central team support for finance, budgeting and HR;
- Compliance with DFE, HMRC, and ESFA returns;
- Finance software packages for finance and budgeting;
- Data management;
- Group purchasing arrangements and negotiations;
- Policy review and updating;
- Capital project negotiations

The academy trust charges for these services on the following basis:

- 7.50% of GAG income

The amounts charged during the year were as follows:

	2024 £	2023 £
Lakeside Primary Academy	67,015	63,912
Lark Hall Infant & Nursery Academy	38,842	36,424
Flax Hill Junior Academy	104,652	94,644
	<u>210,509</u>	<u>194,980</u>

#### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<b>Direct costs</b>				
Educational operations	103,341	2,506,737	2,610,078	2,512,353
<b>Support costs</b>				
Educational operations	69,904	943,261	1,013,165	1,083,873
	<u>173,245</u>	<u>3,449,998</u>	<u>3,623,243</u>	<u>3,596,226</u>

	2024 £	2023 £
<b>Analysis of support costs</b>		
Support staff costs	279,961	348,302
Depreciation and amortisation	93,772	94,797
Technology costs	56,547	57,973
Premises costs	314,919	273,002
Legal costs	2,555	6,341

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

<b>9</b>	<b>Charitable activities</b>	<b>(Continued)</b>	
	Other support costs	251,923	283,746
	Governance costs	13,488	19,712
		1,013,165	1,083,873
		1,013,165	1,083,873

### 10 Staff

#### Staff costs

Staff costs during the year were:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,059,153	2,025,859
Social security costs	200,998	183,890
Pension costs	458,511	489,945
	2,718,662	2,699,694
Staff costs - employees	2,718,662	2,699,694
Agency staff costs	19,702	36,115
Staff restructuring costs	37,634	-
	2,775,998	2,735,809
Staff development and other staff costs	12,293	8,201
	2,788,291	2,744,010
	2,788,291	2,744,010

Staff restructuring costs comprise:

Redundancy payments	37,634	-
	37,634	-
	37,634	-

#### Staff numbers

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

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Teachers	20	23
Administration and support	38	42
Management	6	6
	64	71
	64	71

**MERCIA PRIMARY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**10 Staff** **(Continued)**

**Higher paid staff**

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

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	-	2
£70,001 - £80,000	2	-
£100,001 - £110,000	1	1
	<u>          </u>	<u>          </u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £685,710 (2023: £569,617).

**11 Trustees' remuneration and expenses**

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO/Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO/Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

- Richard Lane (CEO/Headteacher and trustee):
- Remuneration £105,001 - £110,000 (2023: £100,001 - £105,000)
  - Employer's pension contributions £25,001 - £30,000 (2023: £20,001 - £25,000)

During the year, travel and subsistence payments totalling £0 (2023: £0) were reimbursed or paid directly to 0 trustees (2023: 0 trustees).

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

**12 Trustees' and officers' insurance**

The academy trust has opted into the Department for 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 trust 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 PRIMARY ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

#### 13 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2023 and at 31 August 2024	8,033
<b>Amortisation</b>	
At 1 September 2023 and at 31 August 2024	8,033
<b>Carrying amount</b>	
At 31 August 2024	-
At 31 August 2023	-

#### 14 Tangible fixed assets

	Land and buildings £	Plant & Machinery £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 September 2023	3,596,366	267,598	99,360	65,139	4,028,463
Additions	-	111,346	17,536	8,529	137,411
At 31 August 2024	3,596,366	378,944	116,896	73,668	4,165,874
<b>Depreciation</b>					
At 1 September 2023	374,243	110,388	76,473	48,256	609,360
Charge for the year	43,187	28,433	15,932	6,220	93,772
At 31 August 2024	417,430	138,821	92,405	54,476	703,132
<b>Net book value</b>					
At 31 August 2024	3,178,936	240,123	24,491	19,192	3,462,742
At 31 August 2023	3,222,123	157,210	22,887	16,883	3,419,103

#### 15 Debtors

	2024 £	2023 £
Trade debtors	251	7,614
VAT recoverable	39,811	28,295
Prepayments and accrued income	96,462	97,978
	136,524	133,887

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 16 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	80,373	55,546
Other taxation and social security	43,957	44,473
Other creditors	57,698	54,301
Accruals and deferred income	147,115	163,098
	<u>329,143</u>	<u>317,418</u>

#### 17 Deferred income

	2024	2023
	£	£
Deferred income is included within:		
Creditors due within one year	68,387	76,466
	<u>68,387</u>	<u>76,466</u>
Deferred income at 1 September 2023	76,466	61,539
Released from previous years	(76,466)	(61,539)
Resources deferred in the year	68,387	76,466
	<u>68,387</u>	<u>76,466</u>
<b>Deferred income at 31 August 2024</b>	<u>68,387</u>	<u>76,466</u>

At the balance sheet date the academy trust was holding the following funds received in advance:

- Devolved Formula Capital: £10,813,
- Universal Infant Free School Meals: £25,379,
- Trips: £11,782,
- National Tutoring Programme: £10,193 (due to be reclaimed),
- School Fund PTA Donation: £10,000,
- Lettings: £220.

Total funds held: £68,387

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 18 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	321,276	2,812,065	(2,285,378)	(94,742)	753,221
Start up grants	11,690	-	-	-	11,690
UIFSM	-	43,505	(43,505)	-	-
Pupil premium	13,857	252,738	(266,595)	-	-
Other government grants	136,909	351,268	(488,177)	-	-
Catch-up premium	80	-	(80)	-	-
Other DfE/ESFA grants	9,974	77,479	(87,453)	-	-
Other Grant	51,239	-	(51,239)	-	-
PE & Sports Grant	6,162	53,220	(54,483)	(1,996)	2,903
Teachers' Pension Grant	-	26,681	(26,681)	-	-
Mainstream Schools Additional	-	99,592	(99,592)	-	-
Other restricted funds	4,140	18,904	(17,043)	-	6,001
Pension reserve	23,000	-	64,000	247,000	334,000
	<u>578,327</u>	<u>3,735,452</u>	<u>(3,356,226)</u>	<u>150,262</u>	<u>1,107,815</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	3,455,812	18,477	(93,772)	96,738	3,477,255
	<u>3,455,812</u>	<u>18,477</u>	<u>(93,772)</u>	<u>96,738</u>	<u>3,477,255</u>
<b>Total restricted funds</b>	<u>4,034,139</u>	<u>3,753,929</u>	<u>(3,449,998)</u>	<u>247,000</u>	<u>4,585,070</u>
<b>Unrestricted funds</b>					
General funds	184,696	181,749	(173,245)	-	193,200
	<u>184,696</u>	<u>181,749</u>	<u>(173,245)</u>	<u>-</u>	<u>193,200</u>
<b>Total funds</b>	<u>4,218,835</u>	<u>3,935,678</u>	<u>(3,623,243)</u>	<u>247,000</u>	<u>4,778,270</u>

**MERCIA PRIMARY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**18 Funds**

**(Continued)**

The transfers between funds for the year relate to the funding of fixed asset acquisitions from non-capital grant income.

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

**Restricted general funds**

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

The academy trust is not subject to GAG carried forward limits.

**Unrestricted funds**

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

**Restricted Fixed Asset Funds**

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

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 18 Funds

(Continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	281,384	2,611,524	(2,569,522)	(2,110)	321,276
Start up grants	11,690	-	-	-	11,690
UIFSM	-	47,164	(47,164)	-	-
Pupil premium	13,857	236,607	(236,607)	-	13,857
Other government grants	136,909	254,718	(254,718)	-	136,909
Catch-up premium	80	-	-	-	80
Other DfE/ESFA grants	9,974	160,853	(160,853)	-	9,974
Other Grant	51,239	-	-	-	51,239
PE & Sports Grant	11,500	53,130	(48,889)	(9,579)	6,162
Other restricted funds	7,957	13,018	(16,835)	-	4,140
Pension reserve	(463,000)	-	(23,000)	509,000	23,000
	<u>61,590</u>	<u>3,377,014</u>	<u>(3,357,588)</u>	<u>497,311</u>	<u>578,327</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	3,478,958	59,962	(94,797)	11,689	3,455,812
	<u>3,478,958</u>	<u>59,962</u>	<u>(94,797)</u>	<u>11,689</u>	<u>3,455,812</u>
<b>Total restricted funds</b>	<u>3,540,548</u>	<u>3,436,976</u>	<u>(3,452,385)</u>	<u>509,000</u>	<u>4,034,139</u>
<b>Unrestricted funds</b>					
General funds	177,243	151,294	(143,841)	-	184,696
	<u>177,243</u>	<u>151,294</u>	<u>(143,841)</u>	<u>-</u>	<u>184,696</u>
<b>Total funds</b>	<u>3,717,791</u>	<u>3,588,270</u>	<u>(3,596,226)</u>	<u>509,000</u>	<u>4,218,835</u>

#### Total funds analysis by academy

	2024 £	2023 £
Fund balances at 31 August 2024 were allocated as follows:		
Lakeside Primary Academy	191,684	189,754
Lark Hall Infant & Nursery Academy	300,161	215,639
Flax Hill Junior Academy	473,853	338,381
Central services	1,317	(3,751)
	<u>967,015</u>	<u>740,023</u>
Total before fixed assets fund and pension reserve	967,015	740,023
Restricted fixed asset fund	3,477,255	3,455,812
Pension reserve	334,000	23,000
	<u>4,778,270</u>	<u>4,218,835</u>
Total funds	4,778,270	4,218,835



# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 18 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2024	Total 2023
	£	£	£	£	£	£
Lakeside Primary Academy	862,497	66,417	6,319	281,007	1,216,240	1,215,604
Lark Hall Infant & Nursery Academy	496,004	44,928	11,646	132,300	684,878	618,542
Flax Hill Junior Academy	1,051,620	115,597	4,242	267,298	1,438,757	1,445,732
Central services	29,811	112,789	-	46,996	189,596	198,551
	<u>2,439,932</u>	<u>339,731</u>	<u>22,207</u>	<u>727,601</u>	<u>3,529,471</u>	<u>3,478,429</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2024 are represented by:</b>				
Tangible fixed assets	-	-	3,462,742	3,462,742
Current assets	522,343	773,815	14,513	1,310,671
Current liabilities	(329,143)	-	-	(329,143)
Pension scheme asset	-	334,000	-	334,000
<b>Total net assets</b>	<u>193,200</u>	<u>1,107,815</u>	<u>3,477,255</u>	<u>4,778,270</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2023 are represented by:</b>				
Tangible fixed assets	(592,036)	-	4,011,139	3,419,103
Current assets	1,094,150	555,327	(555,327)	1,094,150
Current liabilities	(317,418)	-	-	(317,418)
Pension scheme asset	-	23,000	-	23,000
<b>Total net assets</b>	<u>184,696</u>	<u>578,327</u>	<u>3,455,812</u>	<u>4,218,835</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £57,698 were payable to the schemes at 31 August 2024 (2023: £54,171) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer 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 the TPS in the period amounted to £317,733 (2023: £281,076).

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

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 20 Pension and similar obligations

(Continued)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the 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 academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.2% for employers and 5.5 to 12.5% for employees.

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

<b>Total contributions made</b>	<b>2024</b>	<b>2023</b>
	£	£
Employer's contributions	226,000	188,000
Employees' contributions	51,000	42,000
	<u>277,000</u>	<u>230,000</u>
	<u>277,000</u>	<u>230,000</u>
<b>Principal actuarial assumptions</b>	<b>2024</b>	<b>2023</b>
	%	%
Rate of increase in salaries	3.15	3.50
Rate of increase for pensions in payment/inflation	2.65	3.00
Discount rate for scheme liabilities	5.00	5.20
Inflation assumption (CPI)	3.00	3.00
	<u>3.00</u>	<u>3.00</u>

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

	<b>2024</b>	<b>2023</b>
	Years	Years
Retiring today		
- Males	20.80	21.20
- Females	24.60	24.70
Retiring in 20 years		
- Males	21.50	21.60
- Females	25.50	25.50
	<u>25.50</u>	<u>25.50</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 20 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2024	2023
Discount rate + 0.1%	-71,000	-65,000
Discount rate - 0.1%	71,000	65,000
Mortality assumption + 1 year	129,000	118,000
Mortality assumption - 1 year	-129,000	-118,000
CPI rate + 0.1%	70,000	61,000
CPI rate - 0.1%	-70,000	-61,000

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

	2024 Fair value £	2023 Fair value £
Equities	2,281,600	1,997,940
Bonds	962,550	685,860
Other assets	249,550	59,640
Property	71,300	238,560
Total market value of assets	3,565,000	2,982,000

The actual return on scheme assets was £394,000 (2023: £97,000).

#### Amount recognised in the statement of financial activities

	2024 £	2023 £
Current service cost	165,000	191,000
Interest income	(160,000)	(119,000)
Interest cost	157,000	139,000
Total operating charge	162,000	211,000

#### Changes in the present value of defined benefit obligations

	2024 £	2023 £
At 1 September 2023	2,959,000	3,176,000
Current service cost	165,000	191,000
Interest cost	157,000	139,000
Employee contributions	51,000	42,000
Actuarial gain	(13,000)	(531,000)
Benefits paid	(88,000)	(58,000)
At 31 August 2024	3,231,000	2,959,000

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

<b>20</b>	<b>Pension and similar obligations</b>	<b>(Continued)</b>	
	<b>Changes in the fair value of the academy trust's share of scheme assets</b>		
		<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
	At 1 September 2023	2,982,000	2,713,000
	Interest income	160,000	119,000
	Actuarial (gain)/loss	234,000	(22,000)
	Employer contributions	226,000	188,000
	Employee contributions	51,000	42,000
	Benefits paid	(88,000)	(58,000)
	At 31 August 2024	<u>3,565,000</u>	<u>2,982,000</u>
<b>21</b>	<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
		<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
		<b>Notes</b>	
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	312,435	(7,956)
	Adjusted for:		
	Capital grants from DfE and other capital income	(18,477)	(59,962)
	Investment income receivable	6 (120)	(98)
	Defined benefit pension costs less contributions payable	20 (61,000)	3,000
	Defined benefit pension scheme finance (income)/cost	20 (3,000)	20,000
	Depreciation of tangible fixed assets	93,772	94,474
	Amortisation of intangible fixed assets	13 -	323
	(Increase)/decrease in debtors	(2,637)	15,469
	Increase in creditors	11,725	26,298
	<b>Net cash provided by operating activities</b>	<u>332,698</u>	<u>91,548</u>
<b>22</b>	<b>Analysis of changes in net funds</b>		
		<b>1 September</b>	<b>Cash flows</b>
		<b>2023</b>	<b>31 August</b>
		<b>£</b>	<b>2024</b>
		<b>£</b>	<b>£</b>
	Cash	<u>960,263</u>	<u>213,884</u>
		<u>1,174,147</u>	<u>1,174,147</u>

# MERCIA PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### 23 Long-term commitments

#### Operating leases

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024	2023
	£	£
Amounts due within one year	8,374	3,533
Amounts due in two and five years	6,281	5,299
	<u>14,655</u>	<u>8,832</u>

### 24 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

### 25 Members' liability

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