

Company Registration No. 07695364 (England and Wales)

MANOR HIGH SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

THURSDAY



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COMPANIES HOUSE

MANOR HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

M Alton
A Dawes (Staff Trustee)
E Harewood
N Handley (Staff Trustee)
A Mehta
J Navekar (Resigned 21 June 2017)
L Powell (Headteacher and Accounting Officer)
M Tara (Resigned 3 May 2017)
A Manjothi (Chairperson)
M Radford (Resigned 9 March 2017)
M Sokhi (Resigned 21 April 2017)
A Watson (Staff Trustee)
S Qureshi (Vice Chairperson)
N Butt (Appointed 1 March 2017)
L Okhai (Appointed 1 July 2017)
A Stutz (Appointed 1 March 2017)
C McCarthy (Appointed 1 March 2017 and resigned 31 March 2017)

Members

M Radford (Resigned 9 March 2017)
M Alton
S Qureshi
A Manjothi
N Butt (Appointed 1 March 2017)

Senior management team

- Headteacher	L Powell
- Deputy Headteacher	S Greiff
- Deputy Headteacher	V Mehta
- Assistant Headteacher	A Watson
- Business Manager	C Payne

Company secretary

C Payne

Company registration number

07695364 (England and Wales)

Principal and registered office

Copse Close
Oadby
Leicestershire
LE2 4FU

Independent auditor

RSM UK Audit LLP
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire
LE19 1SD

MANOR HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
7 High Street
Leicester
LE1 9FS

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

MANOR HIGH SCHOOL

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust is in its first year of age range change, converting over the next two years from age 10-14 (Years 6 – 9), to age 11-16 (Years 7-11). It has a pupil capacity of 900 and a roll of 790 in Years 7–10, in the school census on 5 October 2017. The school will grow a Year 11 taking them up to capacity in 2018/19.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (registration number 07695364) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Manor High School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Manor High School.

Details of the Trustees who served throughout the year except as noted 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

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

Method of recruitment and appointment or election of Trustees

The Members of the Academy Trust comprise of the signatories to the Memorandum, 1 person appointed by the Secretary of State (in the event that the Secretary of State appoints a person for this purpose), the chair of the Trustees, the vice-chair of the Trustees and any person appointed under Article 16 of the Articles of Association which states that the Members may agree unanimously in writing to appoint such additional Members as they think fit and may unanimously in writing agree to remove any such additional Members. All Members are Trustees.

The Board of Trustees is comprised of the Headteacher, 7 appointed Trustees and up to 4 but no less than 2 elected Parent Trustees. Staff Trustees are appointed by members of staff employed by the Academy Trust by means of a secret ballot. Parent Trustees are elected by parents of registered students at the Academy Trust. The Trustees may also appoint up to 3 Co-opted Trustees. A Co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Secretary of State may appoint such additional Trustees as he thinks fit under Article 62, 62A or 68A. The term of office for any Trustee shall be 4 years. At the Trustees first meeting each school year they will elect a chairperson and vice-chairperson.

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience. The Academy Trust purchases support that provides for individual and full Board of Trustees training through an annual Course Directory which is reviewed each year to reflect any changes in practice and legislation. The Academy Trust will perform an annual skills audit of Trustees and should any gaps be identified training courses are offered to address these issues.

Organisational structure

The Academy Trust management structure consists of the Trustees, the Senior Leadership Team, the Intervention Leaders and Heads of Department. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Academy Trust has drawn up a Board of Trustees decision planner which is reviewed annually. The planner shows to which level the Board of Trustees may legally delegate functions.

The Trustees are responsible for the strategic development of the Academy Trust, adopting an annual School Development Plan and budget; monitoring the Academy Trust by the use of budgets and management accounts and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Senior Leadership Team (SLT) comprise of the Headteacher, two Deputy Headteachers, one Assistant Headteacher and the Business Manager. The SLT direct the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them.

There are two Intervention Leaders, one leads on pupil progress and one leads on pastoral and careers.

Heads of Department are responsible for the day to day operation of curriculum subject areas and organisation of their teaching staff, capitation resources, facilities and students.

All staff within the management structure have delegated budgets and are responsible for the authorisation of spending within the agreed budgets.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management staff is set out in the Academy Trust's pay policy for Teachers which is annually reviewed and ratified by Trustees. The pay policy sets out the framework for making decisions on all teachers' pay including key management staff. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff and/or the recognised trade unions. The pay policy underpins the Academies Performance Management Policy which provides the opportunity for all staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the pay committee, made up of Trustees, and is based on the statutory criteria and guidance set out in the STPCD and the relevant teacher standards. No remuneration payments are made to Trustees, including Staff Trustees, for their role as Trustees (please see note 10 for further details).

Related parties and co-operation with other organisations

Manor High School is currently a Single Academy Trust, financially independent and does not work in federation with any other organisation. Manor High School does however, work collaboratively with other local schools, universities, ITT providers and businesses to help raise achievement and gain best value. Manor High School has recently gone out to consultation to look at forming a Multi Academy Trust with four other local Primary Schools.

OBJECTIVES AND ACTIVITIES

The principal object and activity of the Academy Trust is the operation of the Academy Trust at Manor High School to provide education for students between the ages of 11 and 16.

The Academy Trust's admissions code has Trustee approval and is published on the website.

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Objectives, strategies and activities

The Academy Trust has a rolling programme of self-evaluation and this is summarised in the Academy Trust Self Evaluation Form. Action points from the evaluation are then developed in the School Development Plan.

Activities provided include:

- Tuition and learning opportunities for all students to attain the highest standard in academic achievement.
- Training opportunities for all staff, to encourage them to be effective models of learning and development.
- A programme of sporting and after-school leisure activities for all students to widen their experiences.
- A system of after-school clubs to allow students to develop as learners.

The school maintains its ethos and core values of Excellence, Inspiration, Care and Respect in all its activities.

Public benefit

The Board of Trustees have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

STRATEGIC REPORT

Financial review

The majority of the Academy Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the Statement of Financial Activities for the year ended 31 August 2017.

The Academy Trust also receives grants for fixed assets from the DfE and such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017 total expenditure was £4,401,140. The excess of expenditure over recurrent DfE grant funding together with other income was £158,675 before the pension scheme actuarial gain. At 31 August 2017, the Academy Trust holds total funds of £3,959,756.

The Academy's Finance Policy is annually reviewed by Trustees, the last review being 8 June 2017. This document sets out key financial responsibilities. All expenditure of the Academy Trust is made in line with this Policy which supports the provision of Education of all students on role.

Financial and risk management objectives and policies

The Academy Trust has a risk register which highlights the potential risks relating to the financial and risk management facing the Academy Trust. These are managed through financial procedures, policies and delegation of the financial activities of the Academy Trust which are reviewed on a regular basis. The Academy Trust's main source of funding is from the ESFA and as such this minimises the Academy Trust's exposure to cash flow or liquidity issues. Cash flow is managed on a monthly basis to reflect the profile of income received and expenditure requirements of the Academy Trust.

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of free reserves at the end of the year ended 31 August 2017 was £394,944. The reserves are intended and will support Manor High School through the significant organisational change in age range. In the meantime surplus reserves are invested at low risk.

The Academy Trust has restricted fixed assets fund, with a balance of £4,478,550 which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the charity and will only be realised by disposing of the tangible assets. The pension liability at 31 August 2017 is £976,000, which is shown separately in a restricted fund and the Trustees continue to review the contribution due based on the reports received from the scheme actuary ensuring the cash is available to meet contributions as they fall due.

Investment policy

Trustees have adopted an Investment Policy to invest surplus funds in low risk short term bank deposits due to the current economic climate to try to achieve a better rate of interest than the Academy Trust's current bank account.

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

Manor High School is undergoing transformation from 10-14 secondary-deemed-middle to an 11-16 school in September 2017 with the first full set of GCSE results being taken in Summer 2019. This structural change has been made in order to raise standards and outcomes. The following provides some context to our school:

- 13.0% of students are PP (School Data – May 2017).
- Current 0.7% of SEND based on new codings (School Data – May 2017).
- First language not / believed not to be English is higher than national at 30% although EAL is only 2.6% (School Data May 2017/RAISEonline - 2015).
- The population is ethnically and culturally diverse with over 85% of pupils of heritage outside the UK (May 2017).
- Major ethnic groups are Indian 52%, Other Asian 14%, White British 13%, Other British 14% and mixed backgrounds 6% (School Data – May 2017).

Since our full Ofsted inspection of May 2014 in which we were judged GOOD, we have made significant improvements.

KS2

- Student attainment in Reading, Writing and Maths is significantly above the national average (Expected Standard in Reading, Writing and Maths: Manor High School 68%, National 61%).
- Despite the age range of the school the attainment of students has continued to rise since the introduction of the new KS2 curriculum and testing arrangements.
- KS2 writing has improved rapidly over the last two years. The percentage now achieving the expected standard is significantly above LA and national comparatives.
- Students made outstanding progress during year 6 in reading: At least average progress 95% (National 85%), Above average progress 32% (National 15%) (NGRT).

KS3

- Students make outstanding progress during KS3. Attainment and progress has continued to increase over the last three years and is above LA and national comparatives; this facilitates the outstanding progress made at KS4. (See KS4 statements below).
- During KS3, the gap between disadvantaged students and non-disadvantaged students is rapidly closed. Disadvantaged students make more progress in English and Maths than other students meaning that the in school gap is narrowed significantly. As this trend continues the gap between disadvantaged students and other students will be completely closed by the end of Key Stage 4.
- The percentage of students on a flight path to achieving Grade 5+ in English and Maths is 61%. At GCSE level this is significantly above national figures.
- Progress from the KS2 starting point in a full range of subjects is much better than national expected levels. Year 9 Progress 8 score is +1.17 (Similar to Progress 8 with English and Maths double weighted).

KS4

- Three of the five years of study after KS2 are delivered by Manor High School. KS4 outcomes in terms of attainment and progress are outstanding.
- Students' attainment at KS4 is significantly above national figures. 81% of MHS students that continue to study 14-16 in Leicestershire achieve A*-C in GCSE English and GCSE Maths (national 58.7%).
- All prior ability groups make outstanding progress KS2-KS4 in a range of subjects. Progress 8 score +0.8.
- The high level of challenge, differentiated teaching and targeted intervention means that KS2-KS4 progress in English and Maths is outstanding (+0.48 and +0.79 respectively).

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Achievements and performance

Actions that have had a significant impact on the pupils' achievement are:

- Appointment of two Intervention Leaders to focus on student progress.
- Benchmarking student achievement with other outstanding schools.
- Students with the lowest reading ability were identified on entry into the school and have taken part in a number of initiatives to boost their reading ability including reader leader peer support and small group intervention work.
- Whole school focus on progress (as well as attainment) at KS3.
- Rigorous data tracking and analysis.
- KS2 and KS3 interventions in English and Maths, especially small group work.
- 2-week Year 7 catch up sessions in Maths and English.
- KS2 two week SATS timetable addressed gaps in students' learning.
- ~~KS2 revision club allows students to revise in a supportive and focussed environment.~~
- Walking talking mocks built learners' confidence and resilience.
- Peer support through Reader Leader and Maths Leader scheme utilising vertical tutoring.
- Rigorous and robust monitoring and evaluation processes that are timetabled across the academic year and involve a department led self-evaluation schedule.
- Fortnightly link meetings between SLT and Heads of Department ensure a focus on achievement and progress.
- Raising Boys Attainment plan with a focus on high KS2 prior attainment to ensure these students make rapid progress during KS3.
- 'Be the Change' initiative to engage students with their learning and develop self-regulatory skills.
- Partnership with the other 11-16 schools – excellence group.
- Development of Study Centre and appointment of a highly skilled Study Centre Manager providing tailored support to individuals and groups and development of study skills.

Actions that have had a significant impact on the quality of teaching are:

- Focus on inspirational teaching and learning. Target for all teachers in Performance Management.
- More flexible and frequent lesson observations. Lesson observations are focused on student progress and evidence of progress through marking and feedback in books, making judgments about typicality.
- Exam board training has ensured focus and pace for the KS4 curriculum.
- Use of MINT class seating plans to ensure that seating is strategic and that each teacher is fully aware of the academic needs of the learners in their classes. The electronic use of this reduces teacher workload.
- Consistent and more rigorous learning walks, work scrutinies, marking samples and observations.
- Introduction of Making Marking Matter – a simpler and more effective approach to marking, designed to reduce teacher workload and monitoring the impact of this with the school SIP.
- Teacher Development Pods focussed on behaviour for learning have been established in order for teachers to share best practice to enhance pedagogy.
- Open doors weeks occur termly where staff are expected to observe best practice in the classroom from across the school. Middle leaders direct staff to certain areas where there are 'open doors' that relate to areas for development in classroom practice.
- Performance Management targets for all staff focus around teaching and learning, with targets linked to whole school priorities - challenge and inspiration.
- Whole school CPD sessions enhances classroom practice. These are responsive to the needs of the school and this year have focused on lesson starters, B4L, ICT and L2 Autism.
- 'T and L' (Teaching and Learning) Tuesdays- weekly Tuesday staff briefing led by a different department each week focussed on an effective T and L strategy.
- Parents are provided with information on how well their child is progressing and how well their child is doing in relation to the standards expected through 5 progress reports per year. These are clear and timely.
- Performance Improvement Plans (PiPs) for those who require support with elements of teaching are in place to generate improvement. PiPs have resulted in staff improving their teaching practice, or leaving the school. During the last academic year PiPs resulted in improvements with one member of staff and in one member of staff leaving the school.
- Middle leader support each other through a 'buddy' system to ensure improvement. Performance Management focus on Leadership. There is one hour allocated on each Heads of Department (HOD) timetable to offer support to their 'buddy'.

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Actions that have had a significant impact on the quality of teaching are (continued):

- Increased frequency of marking scrutinies resulting in increased capability to make judgements over time, and typicality.
- Engaging consistently good teachers with programmes such as the Outstanding Teacher Programme.
- Middle leader support with pairings of departments to work together to support each other.

Actions that have had a significant impact on the quality of leadership and management are:

- Recruitment of strong and experienced middle leaders – academic and pastoral.
- Our curriculum focuses upon depth before breadth to reflect the high level of aspiration of students and their families.
- Staff training ensures vigilance against bullying, radicalisation, CSE and extremism. Staff are confident to challenge these areas.
- College of Policing & Metropolitan Police Service 2014 Extremism Awareness undertaken by leadership team (May 2015) NCALT. PREVENT training Jan 2016.
- SMSC is supported through assemblies, the personal development programme and the promotion of the Core Values.
- Governor meetings are focused upon challenge, progress and outcomes.
- Governor training is focused upon the same.
- Fortnightly line management meetings are focused upon standards.
- QA files and SEFs for all middle leaders support self-evaluation and consistency.
- Student Voice and feedback from parents.
- Staff Voice (January 2016) shows a high level of support for the direction and vision.
- Impact of pastoral restructure for non-teaching House Managers shown in pastoral data.
- Impact of two Intervention Leaders shown in intervention and data.

Actions that have had a significant impact on the students' personal development, behaviour and welfare are:

- Embedding of the House system with four non-teaching House Managers.
- Implementation of CPOMs.
- Implementing strategies from the Beyond Bullying Award (April 2015). Regular assemblies, work in PHSE and extra-curricular projects reinforce the Academy Trust's lack of acceptance of bullying in all its forms. Responses to bullying are always swift and appropriate.
- Better communication of students causing concern and more effective recording systems.
- Annually all staff receive training on protecting themselves and young people in an educational context. Members of external forums relating to safeguarding and behaviour.

Going concern

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

Plans for future periods

Plans for the future are detailed within the School Development Plan, a summary of which is as follows:

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

GOALS	KEY AREAS FOR DEVELOPMENT	
Outcomes for children and learners	<p>Close the achievement gap for all groups</p> <p>To develop curious, eager and self-motivated learners</p> <p>Retention, recruitment and achievement</p> <p>Year 7 literacy and numeracy catch-up to enable access to full curriculum</p>	<p>Depth of knowledge and mastery of the curriculum</p> <p>Meet and exceed progress in each year</p> <p>High level of reading and extended writing in all subjects</p> <p>Focus on boys' progress</p>
Quality of teaching, learning and assessment	<p>Inspire and challenge</p> <p>All teaching to be good or outstanding</p> <p>Feedback develops a dialogue to support improvement</p> <p>Assessment supports fulfilment of potential and preparation for the next stage</p>	<p>Consolidate and deepen knowledge through the online homework system</p> <p>Empower parental engagement through high quality and timely reporting</p> <p>Assertive mentoring</p> <p>Close monitoring and rapid intervention</p> <p>Sharing best practice</p>
Personal development, behaviour and welfare	<p>Achieve excellence in respect, tolerance and British values</p> <p>Impeccable conduct</p> <p>Promotion of healthy and well balanced students</p> <p>Self-esteem and well being</p>	<p>Preparation for the next stage and employability</p> <p>Improve understanding of bullying</p> <p>Develop monitoring through Humanutopia and Be the change</p> <p>LORIC and Edge</p> <p>Pioneering work with safeguarding and Child Protection</p>
Effectiveness of leadership and management	<p>Further develop governance – slim and strategic</p> <p>Develop leadership at all levels</p> <p>Leadership at all levels planning, tracking and measuring the impact of Pupil Premium</p>	<p>Further enhance the effectiveness of middle leadership</p> <p>Survey software to give greater student, staff and parental voice</p> <p>Ofsted Outstanding by the end of the academic year</p>
Liaison and Partnerships	<p>Manor High School gaining from and contributing to strong inter-school networks</p> <p>Benchmarking and external review</p> <p>Parental engagement</p> <p>Partnership with primaries</p>	<p>Partnership with other providers</p> <p>Develop and recruit staff</p> <p>Community</p> <p>Raising awareness of strengths, success, opportunities and branding</p>
Site, Staffing and Resources	<p>Improve the learning environment</p> <p>Sustainable financial management</p> <p>Increase community access to the site</p>	<p>Identify earning opportunities and funding streams</p> <p>Monitor and track expenditure of additional funds</p> <p>Staff make wider contributions to the school</p>

MANOR HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Plans for future periods (continued)

Manor High School have consulted and made formal application to the Regional Schools Commissioner, to form a Multi-Academy Trust with four local schools during 2017/18.

Principal risks and uncertainties

The charity Trustees have considered the major risks to when the charity is exposed and have reviewed these risks and established systems and procedures to manage these risks.

The Academy Trust has undertaken a financial risk assessment based on potential keys risks identified as:

- Not operating within its budget and running a deficit.
- Changes in funding.
- Inappropriate or insufficient financial controls and systems.
- Fraudulent activity.
- Financial commitments made without adequate authorisation.

The key controls used by the Academy Trust to reduce risk include:

- Detailed terms of reference for Academy Trust's Board meetings.
- Formal agendas for the Academy Trust's Board.
- Schemes of delegation and formal financial regulations.
- Formal written policies.
- Clear authorisation and approval levels.

The Trustees have adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. The schedule of risks will be tabled at the Board of Trustees meetings on a termly basis and mitigating actions agreed as required.

AUDITOR

RSM UK Audit LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are aware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that is has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 2/11/17 and signed on its behalf by:

.....
A Manjothi
Chairperson

MANOR HIGH SCHOOL

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Manor High School 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 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 Manor High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. This has provided a greater frequency of meetings which in turn has led to more strategic capacity and more focus. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
M Alton	5	8
A Dawes (Staff Trustee)	8	8
E Harewood	3	8
N Handley (Staff Trustee)	7	8
A Mehta	7	8
J Navekar (Resigned 21 June 2017)	4	7
L Powell (Headteacher and Accounting Officer)	8	8
M Tara (Resigned 3 May 2017)	1	5
A Manjothi (Chairperson)	8	8
M Radford (Resigned 9 March 2017)	4	4
M Sokhi (Resigned 21 April 2017)	3	5
A Watson (Staff Trustee)	8	8
S Qureshi (Vice Chairperson)	7	8
N Butt (Appointed 1 March 2017)	4	4
L Okhai (Appointed 1 July 2017)	1	1
A Stutz (Appointed 1 March 2017)	4	4
C McCarthy (Appointed 1 March 2017 and resigned 31 March 2017)	1	1

In addition, there are working groups with Trustee representation for the following areas: Leadership, Outcomes, Teaching, Learning and Assessment, Personal Development, Safeguarding, Health and Safety and SEND. Each of these feeds back to the Board of Trustees.

MANOR HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

In the most recent Ofsted Inspection which took place in May 2014 Leadership and Management were classified as 'Good'. Governors received the following comments:

"Governors provide good support and challenge for senior leaders. They are knowledgeable about educational issues and have a breadth of skills and experience, including financial expertise. The governors have a good understanding of the school and its current priorities. They have a realistic and accurate picture of what the quality of teaching is like in the school.

Governors are familiar with the national benchmarks for school achievement and have a good understanding of how well all groups of students are achieving in the school. This information is used by the governing body to inform what the next steps should be to plan further improvements in the school's work. Governors have supported the Headteacher in operating the new performance management procedures that link staff-pay with students' achievement. They have a good awareness of how the pupil premium funding is being spent on ensuring that any gaps in attainment are minimal." (Ofsted May 2014)

Review of value for money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Improving educational results

- Excellent tracking systems record all aspects of pupil progress throughout the school and ensure that interventions and support are targeted to achieve best value.
- Targeted support for students in need of intervention in key curriculum areas.
- Regular review of the staffing structure to ensure staff are efficiently deployed, are appropriately qualified and are specialists in their area.

Ensuring robust governance and oversight of finances

- The Governing Body acknowledge overall responsibility for ensuring an effective and appropriate system of financial control. The system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.
- The Governing Body ensure that comprehensive budgeting and monitoring systems exist and approve the annual budget.
- The Governing Body have appointed External and Internal Auditors to provide the necessary assurances on internal controls.
- In our most recent Ofsted Inspection (May 2014), Leadership and Management were classified as 'Good'.

Ensuring value for money purchasing and use of resources

- Promoting fair competition through quotations and tenders in accordance with our financial policies, to ensure that goods and services are secured in the most economical way.
- Reviewing all contracts with service providers on an annual basis to ensure they are fit for purpose and provide best value.
- Reducing our Energy Costs through effective management of the site and improving our national Energy Rating Performance year on year.

MANOR HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Improving Income generation

- Investing surplus funds to try to achieve a better rate of interest than the school's current bank account.
- Exploring opportunities to generate income through the increased hire of the site.
- Recognising the need to continue to explore every opportunity to generate further income for both the public and stakeholder benefit.

Reviewing Controls and managing risk

- Undertaking financial risk assessments based on the potential keys risks and ensuring the key controls are in place to reduce the risks.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Manor High School for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint Leicestershire Internal Audit Service, a service provided by Leicestershire County Council, to provide the necessary assurances.

MANOR HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period include testing that:

- Effective Governance is in place and statutory responsibilities are carried out.
- Effective risk management procedures are in place.
- The Financial Information System used is fit-for-purpose and capable of generating the year-end statutory financial accounts.
- The Academy Trust is appropriately registered as a data user under the Data Protection Act 1998.
- Cash held on the premises is retained securely and within established insurance limits and that adequate arrangements exist for the banking of income.
- A governor-approved Investment Strategy exists and the Academy Trust's assets are invested wisely in low-risk investments and in accordance with the Strategy.
- The Academy Trust's assets and equipment are appropriately recorded on an appropriate record.
- The minibus is maintained in accordance with statutory requirements and recommended practice.
- Adequate arrangements exist for payroll, personnel and safer recruitment.
- Budgetary planning, monitoring and reporting is sound.
- The local cheque account is being operated satisfactorily with adequate division of duties and appropriate cheque signatories.
- The use of petty cash is appropriately recorded and controlled.
- The Academy Trust's charge card is used appropriately, transactions are promptly applied to the Financial Information System and the card is retained securely at all times.
- Adequate controls exist for the completion and authorisation of orders and payments are made only in respect of goods and services received.
- The Academy Trust has a formal procurement policy which sets out tendering and quotation limits / requirements / procedures and is being complied with.
- The Academy Trust is able to demonstrate that value-for-money is routinely sought.
- Income is received in all appropriate circumstances and is suitably recorded and controlled.
- Invoicing procedures are sound.
- The Academy Trust's working practices are efficient and work in a "risk aware" environment.

The internal auditor's annual report was presented to the Board of Trustees on 6 July 2017. There were no major material issues identified.

Review of effectiveness

As accounting officer, L Powell has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

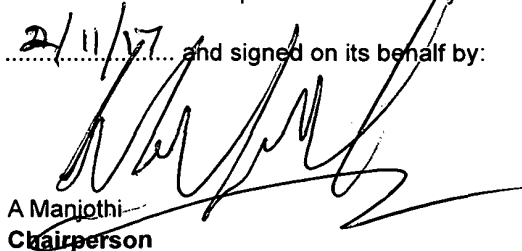
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 2/11/17 and signed on its behalf by:



L Powell
Headteacher and Accounting Officer



A Manjothi
Chairperson

MANOR HIGH SCHOOL

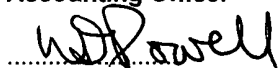
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

L Powell
Accounting Officer


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MANOR HIGH SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of Manor High School for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

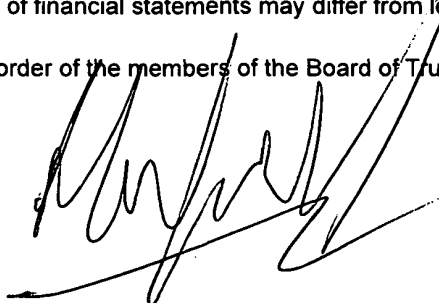
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 2/11/17 and signed on its behalf by:

A Manjothi
Chairperson



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR HIGH SCHOOL

Opinion on financial statements

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- ~~have been prepared in accordance with the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.~~

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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 and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR HIGH SCHOOL (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page 17, the Trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Gareth Jones (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire, LE19 1SD
30/11/17

MANOR HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	4	5,777	99,285	215,040	320,102	271,065
Charitable activities:						
- Funding for educational operations	5	-	3,745,886	-	3,745,886	3,539,772
Other trading activities	6	173,797	-	-	173,797	135,226
Investments	7	2,680	-	-	2,680	1,851
Total		182,254	3,845,171	215,040	4,242,465	3,947,914
Expenditure on:						
Raising funds	8	188,550	-	-	188,550	139,311
Charitable activities:						
- Educational operations	9	-	4,109,903	102,687	4,212,590	3,850,370
Total	8	188,550	4,109,903	102,687	4,401,140	3,989,681
Net income/(expenditure)		(6,296)	(264,732)	112,353	(158,675)	(41,767)
Transfers between funds		-	102,596	(102,596)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	268,000	-	268,000	(257,000)
Net movement in funds		(6,296)	105,864	9,757	109,325	(298,767)
Reconciliation of funds						
Total funds brought forward		401,240	(1,019,602)	4,468,793	3,850,431	4,149,198
Total funds carried forward		394,944	(913,738)	4,478,550	3,959,756	3,850,431

MANOR HIGH SCHOOL**BALANCE SHEET****AS AT 31 AUGUST 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	13		4,449,971		4,352,376
Current assets					
Debtors	14	101,575		40,005	
Cash at bank and in hand		524,514		702,251	
		626,089		742,256	
Current liabilities					
Creditors: amounts falling due within one year	15	(140,304)		(143,201)	
Net current assets			485,785		599,055
Net assets excluding pension liability			4,935,756		4,951,431
Defined benefit pension scheme liability	23		(976,000)		(1,101,000)
Net assets			3,959,756		3,850,431
Funds of the Academy Trust:					
Restricted funds	18				
- Restricted fixed asset funds			4,478,550		4,468,793
- Restricted income funds			62,262		81,398
- Pension reserve			(976,000)		(1,101,000)
Total restricted funds			3,564,812		3,449,191
Unrestricted income funds	18		394,944		401,240
Total funds			3,959,756		3,850,431

The financial statements on pages 20 to 41 were approved by the Board of Trustees and authorised for issue on 21/11/17 and are signed on their behalf by:

A Manjothi
Chairperson

MANOR HIGH SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(294,460)		(240,842)
Cash flows from investing activities					
Dividends, interest and rents from investments		2,680		1,851	
Capital grants from DfE and ESFA		314,325		264,252	
Purchase of tangible fixed assets		(200,282)		-	
Net cash provided by investing activities			116,723		266,103
Net (decrease)/increase in cash and cash equivalents in the reporting period			(177,737)		25,261
Cash and cash equivalents at beginning of the year			702,251		676,990
Cash and cash equivalents at end of the year			524,514		702,251

MANOR HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

Manor High School is a charitable company (the 'Academy Trust'). The address of the Trust's principal place of business is given on page 1 and the nature of the Academy Trust's 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.

Basis of preparation

The financial statements of the Academy Trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

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 financial statements 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 financial statements.

Income

All income is 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 not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

MANOR HIGH SCHOOL

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

1 Accounting policies (Continued)

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.

Other income

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

Donated fixed assets

Where the donated good is a fixed asset it is 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.

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 to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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.

MANOR HIGH SCHOOL

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

1 Accounting policies (Continued)

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

Long leasehold buildings	50 years
Computer equipment	3 years
Fixtures, fittings and equipment	5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

Liabilities

Liabilities are recognised when there is an obligation at the reporting 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.

Leased assets

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

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.

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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

MANOR HIGH SCHOOL

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

1 Accounting policies (Continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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 comprehensive income. Actuarial gains and losses are recognised immediately in other comprehensive income.

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 Education Funding Agency or the Department for Education.

Financial Instruments

The Academy Trust has chosen to adopt Section 11 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Short-term employment benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

MANOR HIGH SCHOOL

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

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.

Pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgment. Depreciation is charged to the income statement based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

Critical areas of judgement

The Trustees do not feel that there are any areas of critical judgement in preparing these financial statements.

MANOR HIGH SCHOOL

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

3 Comparative year information

Year ended 31 August 2016	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:				
Donations and capital grants	6,813	147,835	116,417	271,065
Charitable activities:				
- Funding for educational operations	-	3,539,772	-	3,539,772
Other trading activities	135,226	-	-	135,226
Investments	1,851	-	-	1,851
Total	143,890	3,687,607	116,417	3,947,914
Expenditure on:				
Raising funds	139,311	-	-	139,311
Charitable activities:				
- Educational operations	-	3,746,273	104,097	3,850,370
Total	139,311	3,746,273	104,097	3,989,681
Net income/(expenditure)	4,579	(58,666)	12,320	(41,767)
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	-	(257,000)	-	(257,000)
Net movement in funds	4,579	(315,666)	12,320	(298,767)

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	314,325	314,325	264,252
Other donations	5,777	-	5,777	6,813
	5,777	314,325	320,102	271,065

MANOR HIGH SCHOOL

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

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,523,728	3,523,728	3,472,024
Other DfE / ESFA grants	-	188,403	188,403	43,990
	-	3,712,131	3,712,131	3,516,014
Other government grants				
Local authority grants	-	33,755	33,755	23,758
	-	3,745,886	3,745,886	3,539,772

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	15,192	-	15,192	11,261
Trip income	75,278	-	75,278	60,457
Other income	83,327	-	83,327	63,508
	173,797	-	173,797	135,226

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Interest from short term deposits	2,680	-	2,680	1,851

8 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	188,550	188,550	139,311
Academy's educational operations					
- Direct costs	2,338,936	-	197,283	2,536,219	2,490,951
- Allocated support costs	958,637	500,826	216,908	1,676,371	1,359,419
Total support costs	3,297,573	500,826	602,741	4,401,140	3,989,681

MANOR HIGH SCHOOL

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

8 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2017 £	2016 £
Operating lease rentals	5,715	6,831
Depreciation of tangible fixed assets	102,687	104,097
Net interest on defined benefit pension liability	23,000	29,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	12,500	13,419
- Other services	3,850	2,750

9 Charitable activities

	2017 £	2016 £
All from restricted funds:		
Direct costs - educational operations	2,536,219	2,490,951
Support costs - educational operations	1,676,371	1,359,419
	<u>4,212,590</u>	<u>3,850,370</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	958,637	803,511
Depreciation and amortisation	102,687	104,097
Premises costs	349,389	164,118
Other support costs	245,282	271,497
Governance costs	20,376	16,196
	<u>1,676,371</u>	<u>1,359,419</u>

MANOR HIGH SCHOOL

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

10 Staff

Staff costs

Staff costs during the year were:

	2017 £	2016 £
Wages and salaries	2,793,668	2,703,678
Social security costs	216,763	179,749
Operating costs of defined benefit pension schemes	120,000	46,000
Total staff costs	3,130,431	2,929,427
Supply staff costs	143,590	122,592
Staff restructuring costs	-	2,511
Staff development and other staff costs	23,552	17,393
	<u>3,297,573</u>	<u>3,071,923</u>

Staff numbers

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

	2017 Number	2016 Number
Teachers	43	51
Administration and support	55	57
Management	5	5
	<u>103</u>	<u>113</u>

Higher paid staff

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

	2017 Number	2016 Number
£70,001 - £80,000	1	1
£60,001 - £70,000	2	2
	<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 employee benefits (including employer pension contributions and employers NI) received by key management personnel for their services to the Academy Trust was £472,714 (2016: £378,919).

MANOR HIGH SCHOOL

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

11 Trustees' remuneration and expenses

During the year, 4 Trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees. Other Trustees were not paid any remuneration nor received any other benefits from employment with the Academy Trust.

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

L Powell, the Headteacher, received remuneration of £79,523 in 2017 (2016: £76,814) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £13,105 (2016: £12,659).

A Dawes, staff trustee, received remuneration of £20,115 in 2017 (2016: £19,326) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £4,369 (2016: £4,024).

A Watson, staff trustee, received remuneration of £51,127 in 2017 (2016: £50,620) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £8,426 (2016: £8,342).

N Handley, received remuneration of £45,290 in 2017 (2016: £38,206) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £7,461 (2016: £6,296).

During the year ended 31 August 2017, expenses of £1,238 were reimbursed to Trustees (2016: £nil).

12 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,166 (2016: £1,137).

The cost of this insurance is included in the total insurance cost.

MANOR HIGH SCHOOL

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

13 Tangible fixed assets

	Long leasehold buildings £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 September 2016	4,842,674	13,607	33,777	4,890,058
Additions	182,737	17,545	-	200,282
At 31 August 2017	5,025,411	31,152	33,777	5,090,340
Depreciation				
At 1 September 2016	492,337	13,554	31,791	537,682
Charge for the year	97,158	4,536	993	102,687
At 31 August 2017	589,495	18,090	32,784	640,369
Net book value				
At 31 August 2017	4,435,916	13,062	993	4,449,971
At 31 August 2016	4,350,337	53	1,986	4,352,376

14 Debtors

	2017 £	2016 £
Trade debtors	8,210	3,101
VAT recoverable	63,182	14,693
Prepayments and accrued income	30,183	22,211
	101,575	40,005

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	63,245	51,467
Other creditors	50,821	47,819
Accruals and deferred income (see note 16)	26,238	43,915
	140,304	143,201

MANOR HIGH SCHOOL

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

16	Deferred income	2017	2016
		£	£
	Deferred income is included within:		
	Creditors due within one year	7,690	25,572
		<u> </u>	<u> </u>
	Deferred income at 1 September 2016	25,572	51,466
	Released from previous years	(25,572)	(51,466)
	Amounts deferred in the year	7,690	25,572
		<u> </u>	<u> </u>
	Deferred income at 31 August 2017	7,690	25,572
		<u> </u>	<u> </u>

At 31 August 2017 deferred income was made up of £7,690 (2016: £24,583) in relation to grant income relating to the following year and £nil (2016: £719) relating to vending income relating to the following year.

17	Financial instruments	2017	2016
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	8,210	3,101
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	(69,369)	(66,162)
		<u> </u>	<u> </u>

MANOR HIGH SCHOOL

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

18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	81,398	3,523,728	(3,645,460)	102,596	62,262
Other DfE / ESFA grants	-	287,688	(287,688)	-	-
Other government grants	-	33,755	(33,755)	-	-
Pension reserve	(1,101,000)	-	(143,000)	268,000	(976,000)
	<u>(1,019,602)</u>	<u>3,845,171</u>	<u>(4,109,903)</u>	<u>370,596</u>	<u>(913,738)</u>
Restricted fixed asset funds					
Transferred on conversion	4,352,376	-	(97,158)	-	4,255,218
DfE / ESFA capital grants	116,417	215,040	(5,529)	(102,596)	223,332
	<u>4,468,793</u>	<u>215,040</u>	<u>(102,687)</u>	<u>(102,596)</u>	<u>4,478,550</u>
Total restricted funds	<u>3,449,191</u>	<u>4,060,211</u>	<u>(4,212,590)</u>	<u>268,000</u>	<u>3,564,812</u>
Unrestricted funds					
General funds	401,240	182,254	(188,550)	-	394,944
Total funds	<u>3,850,431</u>	<u>4,242,465</u>	<u>(4,401,140)</u>	<u>268,000</u>	<u>3,959,756</u>

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

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

Restricted general funds

This fund represents grants received from the academy's operational activities and development. This includes the pension reserve which represents the potential liabilities due by the academy at the year end.

Restricted other funds

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short term.

Fixed asset fund

This fund represents the net book value of fixed assets that the academy have purchased out of grants received and have been transferred on conversion.

MANOR HIGH SCHOOL

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

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	14,191	3,472,024	(3,404,817)	-	81,398
Other DfE / ESFA grants	50,873	191,825	(242,698)	-	-
Other government grants	-	23,758	(23,758)	-	-
Pension reserve	(769,000)	-	(75,000)	(257,000)	(1,101,000)
	<u>(703,936)</u>	<u>3,687,607</u>	<u>(3,746,273)</u>	<u>(257,000)</u>	<u>(1,019,602)</u>
Restricted fixed asset funds					
Transferred on conversion	4,453,018	-	(100,642)	-	4,352,376
DfE / ESFA capital grants	-	116,417	-	-	116,417
Capital expenditure from GAG	3,455	-	(3,455)	-	-
	<u>4,456,473</u>	<u>116,417</u>	<u>(104,097)</u>	<u>-</u>	<u>4,468,793</u>
Total restricted funds	<u>3,752,537</u>	<u>3,804,024</u>	<u>(3,850,370)</u>	<u>(257,000)</u>	<u>3,449,191</u>
Unrestricted funds					
General funds	<u>396,661</u>	<u>143,890</u>	<u>(139,311)</u>	<u>-</u>	<u>401,240</u>
Total funds	<u>4,149,198</u>	<u>3,947,914</u>	<u>(3,989,681)</u>	<u>(257,000)</u>	<u>3,850,431</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	4,449,971	4,449,971
Current assets	394,944	202,566	28,579	626,089
Creditors falling due within one year	-	(140,304)	-	(140,304)
Defined benefit pension scheme liability	-	(976,000)	-	(976,000)
Total net assets	<u>394,944</u>	<u>(913,738)</u>	<u>4,478,550</u>	<u>3,959,756</u>

MANOR HIGH SCHOOL

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

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	4,352,376	4,352,376
Current assets	401,240	224,599	116,417	742,256
Creditors falling due within one year	-	(143,201)	-	(143,201)
Defined benefit pension scheme liability	-	(1,101,000)	-	(1,101,000)
Total net assets	401,240	(1,019,602)	4,468,793	3,850,431

20 Commitments under operating leases

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	13,394	13,394
Amounts due between one and five years	19,515	32,909
	32,909	46,303

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

	2017 £	2016 £
Net expenditure for the reporting period (as per the statement of financial activities)	(158,675)	(41,767)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(314,325)	(264,252)
Interest receivable	(2,680)	(1,851)
Defined benefit pension scheme cost less contributions payable	120,000	46,000
Defined benefit pension scheme finance cost	23,000	29,000
Depreciation of tangible fixed assets	102,687	104,097
Movements in working capital:		
(Increase)/decrease in debtors	(61,570)	29,997
(Decrease) in creditors	(2,897)	(142,066)
Net cash used in operating activities	(294,460)	(240,842)

MANOR HIGH SCHOOL

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

22 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.

23 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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £49,035 (2016: £32,497) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

MANOR HIGH SCHOOL

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

23 Pension and similar obligations (Continued)

The pension costs paid to the TPS in the period amounted to £255,278 (2016: £190,343).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.39% 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.

Total contributions made	2017 £	2016 £
Employer's contributions	319,000	131,000
Employees' contributions	43,000	38,000
Total contributions	362,000	169,000

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	3.4	3.1
Rate of increase for pensions in payment/inflation	2.4	2.1
Discount rate for scheme liabilities	2.5	2.0

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.2
- Females	24.3	24.3
Retiring in 20 years		
- Males	23.8	24.2
- Females	26.2	26.6

MANOR HIGH SCHOOL

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

23 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2017 Fair value £	2016 Fair value £
Equities	1,260,270	969,840
Bonds	376,200	242,460
Property	150,480	121,230
Other assets	94,050	13,470
Total fair value of assets	<u>1,881,000</u>	<u>1,347,000</u>

The actual return on scheme assets was £197,000 (2016: £224,000).

Amount recognised in the statement of financial activities	2017 £	2016 £
Current service cost	273,000	177,000
Net interest cost	23,000	29,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	166,000	-
Total operating charge	<u>462,000</u>	<u>206,000</u>

Changes in the present value of defined benefit obligations	2017 £
At 1 September 2016	2,448,000
Current service cost	273,000
Interest cost	53,000
Employee contributions	43,000
Actuarial gain	(101,000)
Benefits paid	(25,000)
Plan introductions, benefit changes, curtailments and settlements	166,000
At 31 August 2017	<u>2,857,000</u>

MANOR HIGH SCHOOL

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

23 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets	2017 £
At 1 September 2016	1,347,000
Interest income	30,000
Return on plan assets (excluding net interest on the net defined pension liability)	167,000
Employer contributions	319,000
Employee contributions	43,000
Benefits paid	(25,000)
At 31 August 2017	<u>1,881,000</u>

24 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of accounts, other than certain Trustees' remuneration and expenses already disclosed in note 11. Key management personnel disclosure is included in note 10.