

Registered number: 09461655

Manor Hall Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2020



DAINS
ACCOUNTANTS

Manor Hall Academy Trust
(A Company Limited by Guarantee)

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Manor Hall Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members

Mr J Glandfield
Mr S Bardon
Mr G Gamble
Mrs J Stevenson
Mr P Samani

Trustees

Mr J Glandfield, (resigned as Chair of Trustees 17 November 2019)²
Mr R Redgate, Chief Executive Officer and Accounting Officer²
Mr J Alexander, Chair of Trustees (appointed 17 November 2019)¹
Mr C E Lilley¹
Mrs C Pearson¹
Mr J Edwards²
Mrs A Hughes²
Mr P Whibley (resigned 27 November 2019)²
Mrs J Johnson¹
Mr J Fitchett (appointed 1 April 2020)

¹ Audit Committee

² Standards and Strategic Committee

Company registered number

09461655

Company name

Manor Hall Academy Trust

Principal and registered office

Manor Hall Academy Trust, Loxley Hall School, Stafford Road, Uttoxeter, Staffordshire, ST14 8RS

Company secretary

Mrs T Lawlor

Senior management team

Mr R Redgate, Chief Executive Officer and Accounting Officer
Mr P Spreadbury, Headteacher Cicely Haughton
Mrs K Staples, Chief Business Development Officer (appointed 1 January 2020)
Mr N Brannigan, Headteacher Merryfield
Mr C Best, Headteacher The Meadows and Springfield
Mrs S Swift, Headteacher, Rocklands
Mr D Bownds, Headteacher, Loxley Hall
Mrs T Lawlor, Chief Financial Officer
Mr P Archer, Headteacher Chaselea PRU
Mr N Toplass, Headteacher, Shenstone Lodge (from 1 July 2020)

Manor Hall Academy Trust
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Reference and Administrative Details (continued)
For the Year Ended 31 August 2020

Independent auditors

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Stoke on Trent, ST1 5RQ

Bankers

Lloyds Bank PLC, 10 High Street, Cheadle, Stoke-on-Trent, ST10 1AF

Solicitors

J & G Marshall Ltd, PO Box 446, Altrincham, Cheshire, WA14 5WS

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Manor Hall Academy Trust (MHAT) operates four special primary schools, two special high schools, one Pupil Referral Unit in Staffordshire and one special junior and senior school in Sandwell. Its academies have a combined pupil capacity of 687 planned places and had a roll of 682 in the school census on October 2019.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association are the primary governing documents of the MHAT. The constituent academies of the MHAT are:

- Cicely Haughton School
- Loxley Hall School
- Merryfields School
- The Meadows School
- Springfield School
- Rocklands School
- Chaselea PRU
- Shenstone Lodge School

The Trustees of Manor Hall Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as MHAT.

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

b. Members' liability

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

c. Trustees' indemnities

The MHAT purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on MHAT business.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

The MHAT has followed DfE guidance and adopted the Academy Ambassadors recruitment recommendations to ensure that external expertise and challenge is brought to the Board. The appointment of new Trustees and Members is approved by Trustees and verified by Members.

e. Policies and procedures adopted for the induction and training of Trustees

All Trustees are encouraged to undertake personal training in addition to courses organised for all Trustees, to ensure that they are up to date in their knowledge and able to carry out their roles effectively. Shared inset between all the schools in the MHAT include elements of Trustees' training and this is supported by external training providers. Trustees meet regularly both formally and informally with the CEO and members of school staff. They receive on a regular basis updated copies of policies and procedures and are encouraged to have an input into school self evaluation and improvement planning.

Manor Hall Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

f. Organisational structure

The MHAT is constituted as a Multi Academy Trust which has a Board of Trustees (the MHAT Board) and Members and at each Academy within the MHAT, a Local Advisory Board (the LAB). Each academy has a regularly reviewed scheme of delegation which identifies levels of decision making and accountability. The CEO is the Accounting Officer. There are now four special primary schools, two special high schools (one with a sixth form centre), one junior and senior special school and a Pupil Referral Unit.

The academies are as follows:

School	Conversion Date	Type of School
Loxley Hall School	1 August 2015	Secondary
Cicely Haughton School	1 August 2015	Primary
The Meadows School	1 October 2016	Secondary and Sixth Form
Springfield School	1 October 2016	Primary
Merryfields School	1 February 2017	Primary
Rocklands School	1 April 2018	Primary
Chaselea PRU (sponsored)	1 June 2019	Alternative Provision
Shenstone Lodge School	1 July 2020	Junior and Senior

On 1 July 2020 Shenstone Lodge School joined the MHAT. All the above academies have joined the Academy MHAT's current Master Funding Agreement, operating under individual Supplementary Funding Agreements.

The MHAT Board

The MHAT Board and subboards meet as often as is necessary and not less than eight times in every academic year. The MHAT Board establishes a governance structure to achieve sufficient yet balanced oversight of leadership across the MHAT and determines membership, terms of reference and procedures of the LAB of each Academy. It closely monitors the activities of each LAB through minutes of their meetings and termly reports to the CEO.

The MHAT Board has three Committees which report to the full Board meetings. These are the Audit Committee (who meet at least three times a year) the Standards and Strategic Committee (who meet at least two times a year) and the Membership Committee who meet to decide upon making representations to the full Board regarding new Trustees or potential new Schools joining the membership.

Academy management

Primary and Secondary; Junior and Senior Academies:

The management structure consists of two levels: the LAB and the Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. Leadership Teams comprise Executive Head teachers, Head teachers, Heads of School, Deputy/Assistant Heads of School and are supported by other staff within the school who have leadership responsibilities. The Headteacher is responsible for the day to day operation of their Academy, implementing the policies laid down by the Trustees and reporting back to them.

Central Team

The MHAT supports each Academy through the Central Team. The Central Team has two functions: academy improvement and support services. The Central Team has wide ranging responsibilities across all academies for assuring and ensuring educational improvement; it also monitors and supports the work of the academies to ensure value for money and consistent practice in all areas such as procurement, finance and facilities.

The Chief Executive Officer is the Accounting Officer.

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior leadership team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the MHAT on a day to day basis. All Trustees give their time freely.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

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

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

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£	%
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

Through its diversity policy, MHAT seeks to ensure that every employee, without exception, is treated fairly and that all employees are aware of their responsibilities. Our policies and procedures fully support our disabled colleagues. We take active measures to do so via:

- A robust reasonable adjustment policy
- Processes to ensure colleagues are fully supported.

MHAT is responsive to the needs of its employees. As such, should any employee of the trust become disabled during their time with us, we will actively make reasonable adjustments to their environment where possible, in order to keep the employee within the trust. It is the policy of the trust that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

MHAT has implemented a number of detailed policies in relation to all aspects of personal matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

MHAT engages with its employees continuously and in a number of ways to suit their different working patterns. This includes:

- Line manager briefings
- Whole staff briefings
- Communication forums held across the trust
- Online learning platform

Details of the financial and economic factors affecting the performance of the trust are shared with all employees at the appropriate time using the methods listed above.

j. Engagement with suppliers, customers and others in a business relationship with the academy trust

The MHAT engages with suppliers, customers and business stakeholders under the direction of the Procurement Policy to ensure that all financial and procurement requirements are adhered to.

This approach extends to the numerous Service Level Agreements that the MHAT has with its business partners which are reviewed in line with the guidance to achieve best value.

Regular account meetings are arranged between the relevant officers of the MHAT and business partners, to foster positive relationships to facilitate efficiencies and promote effectiveness, towards improving outcomes for schools and children.

The ethos of mutual respect as outlined in the value statement of the MHAT and the Trust code of conduct underpin MHAT interaction with business partners.

Objectives and activities

a. Objects and aims

The MHAT was incorporated in September 2015 as a Multi Academy Trust and is a company limited by guarantee and exempt charity. The commitment of the MHAT is working together, within a community based on mutual respect. The MHAT currently has seven special school academies, who joined as converter schools and one pupil referral unit (alternative provision) who the MHAT has sponsored which are geographically efficient.

The defining feature of the MHAT is that it is a Special Schools MHAT. This means that the work of the MHAT is driven by the distinctive needs of Special Schools. (We are also very keen to welcome aboard mainstream schools). Whilst the MHAT has robust systems for accountability, each academy has their own distinctive culture.

The MHAT is a Collaborative Educational MHAT, with all academies being partners who contribute to school to school support and the sharing of good practice. This collaborative model offers the following features:

- Academies serving the needs of special school pupils
- Like minded educationalists with similar visions, aspirations and high expectations for children.
- Academies within a practical geographical footprint.
- A Multi Academy Trust which is not mandated but can evolve organically, empowering schools to have a voice on developments and in shaping the future.
- A model of governance which enables academies to have a sense of belonging and of being valued.
- A Scheme of Delegation which supports autonomy for good/outstanding academies.

Our Vision/Our Values

An ethos of learning, achieving and caring is at the heart of everything we do. All academies in the MHAT, strive to provide a learning environment, where pupils can make the best possible progress in all aspects of their lives. This is achieved through a relevant and engaging curriculum, high expectations and quality teaching.

Our work is underpinned by the following core aims:

- To provide a happy and secure environment for learning, providing for the individual needs of all children, enabling them to reach their potential.
- To have high expectations for all children, in all aspects of their development.
- To provide opportunities for children to achieve success; this is frequently celebrated and enhanced through a wide range of experiences and activities.
- To provide holistic care, support and guidance in partnership with parents/carers and inter agency co operation.
- To prepare children for their next stage of learning and to be as independent as possible.
- To promote the building of relationships with peers and staff, good manners and mutual respect.

Our Mission – Building Relationships Celebrating Success Promoting Progress and Independence

We want children to:

- Be the best they can
- Enjoy school
- Be independent as possible, resilient and respectful of self and others
- Be happy and confident
- Feel safe and secure
- Build relationships with peers and adults
- Be ready for their next life stage

Objectives and activities (continued)

Our Ambition

The MHAT is a growing Multi Academy Trust. The strength of the MHAT and its distinctive feature is that it is a Collaborative Educational Trust between Special Schools who meet a range of needs. Schools, working together with the same values create secure foundations for the future. Historically, the special school sector has been a strength in Staffordshire. This was in no small part down to how special schools worked together in collaboration. We believe this strength is something we cannot lose and that special schools share common problems and issues which require similar solutions. In the future, the growth of the MHAT and its Special School membership can only be to the benefit of the individual schools and most importantly the children and young adults. We also recognise that historic boundaries are gradually disappearing and we are open to working with schools across the West Midlands.

As a Multi Academy Trust evolving in capacity, all academy leaders sit on an advisory group of Head teachers, accountable to the MHAT Board of Trustees. Therefore, all academies have an influence on MHAT developments and a voice in shaping the future. Academies within the MHAT have leadership from likeminded Headteachers, who have shared values, beliefs and high expectations and aspirations for children and young adults.

All of the academy schools in MHAT are willing partners who have actively chosen to join us. Therefore, there is a high degree of commitment, co operation and consensus from within the member academies. MHAT has in June 2019, taken on sponsorship status to support best fit schools who have had a conversion order imposed upon them by the Regional Schools Commissioner; the first sponsored school to come on board was Chaselea Pupil Referral unit.

The MHAT is outward looking. We believe we have a responsibility to all pupils not just those in our immediate care. Our schools work pro actively in their localities with many mainstream schools. MHAT works to support vulnerable pupils in the continuum of inclusion working with the Local Authority and a District primary school to set up a Resource Base for early intervention strategies for mainstream primary children, whose learning barriers are causing the mainstream school challenges and concerns; this initiative is managed by our primary SEMH school under the governance structure of MHAT. Simultaneously, MHAT is working in co production and collaboration with the LA in SEND Transformation activities, using the expertise of our special schools to provide outreach specialist support to pupils as early intervention strategies.

The MHAT is inclusive, forward thinking and innovative. MHAT is heavily involved with SEND Transformation and sees it's civic responsibilities in improving outcomes for vulnerable learners in mainstream schools through outreach and early intervention projects. We would welcome mainstream schools becoming members. We know many mainstream schools share our values and would help us develop further as a collaborative group of schools. MHAT is committed to creating new school provision to meet emerging needs through a successful Special Free School bid in Stoke on Trent.

Objectives and activities (continued)

b. Objectives, strategies and activities

The MHAT has clear strategic aims built on our mission and values. The main objectives for the period were:

- Ensuring a financially sustainable and viable Trust, aspiring to a coherent approach which aligns vision and mission with school improvement strategy and the business model.
- To continually review MHAT strategy and business functions in a proactive spirit in advance of potential risks.
- The pursuit of school improvement in all our schools
- Recruitment of further special schools whose ethos fits with that of the Trust
- Working with partners and the Local Authority to improve outcomes for children within the continuum of Inclusion- Mainstream Support, Resource Bases, Alternative Provision, SEND Transformation; civil leadership commitment
- Developing a MAT Outreach team to support objective 4
- Creating new school provision to meet emerging needs
- To recruit a primary mainstream school as a lead school to develop membership which is mutually beneficial-as part of a Hub model
- To advocate and lobby on behalf of our Residential Special Schools towards protecting the curriculum offer of residential education
- To work towards securing a better input from Health, Care and Psychological services towards the developmental needs and wellbeing of our children.

The MHAT is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The MHAT gives full and fair consideration to applications for employment from disabled persons have regard to the particular aptitudes and abilities.

c. Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the MHAT aims and objectives and in planning future activities for the period. The Trustees consider that the MHAT can clearly demonstrate that its aims are to advance education for public benefit.

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Structure

The CEO with the Chief Financial Officer, provide a comprehensive full report to the Trustees at least 6 times per year and works closely with senior leaders through various forums to increase the levels of accountability for pupil progress achievement and standards.

The CEO receives termly Local Advisory Board reports from head teachers. These reports are fed into the Trustees' report enabling information and performance data to be scrutinised by Trustees. This enables Trustees to have a broad understanding of current performance indicators ensuring challenging and robust governance. Relevant Trustees' information is cascaded to head teachers through the Head Teachers Advisory Board. This process also enables senior leaders of academies to have an understanding of the wider MHAT strategies and business implications, enhancing the values and vision of the MHAT.

Local Advisory Board Chairs meet with Trustees once a year in a formal arena.

b. Operational Plan

The board of Trustees receive a termly report from the CEO which details progress against the MHAT development plan and MHAT risk register. This is risk assessed and progress is evaluated by the Board.

This report includes business updates and potential growth developments in terms of other schools demonstrating a desire to join the MHAT. Due diligence reports and Strength, Weaknesses, Opportunities and Threats (SWOT) Analysis reports are received by Trustees and potential schools evaluated.

One SEMH School has joined the MHAT in this accounting period in June 2020. The Hollies PRU received their full conversion order in June 2019 and Northern House School received their transfer order in March 2020. MHAT was successful in a Free School bid for Stoke on Trent for wave 2 with an opening date of 2022.

The MHAT successfully accessed a CIF bid for the period attached to Loxley Hall School, which will have a significant impact on the learning environment via an improved heating system.

MHAT successfully achieved a Trust Capacity Funding Grant

c. Self - Evaluation

The strengths and weaknesses of the MHAT are an agenda item at all termly meetings including the monitoring and evaluation of the MHAT risk register over view. Continual review of MHAT strategy and operating model and adaptations in advance of potential breaking points is a keen focus of the Board. This includes evaluation against the development plan, key performance indicators and business priorities. The MHAT is at a transitional stage in terms of its size as benchmarked by the guidance from the DfE and NGA MAT size modelling. The developmental priorities of MHAT have been shaped for this period by the recommendations of an externally commissioned growth audit and financial health check in June 2018; the commissioning of the recommended Finance and Business Review of School Administrative Functions by an independent consultancy firm in June 2019, has re set business priorities towards centralisation. MHAT aspires to have a coherent approach, which aligns vision and mission with school improvement strategy and operating models.

Strategic report (continued)

Achievements and performance (continued)

d. Staffing

As the MHAT has grown beyond its founder members Trustees have understood the need to establish a sustainable staffing structure to manage the MHAT and increase capacity to support academies effectively. The central team now consists of a CEO, CFO, two senior finance officers (0.81 x 2), School Improvement Manager (0.2), Strategic Development Manager (0.2) and Estates Support (casual) 0.2. Succession planning for senior roles within the central team have been actioned and managed through a mentoring process.

e. Key performance indicators

The CEO provides the board of Trustees with comprehensive evaluation of each academy's performance, comprising a summary of each academy Local Advisory Board head teacher's report. This report includes progress and performance data, achievement against targets and relevant documentation and information to enable Trustees to make informed evaluations of each academy's performance.

Four of our academies have been subject to an Ofsted inspection since their conversions. Most recent Ofsted inspections of the academies are as follows:

Cicely Haughton School Inspection: Outstanding (February 2018).
Cicely Haughton Residential Inspection: Outstanding (February 2018).
Loxley Hall School Inspection: Good (June 2018).
Loxley Hall Residential Inspection: Outstanding (June 2018).
The Meadows School Inspection: Good (September 2019).
Merryfields School Inspection: Good (January 2020).
Springfield School Inspection: Good (September 2019).
Rocklands School Inspection: Good (pre conversion).

Chaselea pupil referral unit became a sponsored conversion in June 2019.

Analysis against key performance indicators:

Finance

- Continuation of the centralisation of finance and business functions to improve systems and skills to maintain and improve financial controls, efficiencies and effectiveness
- Review of the central team and schools service level agreement and top slice charge to achieve best value
- Use of the Schools Resources Management Tool to inform best value.

Strategic report (continued)

Achievements and performance (continued)

Governance

- All Local Advisory Reports are compiled by Committees advised by senior leaders, enabling governors to better understand practice and provide informed challenge and support
- Closer scrutiny of LAB function has provided Directors with high quality information
- New LAB Report cross referenced with a reviewed quality assurance framework has focused SLT and LAB on school improvement priorities and compliance data
- Risk register at all levels of governance is RAG rated to improve monitoring and inform early intervention
- Skills audits is published on MHAT website for transparency of competency.
- GDPR software has been universally adopted across all Trust Schools to facilitate and monitor best practice
- A ninth Director has been recruited onto the Board from outside the sector of education in line with DfE and Academy Ambassador guidelines.

School Improvement/Standards

- MHAT School Improvement Strategy has been reviewed and developed to support schools in curriculum development, enrichment linked to learning objectives, work load balance, COVID recovery, peer review, integrated SIS objectives and extended networking opportunities
- School Improvement Manager and School Improvement Partner providing support, challenge and quality assurance both at a generic and bespoke level.
- Apprenticeship levy been better used to support upskilling of staff across different disciplines
- Re-structuring of the Headteachers Advisory Board to manage the SIS giving Schools improved ownership of groups priorities.

Strategic future proofing

Ensuring a financially sustainable and viable Trust, aspiring to a coherent approach which aligns vision and mission with school improvement strategy and the business model

- Recruitment of further special schools whose ethos fits with that of the Trust
- Working with partners and the Local Authority to improve outcomes for children within the continuum of Inclusion- Mainstream Support, Resource Bases, Alternative Provision, SEND Transformation; civil leadership commitment
- Creating new school provision to meet emerging needs
- To advocate and lobby on behalf of our Residential Special Schools towards protecting the curriculum offer of residential education
- Accessed a TCaF bid to support capacity to grow and deliver outstanding provision

MHAT has achieved sponsorship status enabling the organisation to take on best fit schools who require support and direction. The MHAT has taken on Shenstone Lodge on 01 July 2020. MHAT has accessed a MDIF grant to help it create greater capacity to grow. The MHAT is working in co production with the LA in providing early intervention opportunities for vulnerable learners within SEND work streams all of which contribute to the SEND Transformation activities.

MHAT has consulted with Stoke on Trent, Sandwell and Stockport Local Authorities with Special/AP Free School applications for emerging needs.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

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 basis can be found in the accounting policies.

Promoting the Success of the Company

The Directors of the MHAT act in a way most likely to promote the success of the Trust. The growth strategy is based on the coherent alignment of business function, school improvement and recruitment of potential new members.

The fostering of good relationships between members and stakeholders sits at the very centre of the MHAT ethos, values and mission. Collaboration and co-production between members and stakeholders help the Trust to future proof its existence and deliver educational services to vulnerable learners. This business model helps to deliver services to vulnerable children both in our schools and the wider community by fostering inclusive practices.

School improvement is the principle business objective by which the Trust is judged against. Therefore, processes, systems and practices support high expectations in providing vulnerable children with the best possible educational opportunities they deserve.

The MHAT insists on high standards of conduct by all employees. This expectation is underpinned by Trust Policies and a Code of Conduct built on mutual respect.

The wellbeing and positive mental health of all employees is of paramount importance to MHAT in the protection of its most valuable resources. Wellbeing and work life balance is monitored by Local Academy Boards through Directors delegated powers. Specifically, this task is performed by the Local Academy Boards' Wellbeing Committees.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Financial review

a. Summary

The MHAT's key sources of funding are the General Annual Grant (GAG) from the Education and Skills Funding Agency and the top up funding from the local authority. Funding from the ESFA and local authority is shown as restricted funds in the Statement of Financial Activities. The analysis of the specific grants received can be seen within note 3 to the financial statements.

During the year to 31 August 2020, the Academy MHAT received GAG of £5,932,110 and local authority top up funding of £5,743,346 in addition to other income sources.

The MHAT also receives capital grants from the ESFA. These include Condition Improvement Fund (CIF) and Devolved Formula Capital (DFC) grants. These grants are included within the Statement of Financial Activities in the restricted fixed asset fund column. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During the year to 31 August 2020, the MHAT received total capital grant income (excluding amounts received on conversion) of £785,343.

In addition to the capital grants received during the year, the MHAT has also received donated assets of £7,926,171. During the year one 125 year lease was signed with the local authority for land and buildings in respect of Shenstone Lodge School. The donation of these assets is included within the Statement of Financial Activities in the restricted fixed asset column.

The excess of income over expenditure for the period (excluding the movement in the pension reserve and restricted fixed asset fund) was £3,740,787.

COVID has had very little impact upon this year's financial results. The most influential factor on financial risk is the expenses incurred by having to employ supply staff. This has not impacted on MHAT Schools because Special Schools rarely use supply cover for teachers or support staff as children with SEND often require specialist skills and rely heavily on routine and relationships. There has been a slight increase in the consolidated revenue balance due to commitments that could not be completed because of COVID risk assessments (e.g. School trips). Fund raising activities across the MHAT are minimal and trips and activities that such funds help to support have not taken place because of COVID risk assessments; cost neutral.

b. Reserves policy

The Trustees will review the reserve levels annually. The review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of each Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Trustees will determine an appropriate level of free reserves to provide sufficient working capital to cover delays between spending and receipt of grants.

Current reserves at 31 August 2020 amount to £3,740,787 (excluding the pension reserve and restricted fixed asset fund).

c. Investments policy

The MHAT's policy is to monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and creditor payments). The current account has adequate balances to meet forthcoming commitments. Currently the MHAT is reviewing short term accessible deposit accounts for investment of surplus funds.

d. Principal risks and uncertainties

The principal risks and uncertainties facing the MHAT are as follows:

Financially the MHAT has considerable reliance on continued Government funding through the ESFA and Local Authorities. In the last year 64% of the MHAT's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management to manage the risk in this area arises from potential failure to effectively manage the MHAT's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Safeguarding and child protection the Trustees and Local Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

The success of each Academy is reliant on the quality of its staff and so the Trustees and Local Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

The deficit on the Local Government Pension Scheme of £18,264,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

Fundraising

The MHAT carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The MHAT is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the MHAT's complaints procedure.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Streamlined energy and carbon reporting

<u>UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</u>	
<u>Energy consumption used to calculate emissions (kWh)</u>	<u>3,605,002</u>
<u>Energy consumption break down (kWh) (optional)</u>	
gas	<u>2,549,712</u>
electricity	<u>770,886</u>
transport fuel (school vehicles)	<u>52,234</u>
transport (staff mileage)	<u>32,170</u>
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	<u>468.81</u>
Owned transport	<u>13.3</u>
Total scope 1	<u>483.1</u>
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	<u>179.92</u>
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	<u>7.76</u>
<u>Total gross emissions in metric tonnes CO2e</u>	<u>669.59</u>
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	<u>1.02</u>

Quantification and Reporting Methodology:-

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We are undergoing several estate projects funded through the CIF initiative which will make our buildings more energy efficient.

The Trust have also invested in emerging technologies to reduce the need for travel between sites and are actively encouraging video conferencing for staff meetings.

Finally, we are due to take part in the Eco Schools project which will see a decrease in energy consumption and is pupil led which will leave a legacy for both the schools and pupils involved.

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2020

Plans for future periods

The strategic objectives for the future are:-

1. Ensuring a financially sustainable and viable Trust, aspiring to a coherent approach which aligns vision and mission with school improvement strategy and the business model
2. To trial a Hub model of operation for the finance and business function of the MHAT
3. To ensure that all MHAT pupils receive at least a good standard of education and that sponsored schools are making progress towards this expectation.
4. A period of consolidation and pause on growth for at least 12 months.
5. Trail the Associate Membership prototype for entry to MHAT for potential new schools ready for 2021/22
6. Working with partners and the Local Authority to improve outcomes for children within the continuum of Inclusion- Mainstream Support, Resource Bases, Alternative Provision, SEND Transformation; civil leadership commitment
7. To oversee succession planning for Directors (recruitment / training)
8. Deliver the pre-opening phases of the Stoke Free School
9. To advocate and lobby on behalf of our Residential Special Schools towards protecting the curriculum offer of residential education
10. To work towards securing a better input from Health, Care and Psychological services towards the developmental needs and wellbeing of our children.

The Trust has a range of strategic and development plans and documents which support the strategic objectives:

- MHAT Strategic Structure Overview
- MAT Key Performance Indicators in: Finance, Governance, Standards and Performance, Strategy
- MHAT Development Plan
- MHAT Implementation Plans
- MHAT Schedule of Business Tasks
- MAT School Improvement Strategy
- MAT Finance and Business Review of School Administrative Functions
- Financial Health Audit
- Growth Audit
- School Self-Evaluation informing MAT wide Improvement Objectives
- Leadership performance management objectives.

The above are underpinned by regularly reviewed policies, procedures and risk register.

Post balance sheet events

Castlewood School joined the trust on 1 September 2020.

On 1 January 2021 The Hollies Pupil Referral Unit joined the Trust. This school is now known as the Bailey Street Alternative Provision Academy.

Funds held as custodian on behalf of others

The trust do not hold any funds on behalf of any other organisation.

Manor Hall Academy Trust

(A Company Limited by Guarantee)

**Trustees' Report (continued)
For the Year Ended 31 August 2020**

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 20 January 2021 and signed on its behalf by:

J Alexander

Mr J Alexander
Chair of Trustees

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 3 times during the year.

Although the board has not met 6 times during the year, the trust believe the committees in place ensure that effective oversight of funds is maintained.

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

Trustee	Meetings attended	Out of a possible
Mr J Glandfield, (resigned as Chair of Trustees 17 November 2019)	3	3
Mr R Redgate, Chief Executive Officer and Accounting Officer	3	3
Mr J Alexander, Chair of Trustees (appointed 17 November 2019)	3	3
Mr C E Lilley	2	3
Mrs C Pearson	0	3
Mr J Edwards	1	3
Mrs A Hughes	3	3
Mr P Whibley (resigned 17 November 2019)	0	1
Mrs J Johnson	2	3
Mr J Fitchett (appointed 1 April 2020)	2	2

Trustees have undertaken a review of governance arrangements, the roles of the Board of Trustees and delegated powers and structure during the last year. An internal assessment has indicated that the Board has functioned effectively over the year and developed a strategic vision for the MHAT and its expansion. This view is endorsed by MHAT Members.

Manor Hall Academy Trust
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Governance Statement (continued)

Governance (continued)

The Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to plan and monitor the financial and other resources of the MHAT effectively, to ensure the academies provide a safe educational environment, and to ensure that the workforce across its academies is appropriate to their needs in terms of numbers and competence. One of the Committee's responsibilities is routine budget setting and monitoring.

Attendance during the year at meetings was as follows:

Committee member/non-member*	Meetings attended	Out of a possible
Mr J Alexander	2	2
Mr C Lilley	1	2
Mrs C Pearson	1	2
Mrs J Johnson	0	2
Mr R Redgate*	2	2
Mr G Gamble*	1	1

The Standards and Strategic Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor educational standards across the academies, and to develop and implement core strategy and policy at MHAT level which can be applied across its academies.

Attendance during the year at meetings was as follows:

Committee member/non-member*	Meetings attended	Out of a possible
Mr J Edwards	1	2
Mr G Glandfield	2	2
Mrs A Hughes	1	2
Mr P Whibley	2	2
Mr R Redgate	2	2
Mrs C Pearson *	1	1

Review of value for money

As accounting officer, the Chief Executive Officer 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 MHAT'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 appropriate. The Accounting Officer for the MHAT has delivered improved value for money during the year by:

- Ensuring best value is robustly applied to all procurement
- Reviewing costs and exploring economies of scale in SLAs
- Purchasing licenses in 'bulk' to reduce additional costs to academies
- Sharing centrally employed personnel to reduce individual academy costs
- Ensuring salaries are locally and nationally benchmarked
- Ensuring financial review in each academy promotes best value and lean costing.

Governance Statement (continued)

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 ongoing process designed to identify and prioritise the risks to the achievement of MHAT 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 MHAT for the year 1 September 2019 to 31 August 2020 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 MHAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the MHAT's significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 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 MHAT'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 schools' Local Advisory Boards 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint Dains LLP to carry out internal system checks in the 2019/20 financial year. A member of the central team also visited each academy to: review monthly management account information; to help ensure staff understand processes and procedures; and to monitor that these processes and procedures were being carried out correctly.

On a quarterly basis, management reported to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

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

- Financial Procedures
- Payroll
- Purchasing
- Income

On an annual basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The report contained no areas of concern.

Manor Hall Academy Trust

(A Company Limited by Guarantee)

Governance Statement (continued)

The risk and control framework (continued)

The board are aware of the revised FRC Ethical Standards and will arrange alternative provisions for the next financial year.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees 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 and signed on their behalf by:

J Alexander

Mr J Alexander
Chair of Trustees

Date: 20 January 2021

R.W. Redgate

Mr R Redgate
Accounting Officer

Manor Hall Academy Trust

(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Manor Hall Academy Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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

R. W. Redgate

Mr R Redgate
Accounting Officer
Date: 20 January 2021

Manor Hall Academy Trust

(A Company Limited by Guarantee)

Statement of Trustees' responsibilities For the Year Ended 31 August 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial 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 period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

J Alexander

Mr J Alexander
Chair of Trustees

Date: 20 January 2021

Independent Auditors' Report on the financial statements to the Members of Manor Hall Academy Trust

Opinion

We have audited the financial statements of Manor Hall Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 academy trust'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.

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Manor Hall Academy Trust
(continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Manor Hall Academy Trust
(continued)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy trust 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Dudley (Senior Statutory Auditor)
for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
ST1 5RQ

20 January 2021

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Manor Hall Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Manor Hall Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Manor Hall Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Manor Hall Academy Trust's funding agreement with the Secretary of State for Education dated 25 July 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

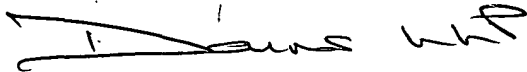
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Manor Hall Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
ST1 5RQ

Date: 20 January 2021

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion (note 26)		302,783	(2,351,000)	7,926,171	5,877,954	1,766,785
Other donations and capital grants		66,562	-	785,343	851,905	674,345
Charitable activities:	4					
Provision of boarding activities		-	867,298	-	867,298	838,778
Funding for the academy trust's educational operations		39,812	13,062,525	-	13,102,337	10,997,963
Other trading activities	6	110,817	-	-	110,817	105,134
Investments	7	3,631	-	-	3,631	18,946
Total income		523,605	11,578,823	8,711,514	20,813,942	14,401,951
Expenditure on:						
Raising funds	8	99,249	-	-	99,249	31,264
Charitable activities:	9					
Provision of boarding activities		-	804,405	-	804,405	814,882
Academy trust educational operations		39,812	13,526,285	658,329	14,224,426	11,695,164
Total expenditure		139,061	14,330,690	658,329	15,128,080	12,541,310
Net income/ (expenditure)		384,544	(2,751,867)	8,053,185	5,685,862	1,860,641
Transfers between funds	19	-	(142,658)	142,658	-	-
Net movement in funds before other recognised gains/(losses) carried forward		384,544	(2,894,525)	8,195,843	5,685,862	1,860,641

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Net movement in funds before other recognised gains/(losses) brought forward		384,544	(2,894,525)	8,195,843	5,685,862	1,860,641
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(1,199,000)	-	(1,199,000)	(3,581,000)
Net movement in funds		384,544	(4,093,525)	8,195,843	4,486,862	(1,720,359)
Reconciliation of funds:						
Total funds brought forward		1,084,936	(11,899,166)	31,890,576	21,076,346	22,796,705
Net movement in funds		384,544	(4,093,525)	8,195,843	4,486,862	(1,720,359)
Total funds carried forward		1,469,480	(15,992,691)	40,086,419	25,563,208	21,076,346

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

The notes on pages 36 to 70 form part of these financial statements.

Manor Hall Academy Trust
(A Company Limited by Guarantee)
Registered number: 09461655

Balance Sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	39,331,198	31,865,848
		<u>39,331,198</u>	<u>31,865,848</u>
Current assets			
Debtors	16	1,504,516	1,010,567
Cash at bank and in hand		4,294,240	3,067,395
		<u>5,798,756</u>	<u>4,077,962</u>
Creditors: amounts falling due within one year	17	(1,247,506)	(1,432,465)
Net current assets		<u>4,551,250</u>	<u>2,645,497</u>
Total assets less current liabilities		<u>43,882,448</u>	<u>34,511,345</u>
Creditors: amounts falling due after more than one year	18	(55,241)	(69,999)
Net assets excluding pension liability		<u>43,827,207</u>	<u>34,441,346</u>
Defined benefit pension scheme liability	27	(18,264,000)	(13,365,000)
Total net assets		<u><u>25,563,207</u></u>	<u><u>21,076,346</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	40,086,419	31,890,576
Restricted income funds	19	2,271,309	1,465,834
Restricted funds excluding pension asset	19	<u>42,357,728</u>	<u>33,356,410</u>
Pension reserve	19	<u>(18,264,000)</u>	<u>(13,365,000)</u>
Total restricted funds	19	<u>24,093,728</u>	<u>19,991,410</u>
Unrestricted income funds			
General funds	19	<u>1,469,479</u>	<u>1,084,936</u>
Total unrestricted income funds	19	<u>1,469,479</u>	<u>1,084,936</u>
Total funds		<u><u>25,563,207</u></u>	<u><u>21,076,346</u></u>

Manor Hall Academy Trust

(A Company Limited by Guarantee)
Registered number: 09461655

Balance Sheet (continued)
As at 31 August 2020

The financial statements on pages 31 to 70 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

J Alexander

Mr J Alexander
Chair of Trustees
Date: 20 January 2021

The notes on pages 36 to 70 form part of these financial statements.

Manor Hall Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	1,292,889	376,859
Cash flows from investing activities	23	(51,286)	(286,263)
Cash flows from financing activities	22	(14,758)	(23,193)
Change in cash and cash equivalents in the year		1,226,845	67,403
Cash and cash equivalents at the beginning of the year		3,067,395	2,999,992
Cash and cash equivalents at the end of the year	24, 25	4,294,240	3,067,395

The notes on pages 36 to 70 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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.

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

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold land	- 125 years
Long-term leasehold property	- 50 years
Leasehold improvements	- 25 years
Fixtures and fittings	- 10% straight line
Motor vehicles	- 20% straight line
Computer equipment	- 33.3% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.6 Operating leases

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

1.7 Debtors

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

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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.

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1. Accounting policies (continued)

1.12 Pensions

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

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 prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1. Accounting policies (continued)

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Shenstone Lodge to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Leasehold land and buildings

On the transfer date of 1 July 2020, the trust was gifted the school site by Sandwell County Council on 125 year leases. The school site value is based upon the valuation provided by Dabinett Chartered Surveyors under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standard 102 (section 17). The school site has been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet. Other fixed assets, including furniture & equipment and computer equipment were transferred at cost.

Local Government Pension Scheme (LGPS)

The obligation relating to the employees in the LGPS scheme that were transferred as part of the conversion from the maintained schools were transferred to Manor Hall Academy Trust on 1 July 2020. The deficit on the LGPS has been debited as a donation in the Restricted General Funds column of the Statement of Financial Activities and included within LGPS liability on the balance sheet.

Further details of the transaction are set out in note 26.

1.14 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 the funders where the asset acquired or created is held for a specific purpose.

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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.

Local Government 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 27, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Leasehold land and buildings

The long term leasehold land and buildings within the accounts relates to the academy premises which were donated to the academy trust on a 125 year lease from Staffordshire County Council and Sandwell County Council. The leasehold land and buildings were valued using a professional valuation. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market rate.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	66,562	-	-	66,562	26,837
Capital Grants	-	-	785,343	785,343	647,508
Transferred on conversion (note 26)	302,783	(2,351,000)	7,926,171	5,877,954	1,766,785
Total 2020	369,345	(2,351,000)	8,711,514	6,729,859	2,441,130
Total 2019	26,837	(343,000)	2,757,293	2,441,130	

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Operations (including boarding activities)	39,812	13,929,823	13,969,635	11,836,741
Total 2019	53,273	11,783,468	11,836,741	

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Notes to the Financial Statements
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5. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General annual grant	-	5,932,110	5,932,110	5,488,562
Other DfE/ESFA grants	-	896,533	896,533	499,383
Start up grants	-	25,000	25,000	50,000
	-	6,853,643	6,853,643	6,037,945
Other government grants				
Provision for boarding activities	-	867,298	867,298	838,778
Local authority grants	-	5,743,346	5,743,346	4,732,143
Other government grants	-	455,590	455,590	174,602
	-	7,066,234	7,066,234	5,745,523
Other funding				
Catering income	39,812	-	39,812	53,273
Trip income	-	9,946	9,946	-
	39,812	13,929,823	13,969,635	11,836,741
Total 2019	53,273	11,783,468	11,836,741	

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	5,590	5,590	12,022
Other income	94,137	94,137	51,638
Outreach support	11,090	11,090	18,020
Trip income	-	-	23,454
Total 2020	110,817	110,817	105,134
Total 2019	105,134	105,134	

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Notes to the Financial Statements
For the Year Ended 31 August 2020

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment Income	3,631	3,631	18,946
Total 2019	18,946	18,946	

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	96,876	-	2,373	99,249	31,264
Educational operations					
Direct costs	10,290,972	-	384,506	10,675,478	8,773,102
Support costs	1,505,494	388,950	1,654,504	3,548,948	2,922,063
Provision of boarding activities					
Direct costs	609,864	-	8,077	617,941	615,416
Support costs	119,977	21,923	44,564	186,464	199,466
Total 2020	12,623,183	410,873	2,094,024	15,128,080	12,541,311
Total 2019	10,254,688	296,401	1,990,222	12,541,311	

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Notes to the Financial Statements
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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	10,675,478	3,548,947	14,224,425	11,695,165
Provision of boarding activities	617,941	186,464	804,405	814,881
Total 2020	11,293,419	3,735,411	15,028,831	12,510,046
Total 2019	9,373,227	3,136,819	12,510,046	

Analysis of direct costs

	Educational operations 2020 £	Provision of boarding activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	10,290,972	609,864	10,900,836	9,036,058
Educational supplies	90,387	356	90,743	73,250
Examination fees	98,657	-	98,657	87,958
Staff development	16,187	-	16,187	17,821
Technology costs	62,691	819	63,510	34,360
Consultancy	51,679	-	51,679	56,128
Other direct costs	48,955	5,705	54,660	43,660
Recruitment and other staff expenses	15,950	1,197	17,147	23,992
Total 2020	10,675,478	617,941	11,293,419	9,373,227
Total 2019	8,773,102	600,125	9,373,227	

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Notes to the Financial Statements
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Provision of boarding activities 2020 £	Total funds 2020 £	Total funds 2019 £
LGPS pension adjustment	260,000	-	260,000	248,000
Staff costs	1,505,494	119,977	1,625,471	1,218,630
Depreciation	658,329	-	658,329	573,875
Catering	51,221	7,866	59,087	68,672
Staff development and other staff costs	21,848	734	22,582	14,265
Technology costs	123,599	9,916	133,515	88,594
Consultancy	42,022	1,336	43,358	39,079
Other costs	240,017	11,279	251,296	132,692
Recruitment and support	-	728	728	-
Maintenance of premises	128,241	10,155	138,396	260,296
Cleaning and caretaking	132,594	1,251	133,845	114,650
Operating lease rentals	36,556	6,620	43,176	39,156
Rates	-	-	-	420
Security	8,423	-	8,423	6,733
Energy costs	159,069	7,557	166,626	154,562
Legal and professional - other	65,468	2,940	68,408	68,415
Transport	14,427	1,894	16,321	22,497
Other premises costs	101,640	4,211	105,851	86,283
	3,548,948	186,464	3,735,412	3,136,819
Total 2019	2,922,063	214,756	3,136,819	

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Notes to the Financial Statements
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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	40,194	47,856
Depreciation of tangible fixed assets	658,329	573,875
Fees paid to auditors for:		
- audit	20,200	20,200
- other services	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	8,688,810	7,442,604
Social security costs	786,982	665,983
Pension costs	3,128,322	2,109,132
	<u>12,604,114</u>	<u>10,217,719</u>
Agency staff costs	19,069	6,021
Staff restructuring costs	-	30,948
	<u>12,623,183</u>	<u>10,254,688</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	30,948
	<u>-</u>	<u>30,948</u>

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Notes to the Financial Statements
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11. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	75	57
Administration and support	268	250
Management	28	23
	<u>371</u>	<u>330</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	6	3
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	1	-
In the band £120,001 - £130,000	1	1
	<u>1</u>	<u>1</u>

d. 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 employer national insurance contributions) received by key management personnel for their services to the academy trust was £963,486 (2019 £780,348).

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Notes to the Financial Statements
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12. Central services

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

- Central staffing costs
- Finance
- HR
- Accounting and Audit costs
- MAT website
- MAT IT

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

Fixed £34,196 per school per annum plus £288 per pupil.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Cicely Haughton	48,557	46,385
Loxely Hall School	62,084	58,253
Merryfields School	64,674	59,285
Springfields School	52,587	47,159
The Meadows School	66,689	63,155
Rocklands School	67,840	64,445
Chaselea PRU	44,816	45,353
Shenstone Lodge	17,703	-
Total	424,950	384,035

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Notes to the Financial Statements
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13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has 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. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Mr R Redgate, Chief Executive Officer, Accounting Officer	Remuneration	120,000 -	120,000 -
		125,000	125,000
	Pension contributions paid	25,000 -	20,000 -
		30,000	25,000

During the year ended 31 August 2020, expenses totalling £2,647 were reimbursed to 1 Trustee (2019 - £2,391 to 1 Trustee).

14. Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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Notes to the Financial Statements
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15. Tangible fixed assets

	Long-term leasehold property £	Leasehold improve- ments £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation							
At 1 September 2019	31,076,816	1,138,453	159,400	128,760	77,369	883,553	33,464,351
Additions	-	18,813	140,412	40,371	-	-	199,596
Transfers on conversion	7,895,000	-	-	31,171	-	-	7,926,171
Disposals	-	-	(2,359)	-	(3,777)	-	(6,136)
Transfers between classes	-	883,553	-	-	-	(883,553)	-
At 31 August 2020	<u>38,971,816</u>	<u>2,040,819</u>	<u>297,453</u>	<u>200,302</u>	<u>73,592</u>	<u>-</u>	<u>41,583,982</u>
Depreciation							
At 1 September 2019	1,419,458	63,271	25,056	47,597	43,120	-	1,598,502
Charge for the year	542,839	45,738	17,840	37,315	14,597	-	658,329
On disposals	-	-	(963)	-	(3,084)	-	(4,047)
At 31 August 2020	<u>1,962,297</u>	<u>109,009</u>	<u>41,933</u>	<u>84,912</u>	<u>54,633</u>	<u>-</u>	<u>2,252,784</u>
Net book value							
At 31 August 2020	<u>37,009,519</u>	<u>1,931,810</u>	<u>255,520</u>	<u>115,390</u>	<u>18,959</u>	<u>-</u>	<u>39,331,198</u>
At 31 August 2019	<u>29,657,358</u>	<u>1,075,182</u>	<u>134,343</u>	<u>81,163</u>	<u>34,249</u>	<u>883,553</u>	<u>31,865,848</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	175,522	42,214
Other debtors	3,054	1,863
Prepayments and accrued income	1,250,765	867,062
VAT recoverable	75,175	99,428
	<u>1,504,516</u>	<u>1,010,567</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	12,847	12,847
Trade creditors	266,839	400,140
Other taxation and social security	228,637	173,361
Other creditors	309,696	248,563
Accruals and deferred income	429,487	597,554
	<u>1,247,506</u>	<u>1,432,465</u>

	2020 £	2019 £
Deferred income at 1 September	128,468	615,028
Resources deferred during the year	250,368	128,468
Amounts released from previous periods	(128,468)	(615,028)
	<u>250,368</u>	<u>128,468</u>

Deferred income relates to grant and trading income relating to 2020/21 which was received prior to the year end.

Included within other loans are Salix loans totalling £10,996 which are interest free loans repayable in fixed instalments over 8 years, starting September 2015.

Also included within other loans is a Salix loan totalling £1,851 which is an interest free loan repayable in fixed instalments over 8 years, starting March 2021.

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Notes to the Financial Statements
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18. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	<u>55,241</u>	<u>69,999</u>

Included within other loans are Salix loans totalling £27,487 which are interest free loans repayable in fixed instalments over 8 years, starting September 2015.

Also included within other loans is a Salix loan totalling £27,754 which is an interest free loan repayable in fixed instalments over 8 years, starting March 2021.

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19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,084,936	523,604	(139,061)	-	-	1,469,479
Restricted funds						
General Annual Grant	1,417,024	5,932,110	(5,242,307)	(142,658)	-	1,964,169
Start up grants	-	25,000	(25,000)	-	-	-
Other DfE/ESFA grants	-	896,533	(841,533)	-	-	55,000
Other government grants	-	6,208,882	(6,068,445)	-	-	140,437
Provision for boarding activities	48,810	867,298	(804,405)	-	-	111,703
Pension reserve	(13,365,000)	(2,351,000)	(1,349,000)	-	(1,199,000)	(18,264,000)
	<u>(11,899,166)</u>	<u>11,578,823</u>	<u>(14,330,690)</u>	<u>(142,658)</u>	<u>(1,199,000)</u>	<u>(15,992,691)</u>
Restricted fixed asset funds						
Transfer on conversion	27,847,578	7,926,171	(524,492)	-	-	35,249,257
DfE/ESFA capital grants	3,027,677	785,343	(86,277)	-	-	3,726,743
Capital expenditure from GAG	294,844	-	(34,895)	142,658	-	402,607
Donated fixed assets	720,477	-	(12,665)	-	-	707,812
	<u>31,890,576</u>	<u>8,711,514</u>	<u>(658,329)</u>	<u>142,658</u>	<u>-</u>	<u>40,086,419</u>
Total Restricted funds	<u>19,991,410</u>	<u>20,290,337</u>	<u>(14,989,019)</u>	<u>-</u>	<u>(1,199,000)</u>	<u>24,093,728</u>
Total funds	<u>21,076,346</u>	<u>20,813,941</u>	<u>(15,128,080)</u>	<u>-</u>	<u>(1,199,000)</u>	<u>25,563,207</u>

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

19. Statement of funds (continued)

Unrestricted General Funds

This fund represents those resources which may be used towards meeting any of the charitable objectives of the Trust at the discretion of the Trustees.

Restricted General Funds

These funds represent grants received for the Trust's operational activities and development.

Pension Reserve

This fund represents the Trust's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Funds

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Cicely Houghton School	532,746	547,956
Loxely Hall School	339,903	226,449
Springfield School	665,824	564,311
Merryfields School	700,414	625,304
The Meadows School	383,642	276,864
Rocklands School	212,676	124,942
Chaselea PRU	181,010	20,933
Shenstone Lodge	330,714	-
Central Services	393,858	164,009
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,740,787	2,550,768
Restricted fixed asset fund	40,086,419	31,890,576
Pension reserve	(18,264,000)	(13,365,000)
	<hr/>	<hr/>
Total	25,563,206	21,076,344
	<hr/>	<hr/>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Cicely Haughton School	1,295,819	309,115	10,921	151,864	1,767,719	1,537,166
Loxely Hall School	1,890,562	207,851	17,644	303,003	2,419,060	2,272,585
Springfield School	825,517	126,236	9,573	148,761	1,110,087	1,033,432
Merryfields School	1,542,852	206,636	28,192	184,963	1,962,643	1,870,509
The Meadows School	1,619,781	190,189	11,256	223,108	2,044,334	1,934,234
Rocklands School	1,714,642	122,795	9,214	216,316	2,062,967	1,882,098
Chaselea PRU	524,028	154,964	2,672	127,466	809,130	178,977
Shenstone Lodge	318,279	61,781	880	38,213	419,153	-
Central Services	151,623	245,904	35	128,097	525,659	380,435
Academy trust	9,883,103	1,625,471	90,387	1,521,791	13,120,752	11,089,436

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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	912,010	204,190	(31,264)	-	-	1,084,936
Restricted funds						
General Annual Grant	952,397	5,488,562	(4,787,160)	(236,775)	-	1,417,024
Start up grants	-	50,000	(50,000)	-	-	-
Other DfE/ESFA grants	-	499,383	(499,383)	-	-	-
Other government grants	-	4,906,746	(4,906,746)	-	-	-
Provision for boarding activities	24,915	838,777	(814,882)	-	-	48,810
Pension reserve	(8,563,000)	(343,000)	(878,000)	-	(3,581,000)	(13,365,000)
	<u>(7,585,688)</u>	<u>11,440,468</u>	<u>(11,936,171)</u>	<u>(236,775)</u>	<u>(3,581,000)</u>	<u>(11,899,166)</u>
Restricted fixed asset funds						
Transfer on conversion	26,206,532	2,109,785	(468,739)	-	-	27,847,578
DFE/ESFA capital grants	2,451,311	647,508	(71,142)	-	-	3,027,677
Capital expenditure from GAG	81,175	-	(23,106)	236,775	-	294,844
Donated fixed assets	731,365	-	(10,888)	-	-	720,477
Total Restricted funds	<u>21,884,695</u>	<u>14,197,761</u>	<u>(12,510,046)</u>	<u>-</u>	<u>(3,581,000)</u>	<u>19,991,410</u>
Total funds	<u><u>22,796,705</u></u>	<u><u>14,401,951</u></u>	<u><u>(12,541,310)</u></u>	<u><u>-</u></u>	<u><u>(3,581,000)</u></u>	<u><u>21,076,346</u></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	39,331,198	39,331,198
Current assets	1,469,479	3,574,056	755,221	5,798,756
Creditors due within one year	-	(1,247,506)	-	(1,247,506)
Creditors due in more than one year	-	(55,241)	-	(55,241)
Provisions for liabilities and charges	-	(18,264,000)	-	(18,264,000)
Total	1,469,479	(15,992,691)	40,086,419	25,563,207

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	31,865,848	31,865,848
Current assets	1,084,936	2,968,297	24,728	4,077,961
Creditors due within one year	-	(1,432,465)	-	(1,432,465)
Creditors due in more than one year	-	(69,999)	-	(69,999)
Provisions for liabilities and charges	-	(13,365,000)	-	(13,365,000)
Total	1,084,936	(11,899,167)	31,890,576	21,076,345

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Notes to the Financial Statements
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21. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	5,685,862	1,860,641
Adjustments for:		
Depreciation	658,329	573,874
Capital grants from DfE and other capital income	(785,343)	(647,508)
Interest receivable	(3,631)	(18,946)
Defined benefit pension scheme obligation inherited	2,351,000	343,000
Defined benefit pension scheme cost less contributions payable	1,089,000	630,000
Defined benefit pension scheme finance cost	260,000	248,000
Loss on disposal of fixed assets	2,089	-
Decrease/(increase) in debtors	44,194	(307,465)
Increase/(decrease) in creditors	220,344	(194,952)
Assets transferred from local authority on conversion	(8,228,955)	(2,109,785)
Net cash provided by operating activities	1,292,889	376,859

22. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(14,758)	(23,193)
Net cash used in financing activities	(14,758)	(23,193)

23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	3,631	18,946
Purchase of tangible fixed assets	(604,899)	(524,498)
Capital grants from DfE Group	547,199	219,289
Cash transferred on conversion	2,783	-
Net cash used in investing activities	(51,286)	(286,263)

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Notes to the Financial Statements
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24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	4,294,240	3,067,395
Total cash and cash equivalents	4,294,240	3,067,395

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	3,067,395	1,226,845	-	4,294,240
Debt due within 1 year	(12,847)	14,758	(14,758)	(12,847)
Debt due after 1 year	(69,999)	-	14,758	(55,241)
	2,984,549	1,241,603	-	4,226,152

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Notes to the Financial Statements
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26. Conversion to an academy trust

On 1 July 2020 Shenstone Lodge School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Manor Hall Academy Trust from Sandwell County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	7,895,000	7,895,000
Other tangible fixed assets	-	31,171	31,171
Current assets			
Cash - representing budget surplus on LA funds	302,783	-	302,783
LGPS pension surplus/(deficit)	-	(2,351,000)	(2,351,000)
Net assets	302,783	5,575,171	5,877,954

The leasehold land and buildings, being the school land and building have been transferred on a 125 year lease from Sandwell County Council for £nil consideration. The basis for valuation is detailed in the accounting policies in note 1.

27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £306,899 were payable to the schemes at 31 August 2020 (2019 - £179,367) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £904,000 (2019 - £550,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,408,217 (2019 - £1,168,000), of which employer's contributions totalled £1,127,217 (2019 - £929,000) and employees' contributions totalled £ 281,000 (2019 - £239,000). The agreed contribution rates for future years are 24.2 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note 26 part of the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion during the year represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.2	2.7
Rate of increase for pensions in payment/inflation (All other academies)	2.6	2.3
Rate of increase for pensions in payment/inflation (Shenstone Lodge)	3.2	-
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums post 1 April 2008	75	50
Commutation of pensions to lump sums pre 1 April 2008	50	50

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

	2020	2019
	Years	Years
Retiring today		
Males	21.6	21.1
Females	23.9	23.5
Retiring in 20 years		
Males	23	22.2
Females	25.5	24.8

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27. Pension commitments (continued)

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(780)	(665)
Discount rate -0.1%	780	780
Salary rate +0.1%	115	137
Salary rate -0.1%	(115)	(137)
Pension rate +0.1%	648	512
Pension rate -0.1%	(648)	(512)

Share of scheme assets

The academy trust's share of the assets in the scheme was:

	2020	2019
	£	£
Equities	7,569,000	6,701,000
Gilts	19,000	-
Corporate bonds	2,204,000	2,168,000
Property	892,000	788,000
Cash and other liquid assets	451,000	198,000
Other	26,000	-
Total market value of assets	11,161,000	9,855,000

The actual return on scheme assets was £39,420 (2019 - £620,000).

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

	2020	2019
	£	£
Current service cost	(2,158,000)	(1,421,000)
Past service cost	(54,000)	(138,000)
Interest income	209,000	238,000
Interest cost	(469,000)	(486,000)
Total amount recognised in the Statement of Financial Activities	(2,472,000)	(1,807,000)

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27. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	23,220,000	16,422,000
Transfer on conversion	2,493,000	695,000
Current service cost	2,158,000	1,421,000
Interest cost	469,000	486,000
Employee contributions	277,000	239,000
Actuarial (losses)/gains	926,000	3,894,000
Benefits paid	(172,000)	(75,000)
Past service costs	54,000	138,000
At 31 August	29,425,000	23,220,000

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	9,855,000	7,859,000
Transfer on conversion	142,000	352,000
Interest income	209,000	238,000
Actuarial (losses)/gains	(273,000)	313,000
Employer contributions	1,123,000	929,000
Employee contributions	277,000	239,000
Benefits paid	(172,000)	(75,000)
At 31 August	11,161,000	9,855,000

28. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within 1 year	29,976	40,194
Between 1 and 5 years	1,598	31,574
	31,574	71,768

29. 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/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.

30. Related party transactions

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

D Redgate, spouse of R Redgate, a trustee, is employed by the academy trust as a nurture manager. D Redgate's appointment was made in open competition and R Redgate was not involved in the decision-making process regarding appointment. D Redgate is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

31. Post balance sheet events

Castlewood School joined the trust on 1 September 2020.

On 1 January 2021 The Hollies Pupil Referral Unit joined the Trust. This school is now known as the Bailey Street Alternative Provision Academy.

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32. Academy Boarding Trading Account

	2020 £	2020 £	2019 £	2019 £
Income				
Residential funding from Local Authority	867,298		838,777	
Total income		867,298		838,777
Expenditure- direct costs				
Educational supplies	(356)		(1,313)	
Technology costs	(819)		(3,000)	
Travel and subsistence	(1,894)		(13,654)	
Other direct costs	(5,008)		(1,447)	
Wages and salaries	(609,864)		(580,711)	
Total direct costs expenditure	(617,941)		(600,125)	
Technology costs	(9,916)		(3,825)	
Maintenance of premises	(10,155)		(6,131)	
Support costs	(46,416)		(87,150)	
Wages and salaries	(119,977)		(117,650)	
Total support costs expenditure	(186,464)		(214,756)	
Total expenditure		(804,405)		(814,881)
Surplus from boarding		62,893		23,895
Surplus/(deficit) brought forward		48,810		24,915
Surplus carried forward		111,703		48,810