

**MANOR HIGH SCHOOL
(A Company Limited by Guarantee)**

**ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

Registered Number 07695364 (England and Wales)

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MANOR HIGH SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

CONTENTS	PAGES
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	9
Statement of Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report on the financial statements	14
Statement of Financial Activities (incorporating Income & Expenditure Account)	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements, incorporating:	
- Statement of Accounting Policies	19
- Other Notes to the Financial Statements	22

MANOR HIGH SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

Members	G Townsend* (Chairperson) M Alton K Patel* B Esam*
Trustees	G Townsend* (Chairperson) M Alton A Attwal A Dawes (Staff Trustee appointed 28 March 2014) B Esam* J Hill A O'Dell* (Staff Trustee appointed 3 March 2014) K Patel* L Powell* (Headteacher and Accounting Officer) A Watson (Staff Trustee appointed 1 October 2013) J Frost* (resigned 13 October 2013) A Ghani (Staff Trustee resigned 28 February 2014) S Greiff (Staff Trustee resigned 31 July 2014) G Grewal-Santini (resigned 6 March 2014) A Hall (resigned 10 September 2013) G Kader* (resigned 31 July 2014) S Latif (resigned 4 December 2013) H Nathalia* (resigned 11 September 2014) M Patel (resigned 31 May 2014) D Ribbins* (Staff Trustee resigned 31 January 2014) *Members of the Resources Committee
Company Secretary	C Payne
Senior Management Team:	
• Headteacher	L Powell
• Deputy Headteacher	S Greiff
• Deputy Headteacher	V Mehta
• Assistant Headteacher	I Wilson
• Assistant Headteacher	A Watson (appointed 26 August 2014)
• Director of Finance and Administration	C Payne
Principal and Registered Office	Copse Close Oadby Leicestershire LE2 4FU
Company Registration Number	07695364 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP Chartered Accountants Rivermead House 7 Lewis Court Grove Park Enderby Leicester LE19 1SD

MANOR HIGH SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

Internal Auditor	Leicestershire Internal Audit Service Leicestershire County Council Glenfield Leicestershire LE3 8RB
Bankers	Lloyds Banking Group 7 High Street Leicester LE1 9FS
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

MANOR HIGH SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period commencing on 1 September 2013 and ending on 31 August 2014.

The trust operates an academy for pupils aged 10 to 14 serving a catchment area in Oadby, Leicestershire. It has a pupil capacity of 906 and a roll of 871 in the school census on 2 October 2014.

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 Academy Limited and 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 period 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 period 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, the chair of the Operations Committee 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 by means of a secret ballot. Parent Trustees are elected by parents of registered pupils at the Academy. 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 chairman and vice-chairman.

MANOR HIGH SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

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, 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 Heads of Year 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, adopting an annual School Development Plan and budget; monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

There are 3 Trustee sub-committee Strategy, Operations and Teaching and Learning each having responsibility for the School Development Plan at its core.

The Senior Leadership Team comprise of the Headteacher, two Deputy Headteachers, two Assistant Headteachers and the Director of Finance and Administration. The SLT direct the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them.

There are 4 Heads of Year, 1 for each year intake. Heads of Year are responsible for pupil progress and pupil welfare on a day to day basis.

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

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

Risk Management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

Connected Organisations

Manor High School is a single Academy, financially independent and does not work in federation with any other organisation. However, Manor High School does work collaboratively with other local schools, universities, ITT providers and businesses to help raise achievement and gain best value.

MANOR HIGH SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable trust is the operation of the Academy at Manor High School to provide education for pupils between the ages of 10 and 14.

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

Objectives, Strategies and Activities

The Academy has a rolling programme of self-evaluation and this is summarised in the Academy 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 pupils 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 pupils to widen their experiences.
- A system of after-school clubs to allow pupils 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 has provided a fully comprehensive education to all pupils 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

Achievements and Performance

Year 6: At Key Stage 2 there is a five year trend of improving pupil attainment, with all subjects contributing to this improvement. The 2014 results serve to confirm the significantly above average performance seen in the literacy areas in 2013. The maths attainment is also well above average but is an area of possible improvement going forward.

Year 7 and Year 8: In Year 7, all subjects bar one are making or exceeding expected progress. In Year 8 all subjects are making or exceeding expected progress. The average attainment level for core subjects is where they are expected to be at Year 9.

Year 9: In Year 9 all groups and subjects are making or exceeding expected progress. This makes our outcomes outstanding at the end of KS3. 64 pupil were entered for GCSE Stats and 100% passed achieving Grades A-C with 56.2% achieving Grade A and 10.9% Grade A*.

Key Performance Indicators

Manor is a very popular school with a balance of male to female pupil ratio. Mobility is good with more joining than leaving. Of those leaving, 71% have moved away from the area or have gone to private school. Our net gain this year has been 11 students.

A relatively low number of pupils totalling 100 qualify for pupil premium funding, 59 of which currently qualify for free school meals.

Attendance is excellent at 96.15% and there were no permanent exclusions. Our OFSTED inspection ranked the school as GOOD in all areas.

MANOR HIGH SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

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.

Financial Review

The majority of the Academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) 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 period ending 31st August 2014.

The Academy 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 period ending 31st August 2014 total expenditure was £3,862,954. Recurrent DfE grant funding together with other incoming resources did not cover this expense and the excess of expenditure over income £120,555 before the pension scheme actuarial loss.

The Academy's Finance Policy is annually reviewed by Trustees, the last review being 2 June 2014. 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 pupils on role.

Reserves Policy

The Trustees review the reserve levels of the Academy 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 period ending 31st August 2014 was £333,107.

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 schools current bank account.

Principal Risks and Uncertainties

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 to reduce risk include:

- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees
- 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 all Operations Committee meetings and mitigating actions agreed as required. The Board of Trustees will review the risk log on an annual basis.

MANOR HIGH SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Plans for Future Periods

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

GOALS	KEY AREAS FOR DEVELOPMENT	
Achievement of Pupils	Close the achievement gap for all groups Increase challenge and inspiration in learning Analysis and early intervention Enhance the wider learning experience for all learners	Whole child focus on progress Improve literacy across all subjects
Quality of Teaching	Inspire and challenge All teaching to be good or outstanding High quality feedback showing impact	Develop a new curriculum for 2016 Resolve inconsistency with leadership pay
Behaviour and Safety of Pupils	Increase attendance and participation Improve inclusion provision Improve site to support safeguarding Enhance safeguarding provision	Embed vertical tutoring and House system to raise achievement and participation Foster support between pupils Improve understanding of bullying
Quality of Leadership and Management	Develop leadership at all levels Leadership at all levels planning, tracking and measuring the impact of Pupil Premium	Further enhance the effectiveness of middle leadership
Liaison and Partnerships	MHS gaining from and contributing to strong interschool networks Parental engagement	Develop and recruit staff Community Publicity and PR
Site, Staffing and Resources	Improve the learning environment Sustainable financial management Increase community access to the site	Identify earning opportunities and funding streams Monitor and track expenditure of additional funds

MANOR HIGH SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Funds held as Custodian Trustee on behalf of other

There are no funds held as Custodian Trustee on behalf of others.

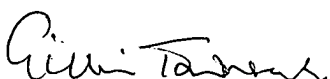
Auditor

In so far as the trustees are aware:

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

The auditors are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report is approved by the 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 8 December 2014 and signed on its behalf by:



Gillian Townsend
Chairperson

MANOR HIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Manor High School Academy 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 Academy 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Townsend (Chairperson)	3	4
M Alton	3	4
A Attwal	4	4
A Dawes (Staff Trustee appointed 11 July 2014)	0	0
B Esam	2	4
J Hill	2	4
H Nathalia	3	4
A O'Dell (Staff Trustee appointed 7 March 2014)	1	1
K Patel	3	4
L Powell (Headteacher and Accounting Officer)	4	4
A Watson (Staff Trustee appointed 7 March 2014)	1	1
J Frost (resigned 13 October 2013)	1	1
A Ghani (Staff Trustee resigned 7 March 2014)	1	3
S Greiff (Staff Trustee resigned 31 July 2014)	4	4
G Grewal-Santini (resigned 7 March 2014)	2	3
G Kader (resigned 31 July 2014)	3	4
S Latif (resigned 17 December 2013)	2	2
M Patel (resigned 5 June 2014)	3	3
D Ribbins (Staff Trustee resigned 24 January 2014)	1	2

The composition of the board of trustees has been reasonably stable since becoming an Academy.

Governance Review

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 pupils 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

MANOR HIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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)

The Operations Committee is a sub-committee of the main board of Trustees. It has delegated responsibility for Finance, Personnel, Health & Safety and Premises. The Operations Committee also fulfils The Audit Committee responsibilities. The Committee has formally met 4 times during the period. Attendance during the period at meetings of the Operations and Audit Committee was as follows:

Trustee	Meetings attended	Out of a possible
G Townsend	4	4
B Esam	1	4
H Nathalia	2	4
A O'Dell* (Staff Trustee appointed 7 March 2014)	2	2
K Patel (Chair of Committee)	3	4
L Powell (Headteacher and Accounting Officer)	4	4
J Frost (resigned 13 October 2013)	1	1
D Ribbins (Staff Trustee resigned 24 January 2014)	1	1

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 Academy for the period 1 September 2013 to 31 August 2014 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 period 1 September 2013 to 31 August 2014 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.

MANOR HIGH SCHOOL
GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

The Risk and Control Framework *(continued)*

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.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis, the auditor reports to the board of trustees, through the Operations Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

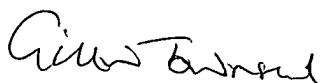
Review of Effectiveness

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 by the Operations Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 8 December 2014 and signed on its behalf by:



G Townsend
Chairperson



L Powell
Accounting officer

MANOR HIGH SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2014

As Accounting Officer of Manor High School Academy, I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust 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.

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 rectified to the Board of Trustees and EFA.



L Powell
Accounting Officer

Date **8/12/2014**,

MANOR HIGH SCHOOL
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees who are also the directors of the Charitable Company 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 the Charitable company and of its incoming resources and application of resources, including its income and expenditure for that year. In preparing these financial statements, the trustees are required to:

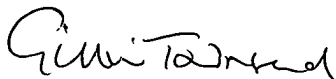
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 of both propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 8 December 2014 and signed on its behalf by:



G Townsend
Chairperson

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

FOR THE YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of Manor High School Limited for the year ended 31 August 2014 on pages 16 to 34. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 - 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

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 2014 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 - 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion 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.

MANOR HIGH SCHOOL
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR HIGH
SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2014

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Gareth Jones
Senior Statutory Auditor
for and on behalf of

Date: 15/12/14

Baker Tilly UK Audit LLP
Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicester
LE19 1SD

MANOR HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account and Statement of Total Recognised gains and losses) FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Income resources from generated funds:</i>						
- Voluntary income	2	15,229	-	33,901	49,130	11,350
- Activities for generating funds	3	111,821	-	-	111,821	125,403
- Investment income	4	3,935	-	-	3,935	1,702
<i>Incoming resources from charitable activities:</i>						
- Academy Trust's educational operations	5	-	3,577,513	-	3,577,513	3,634,549
Total incoming resources		130,985	3,577,513	33,901	3,742,399	3,773,004
Resources expended						
<i>Cost of generating funds:</i>						
- Cost of generating voluntary income		92,398	73,982	-	166,380	135,051
<i>Charitable activities:</i>						
- Academy Trust's educational operations	7	3,416	3,575,829	105,459	3,684,704	3,516,174
<i>Governance costs</i>	8	-	11,870	-	11,870	10,746
Total resources expended	6	95,814	3,661,681	105,459	3,862,954	3,661,971
Net incoming/(outgoing) resources before transfers		35,171	(84,168)	(71,558)	(120,555)	111,033
Transfers						
<i>Gross transfers between funds</i>	15	-	53,240	(53,240)	-	-
Net income/(expenditure) for the year		35,171	(30,928)	(124,798)	(120,555)	111,033
<i>Other recognised gains and losses:</i>						
Actuarial (losses) / gain on defined benefit pension scheme	24	-	(190,000)	-	(190,000)	10,000
Net movement in funds		35,171	(220,928)	(124,798)	(310,555)	121,033
Reconciliation of funds						
Total funds brought forward		297,936	(43,566)	4,686,731	4,941,101	4,820,068
Total funds carried forward	15	333,107	(264,494)	4,561,933	4,630,546	4,941,101

All of the Academy Trust's activities derive from continuing during the above two financial years.

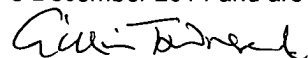
The notes on pages 19 to 34 form part of these financial statements

MANOR HIGH SCHOOL
Company Number: 07695394

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	12		4,561,933		4,667,392
Current assets					
Debtors	13	77,172		45,144	
Cash at bank and in hand		977,688		879,197	
Liabilities		1,054,860		924,341	
Creditors: amounts falling due within one year	14	(296,247)		(184,632)	
Net current assets			758,613		739,709
Total assets less current liabilities excluding pension liability			5,320,546		5,407,101
Pension scheme liability	24		(690,000)		(466,000)
Net assets including pension liability			4,630,546		4,941,101
Funds of the academy trust:					
Restricted funds					
- Fixed assets fund	15	4,561,933		4,686,731	
- General fund	15	425,506		422,434	
Restricted funds excluding pension reserve			4,987,439		5,109,165
- Pension reserve	15		(690,000)		(466,000)
Total restricted funds			4,297,439		4,643,165
Unrestricted income funds					
- General fund	15	333,107		297,936	
Total unrestricted funds			333,107		297,936
Total funds			4,630,546		4,941,101

The financial statements on pages 16 to 34 were approved by the trustees and authorised for issue on 8 December 2014 and are signed on their behalf by:



G Townsend
Chair of Trustees

The notes on pages 19 to 34 form part of these financial statements

MANOR HIGH SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	19	60,655	317,392
Returns on investments and servicing of finance	20	3,935	1,702
Capital expenditure and financial investment	21	33,901	(10,573)
Increase in cash in the year	22	98,491	308,521
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013	22	879,197	570,676
Net Funds at 31 August 2014	22	977,688	879,197

The notes on pages 19 to 34 form part of these financial statements

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: 2013-14 Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees have reviewed the forecasts of incoming resources and resources expended of the Academy and believe there are adequate resources which will enable the Academy to meet its liabilities for at least one year from the date of the financial statements are signed. For this reason the trustees have adopted the going concern basis in preparing the financial statements.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies (*continued*)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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 General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency or the Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, where the asset acquired or created is held for a specific purpose on a continuing basis.

Tangible fixed assets

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

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies (*continued*)

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 the related grants require the assets to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with the amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Long leasehold buildings	Over 50 years on a straight line basis
Furniture and equipment	Over 4 years on a straight line basis
Computer equipment	Over 3 years on a straight line basis

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.

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.

Leased Assets

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS') and a defined contribution pension scheme. These first two are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies (continued)

Pensions Benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets £	Total 2014 £	Total 2013 £
DfE/EFA Capital	-	-	33,901	33,901	-
Other donations	15,229	-	-	15,229	11,350
	15,229	-	33,901	49,130	11,350

3. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Hire of facilities	5,606	-	5,606	4,618
Trips income	84,840	-	84,840	101,407
Other income	21,375	-	21,375	19,378
	111,821	-	111,821	125,403

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Short term deposits	3,935	-	3,935	1,702

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

5. Funding for academy trusts educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE / EFA revenue grants				
- General Annual Grant (GAG)	-	3,326,106	3,326,106	3,518,507
- Other DfE/EFA Grants	-	166,169	166,169	82,450
	-	3,492,275	3,492,275	3,600,957
Other Government grants				
- Local authority grants	-	85,238	85,238	33,592
	-	85,238	85,238	33,592
Total	-	3,577,513	3,577,513	3,634,549

6. Resources expended

	Staff Costs £	Non Pay Premises £	Expenditure Other Costs £	Total 2014 £	Total 2013 £
Costs of activities for generating funds	-	-	166,380	166,380	135,051
Academy trust's education operations:					
- Direct costs	2,331,115	-	93,477	2,424,592	2,314,939
- Allocated support costs	615,734	462,678	181,700	1,260,112	1,201,235
	2,946,849	462,678	441,557	3,851,084	3,651,225
Governance costs including allocated support costs	-	-	11,870	11,870	10,746
	2,946,849	462,678	453,427	3,862,954	3,661,971

Net incoming/(outgoing) resources for the year

	2014 £	2013 £
Operating leases - other	16,262	20,120
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- audit	7,200	7,200
- other services	4,006	3,350

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. Charitable Activities – Academy's educational operations

	Total 2014 £	Total 2013 £
Direct costs:		
Teaching and educational support staff costs	2,331,115	2,220,790
Educational supplies	68,721	63,866
Examination fees	911	1,184
Staff development	23,845	29,099
	<u>2,424,592</u>	<u>2,314,939</u>
Allocated support costs:		
Support staff costs	615,734	603,079
Depreciation	105,459	106,489
Recruitment and support	53,364	10,881
Maintenance of premises and equipment	228,381	200,851
Cleaning	3,950	4,271
Rent and rates	22,834	26,121
Energy costs	48,206	54,406
Insurance	43,986	49,951
Security and transport	9,862	8,212
Bank interest and charges	873	1,001
Other support costs	112,463	119,973
Pension finance cost	15,000	16,000
	<u>1,260,112</u>	<u>1,201,235</u>
Total	<u>3,684,704</u>	<u>3,516,174</u>

8. Governance Costs

	Total 2014 £	Total 2013 £
Auditor's remuneration:		
Audit of financial statements	7,200	7,200
Other services	4,006	3,350
Trustees' reimbursed expenses	664	196
	<u>11,870</u>	<u>10,746</u>

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. Staff numbers and costs

Staff costs

Staff costs during the year were:

	2014	2013
	£	£
Wages and salaries	2,287,834	2,268,391
Social security costs	150,178	156,166
Pension costs	329,750	330,846
	<u>2,767,762</u>	<u>2,755,403</u>
Supply teacher costs	179,087	68,466
	<u>2,946,849</u>	<u>2,823,869</u>

Staff numbers

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	2014	2013
	No.	No.
Charitable activities		
Teachers	38	38
Administration and support	37	38
Management	5	6
	<u>80</u>	<u>82</u>

The average number of persons (including senior management team) employed by the academy during the year were as follows:

	2014	2013
	No.	No.
Charitable activities		
Teachers	43	42
Administration and support	53	53
Management	6	5
	<u>102</u>	<u>100</u>

Higher Paid Staff

The number of employees whose emoluments fell within the following bands was:

	2014	2013
	No.	No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £10,214 (2013: £10,010).

This pension scheme is defined benefit scheme.

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

10. Related Party Transactions – Trustees’ Remuneration and Expenses

Principal and 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 did not receive any payments from the Academy Trust in respect of their role as trustees.

Headteacher	£73,480 (2013: £70,991)
6 Staff Trustees total remuneration	£102,032 (2013: £120,223)

During the year ended 31 August 2014, stationery expenses totalling £664 (2013: £196) were reimbursed to 2 Trustee (2013: 1 Trustee).

Related party transactions involving the Trustees are set out in note 25.

11. 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 business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,172 (2013: £1,172).

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

12. Tangible Fixed Assets

	Long leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2013	4,842,674	33,777	13,607	4,890,058
Additions	-	-	-	-
At 31 August 2014	4,842,674	33,777	13,607	4,890,058
Depreciation				
At 1 September 2013	201,778	12,889	7,999	222,666
Charged in year	96,853	6,755	1,851	105,459
At 31 August 2014	298,631	19,644	9,850	328,125
Net book values				
At 31 August 2014	4,544,043	14,133	3,757	4,561,933
At 31 August 2013	4,640,896	20,888	5,608	4,667,392

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

13. Debtors

	2014	2013
	£	£
Other debtors	2,275	7,837
VAT recoverable	48,398	8,533
Prepayments	26,499	28,774
	<u>77,172</u>	<u>45,144</u>

All debtors are due within one year.

14. Creditors: amounts falling due within one year

	2014	2013
	£	£
Other tax and social security	45,581	48,050
Other creditors	41,772	41,794
Accruals and deferred income	208,894	94,788
	<u>296,247</u>	<u>184,632</u>

	2014	2013
	£	£
Deferred Income		
Deferred income at 1 September 2013	80,168	33,528
Resources deferred in the year	171,772	80,168
Amounts released from previous years	(80,168)	(33,528)
Deferred income at 31 August 2014	<u>171,772</u>	<u>80,168</u>

At 31 August 2014 deferred income was made up of £160,403 (2013: £50,088) in relation to income relating to the following year and £11,369 (2013: £30,080) for academy trip income for trips taking place in the following year.

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. Funds

	Balance at 1 September 2013 £	Income resources £	Resources expended £	Gains, Losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	396,201	3,326,106	(3,381,737)	53,240	393,810
Other DfE/EFA grants	23,338	166,169	(157,811)	-	31,696
Other local authority grant	2,895	85,238	(88,133)	-	-
Pension reserve	(466,000)	-	(34,000)	(190,000)	(690,000)
	<u>(43,566)</u>	<u>3,577,513</u>	<u>(3,661,681)</u>	<u>(136,760)</u>	<u>(264,494)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	19,339	33,901	-	(53,240)	-
Capital expenditure from other funds	10,573	-	(2,643)	-	7,930
Long leasehold and building transferred on conversion	4,640,896	-	(98,835)	-	4,542,061
Other assets transferred on conversion	15,923	-	(3,981)	-	11,942
	<u>4,686,731</u>	<u>33,901</u>	<u>(105,459)</u>	<u>(53,240)</u>	<u>4,561,933</u>
Total restricted funds	<u>4,643,165</u>	<u>3,611,414</u>	<u>(3,767,140)</u>	<u>(190,000)</u>	<u>4,297,439</u>
Unrestricted funds					
General funds	297,936	130,985	(95,814)	-	333,107
Total unrestricted funds	<u>297,936</u>	<u>130,985</u>	<u>(95,814)</u>	<u>-</u>	<u>333,107</u>
Total funds	<u>4,941,101</u>	<u>3,742,399</u>	<u>(3,862,954)</u>	<u>(190,000)</u>	<u>4,630,546</u>

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

The General Annual Grant relates to grants received for the continued running of the academy trust and associated costs. Other general funds are self-explanatory.

The transfer of funds from DfE/EFA capital grants to General Annual Grant (GAG) relates to capital income spent on items that have not been capitalised.

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 2014.

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

16. Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	4,561,933	4,561,933
Current assets	333,107	721,753	-	1,054,860
Current liabilities	-	(296,247)	-	(296,247)
Pension scheme liability	-	(690,000)	-	(690,000)
Total net assets	333,107	(264,494)	4,561,933	4,630,546

17. Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	402,433	-

18. Financial commitments

Operating leases

At 31 August 2014, the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<u>Other</u>		
Expiring within one year	225	8,197
Expiring within two and five years inclusive	4,641	4,881
	<u>4,866</u>	<u>13,078</u>

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

	2014 £	2013 £
Net (expenditure)/income	(120,555)	111,033
Depreciation (note 12)	105,459	106,489
Capital grants from DfE and other capital income	(33,901)	-
Interest receivable (note 4)	(3,935)	(1,702)
FRS 17 pension finance cost (note 24)	34,000	27,000
Decrease/(Increase) in debtors	(32,028)	39,571
Increase in creditors	111,615	35,001
Net cash inflow from operating activities	<u>60,655</u>	<u>317,392</u>

20. Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	3,935	1,702
Net cash inflow from returns on investment and servicing of finance	<u>3,935</u>	<u>1,702</u>

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

21. Capital expenditure and financial investment

	2014 £	2013 £
Capital grants from DfE/EFA	33,901	-
Purchase of tangible fixed assets	-	(10,573)
Net cash inflow/(outflow) from capital expenditure and financial investment	33,901	(10,573)

22. Analysis of changes in net funds

	At 1 September 2013 £	Cashflows £	At 31 August 2014 £
Cash in hand and at bank	879,197	98,491	977,688

23. Members' Liabilities

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

24. Pension and similar obligations

The academy'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 defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £26,607 (2013: £41,609) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £227,867 (2013: £231,125).

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £133,000 (2013: £118,000) of which employer's contributions totalled £103,000 (2013: £91,000) and employees' contributions totalled £30,000 (2013: £27,000). The agreed rates for future years and 20.3% for employers and 5.5% to 12.5% for employees depending on their pensionable pay banding.

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.4%	5.1%
Rate of increase for pensions in payment	2.8%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%
Inflation assumption (CPI)	2.8%	2.8%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2014 years	At 31 August 2013 years
<i>Retiring today</i>		
Males	22.2	20.9
Females	24.3	23.3
<i>Retiring in 20 years</i>		
Males	24.2	23.3
Females	26.6	25.6

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
Equities	6.3%	568,000	6.6%	387,000
Bonds	3.3%	138,000	3.8%	157,000
Property	4.5%	81,000	4.7%	54,000
Other assets	3.3%	24,000	3.6%	6,000
Total market value of assets		811,000		604,000
Present value of scheme liabilities				
Funded		(1,501,000)		(1,070,000)
Deficit in the scheme		(690,000)		(466,000)

The actual return on scheme assets was £80,000 (2013: £56,000).

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (*continued*)

Amounts recognised in the statement of financial activities

	2014	2013
	£	£
Current service cost (net of employee contributions)	122,000	102,000
Total operating charge	122,000	102,000

Analysis of pension finance income/(costs)

	2014	2013
	£	£
Expected return on pension scheme assets	(37,000)	(23,000)
Interest on pension liabilities	52,000	39,000

Pension finance costs	15,000	16,000
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The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £269,000 loss (2013: £79,000 loss).

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

	2014	2013
	£	£
At 1 August 2013	1,070,000	879,000
Current service cost	122,000	102,000
Employee contributions	30,000	27,000
Actuarial loss	242,000	23,000
Interest cost	52,000	39,000
Estimated benefits paid	(15,000)	-
At 31 August 2014	1,501,000	1,070,000

Movements in the fair value of academy's share of scheme assets:

	2014	2013
	£	£
At 1 August 2013	604,000	430,000
Expected return on assets	37,000	23,000
Actuarial gains	52,000	33,000
Employer contributions	103,000	91,000
Employee contributions	30,000	27,000
Estimated benefits paid	(15,000)	-
At 31 August 2014	811,000	604,000

The estimated value of employer contributions for the year ended 31 August 2015 is £30,000.

MANOR HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (continued)

Three year history of experience adjustments is as follows:

	31 August 2014 £	31 August 2013 £	1 August 2012 £
Present value of defined benefit obligations	(1,501,000)	(1,070,000)	(879,000)
Fair value share of scheme Assets	811,000	604,000	430,000
Deficit in the scheme	<u>(690,000)</u>	<u>(466,000)</u>	<u>(449,000)</u>
Experience gains/(loss) on share of scheme assets	52,000	33,000	(19,000)
Experience loss on scheme liabilities	(29,000)	(23,000)	(70,000)

25. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors 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 governors 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.