

Manor Multi Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2020



Manor Multi Academy Trust
(A Company Limited by Guarantee)

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Manor Multi Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	D Coles T Westwood (Church of England Central Education Trust representative) D Gwinnett E Stanford D C Knipe
Trustees	D Coles, Chair M Sharif, Vice Chair A Cliff, Chief Executive Officer A J Dibble A J Pritchard (appointed 7 May 2020) K Morgan M I Morris I C D Rumble (appointed 1 September 2019) H Smith Revd N E Watson T Whatmore
Company registered number	09323792
Company name	Manor Multi Academy Trust
Principal and registered office	Ettingshall Road Bilston Wolverhampton West Midlands WV14 9UQ
Company secretary	S Pickering
Senior leadership team	A Cliff - Chief Executive Officer - Manor Multi Academy Trust J Mills - Headteacher - Manor Primary School K Kaur - Deputy Headteacher - Manor Primary School A Coles - Deputy Headteacher - Manor Primary School H Guest - Headteacher - East Park Academy J Sargent - Deputy Headteacher - East Park Academy K Jones - Deputy Headteacher - East Park Academy A Brookes - Senior Assistant Headteacher - East Park Academy E Hateley - Headteacher - Hill Avenue Academy H Kahlon - Head of School - Hill Avenue Academy D Jones - Head of School - St Alban's Church of England Primary Academy H Abbis - Assistant Headteacher - St Alban's Church of England Primary Academy H Morris - Executive Headteacher - St Thomas' Church of England Primary Academy M Callaghan - Deputy Headteacher - St Thomas' Church of England Primary Academy J Willets - Headteacher - Foley Infant Academy K Daley - Head of School - Foley Infant Academy J Martin - Head of School - Brindley Heath Junior Academy J Hartshorn - Deputy Headteacher - Brindley Heath Junior Academy Z Lowe - Head of School - Foxyards Primary School

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

Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
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Manor Multi Academy Trust
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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 Trust operates seven academies in Wolverhampton and Staffordshire for pupils between the ages of 3 and 11 including three that are Ofsted rated as outstanding; Manor Primary School, East Park Academy and Hill Avenue Academy. There were over 2,250 children on roll during the academic year. The Trust had planned to expand to eight academies during the year with the addition of Foxyards Primary School in Dudley although this has been delayed into the academic year 2020/21.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

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

Details of the Trustees who served during the year, and to the date these financial statements 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.

Structure, governance and management (continued)

c. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. On 24 August 2018, the Trust adopted new Articles of Association, incorporating the model articles for inclusion of Church of England Schools within the Multi Academy Trust.

The number of Trustees shall be not less than three but shall not be subject to any maximum.

The appointment of Trustees in the latest Articles of Association allows the Trust board to be comprised of the following:

- The Members shall appoint up to 7 Trustees;
- CECET shall appoint up to 3 Trustees provided that the total number of Trustees appointed under this Article would not thereby exceed 25% of the total number of Trustees;
- The Chief Executive Officer;
- Trustees appointed under Article 50 and 50AA acting jointly and with the consent of CECET may appoint up to 2 Co-opted Trustees.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Future Trustees shall be appointed or elected, as the case may be, under the new Articles of Association. The Board will give consideration to the skills and experience of the existing Trustees when considering future appointments.

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

The Board of Trustees has devised an informal induction process to ensure that all Trustees understand their roles and responsibilities. The training and induction provided will depend on their experience but will always include a tour of the academies and a chance to meet staff and pupils. All Trustees have access to policies, procedures, minutes, budgets and other documents they will need to undertake their role as Trustees. All Trustees are subject to DBS checks.

e. Organisational structure

The Board of Trustees of the Multi Academy Trust establishes an overall framework for the governance of the academies and meet at least once per term. They are responsible for setting general policy, setting an annual plan and budget and monitoring the company by the use of budgets, making major decisions regarding strategic direction of the company and senior staff appointments. The Trustees are responsible for the monitoring and performance of the Chief Executive Officer.

The Local Governing Bodies are responsible for implementing the policies laid down by the Trustees and reporting back to them. They scrutinise the performance of the school. The Local Governing Bodies are a mix of parents, staff and Trustees.

The Chief Executive Officer is the Accounting Officer.

Structure, governance and management (continued)

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

Arrangements for setting the pay and remuneration of the Trust's key management personnel are reviewed annually by the Pay Committee and approved by the Trustees. The Trust follows the pay arrangements for maintained schools in England and Wales for teachers. The Trust's pay policy is based on the national agreed pay scales as outlined in the School Teachers Pay and Conditions Document.

g. Trade union facility time

The Academy Trust had no employees who were relevant union officials during the year.

h. Engagement with employees (including disabled persons)

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

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

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

In accordance with the Trust's equal opportunities policy, the Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

i. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust engages with suppliers on a fair and transparent basis and follows a process of quotes and tenders in line with those detailed in the Financial Scheme of Delegation. The Trust aims for all suppliers to be provided with an official purchase order from the Trust and for invoices to be paid timely and within the credit terms stated on the supplier's invoice. Business relationships have been built with a number of key suppliers that enables the Trust to demonstrate best value, especially when purchasing supplies on behalf of the whole Trust.

Engagement with key suppliers was particularly important during the COVID-19 pandemic to ensure that, in line with PPN02/20 and PPN04/20, the Trust was satisfied that a value for money case was made by virtue of securing continuity of supply of critical services in the medium and long term e.g. catering services and sports coaches.

The Trust engages with our customers, the parents and carers, via regular communication on the ParentMail App and through regular newsletters. Parents evening and regular drop in sessions were also held prior to COVID-19.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of academies to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- (i) Academies other than those designated Church of England, whether with or without a designated religious character; and
- (ii) Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education,

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

b. Objectives, strategies and activities

The Trust Has established a trust development plan for 2019-2024

Our Trust Board has agreed five key strategic objectives which will support the growth and development of Manor Multi Academy Trust over the next five years.

Objective 1: Ensuring every child in our Trust attends a Great School! All children receive the highest quality Teaching and Learning and provision.

Objective 2: Provide all our staff the highest quality CPD so they can be the very best they can be.

Objective 3: Continually review the Trust Team to enable Manor Multi Academy Trust to provide schools with the highest quality school improvement.

Objective 4: To ensure growth by sponsoring and improving schools in need and creating new school provision where opportunities arise in our region.

Objective 5: Ensuring a financially sustainable Multi Academy Trust.

Objectives and activities (continued)

c. Public benefit

The Trustees confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

Many activities and programmes enable the objectives of the Trust to be realised. In addition to the quality of teaching and learning, to ensure the outcomes and achievements for all students are recognised, a number of advanced activities take place in the public benefit e.g.:

- Extra curricular activities to all students
- Breakfast clubs and after school clubs
- Nursery education
- Parental engagement sessions

The operation and delivery of the advanced activities has been greatly impacted by the COVID-19 pandemic.

Strategic report

Achievements and performance

a. Key performance indicators

The key performance indicators of the Trust include pupil outcomes and academy Ofsted ratings, maximizing the actual pupil numbers in line with the current PANs and the pupil attendance levels. Staff wellbeing is an important indicator and this is measured via staff attendance and staff retention levels.

The key financial performance indicators are:

- Maintain sufficient cash reserves to fund projected expenditure;
- Unrestricted reserves levels carried forward at year-end;
- To continually review all resources expended or planned.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

The directors of the company, as those of all UK companies, must act in accordance with a set of general duties.

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so, have regard to the likely consequences of any decisions in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and environment; the desirability of the company maintaining a reputation for high standards of conduct; and the need to act fairly as between members of the company.

Details of how our Trustees have fulfilled these duties when dealing with strategic decisions are covered elsewhere in the Trustees' Report

d. Review of activities

The priorities set for the academies in the Improvement Plans for 2019/20 are detailed in the Objectives and Activities section. The performance achieved against these activities is detailed below:

Assessment

The Outcomes for academic year 2019/20 were as follows:

There are no external outcomes for 2020 due to COVID-19 with all statutory assessments being cancelled.

Attendance

The overall percentage of attendance during 2019/20 academic year for the Trust's academies were:

- Manor Primary School – 95.6%
- East Park Academy – 95.1%
- Hill Avenue Academy – 95.2%
- St Thomas' Church of England Primary Academy – 95.3%
- St Alban's Church of England Primary Academy – 94.4%
- Foley Infant School Academy – 95.9%
- Brindley Heath Junior School Academy – 95.27%

Strategic report (continued)

Achievements and performance (continued)

d. Review of activities (continued)

Site and equipment

A number of site and ICT investments have been started or completed over the course of the year including a number of successful Capital Improvement Fund (CIF) projects that the Trust were awarded in the 2019/20 bidding round. The majority of these were started at the end of the academic year. The site and ICT projects this year included:

- CIF replacement roofing projects at Foley Infant, St Alban's and St Thomas';
- CIF replacement fire alarm system at Hill Avenue;
- Continued interactive whiteboard refresh and new laptops at Manor;
- Classroom lighting improvements at East Park;
- Creation of a forest schools area, new library storage, continued whiteboard refresh and new laptops at Hill Avenue;
- Complete interior refresh including classrooms at St Thomas';
- Complete interactive whiteboard refresh at St Alban's;
- Redevelopment to create a Nursery provision, pupil laptops and staff iPads at Foley Infant;
- iPads refresh at Brindley Heath Junior

e. Fundraising

The Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust 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. Any complaints are handled and monitored through the Trust's complaints procedure. During the year no complaints or issues have arisen as a result of fundraising activities. COVID-19 significantly impacted the ability to fundraise in the second half of the academic year.

f. Factors relevant to achieve objectives

The factors relevant to the Trust to allow it to achieve its objectives are:

- The quality of teaching and learning is maintained at the very highest standards;
- Robust monitoring and challenge of the data by the Senior Leadership Team and the Trustees;
- That funds are accurately targeted at the key improvement priorities;
- That the principal risks and uncertainties identified are mitigated.

Strategic report (continued)

Financial review

a. Review of financial performance and reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of the 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 the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The level of reserves is still above that targeted by Trustees in the annual budget plan. The decrease in unrestricted reserves during 2019/20 is linked to allocations made in budgets for revenue contributions towards significant capital projects in schools and these were specifically targeted use of reserves. The number of successful CIF projects awarded to the Trust in 2019/20 was higher than expected but, as the majority of these did not start until later in the Summer due to the delay in notification of CIF, the revenue contributions for these will not impact until 2020/21. Revenue funds have been set aside for future expenditure associated with the capital improvement of the academy sites. The Trust will again be submitting a few significant value bids in 2020/21 for CIF projects and, if successful, this will lead to significant revenue contributions towards these projects from the Trust reserves. The sites will also need additional capital investment, funded by revenue contributions, to allow them to continue to provide a quality educational provision across the academies.

The aim of the Trust board is to gradually reduce revenue reserves levels, through careful targeting on key priorities, so as they are equivalent to one month of School Budget Share funding – currently this would be around £700,000.

b. Investment policy

The Trust approved an Investment Policy in February 2016. The Trust aims to manage its cash balances to ensure that adequate funds are available to meet the day-to-day requirements of its operations. In addition, the Trust aims to invest surplus cash funds to optimise returns, but ensuring that the investments are risk free and easily accessible. Funds are currently held in low interest bank accounts with Lloyds. No surplus cash funds were invested during the year. A move to a single Trust bank account is planned for during 2020/21, this will make it easier to identify and invest surplus cash and achieve higher returns on investments.

c. Principal risks and uncertainties

The Trustees continue to review the Risk Register on a regular basis. The key risks of concern to the Trust continue to be as follows:

- Presence of other organisations with similar objects and little scope for differentiation and competing for the same sources of income;
- Reserves level risk;
- Changes to, or absence of, leadership and management and other key staff;
- Risk that employers' pension contribution rates will increase further, and that the significant deficits and annual repayments to the schemes will continue to impact on the funding available for pupils.

A new risk, not identified previously as being a high risk to the Trust's operations and finances, unsurprisingly became a significant risk within the academy year:

- Risk of the impact an uncontrollable event will have on the Trust e.g. recession, war, oil crisis or pandemic

Streamlined energy and carbon reporting

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

	2020
Energy consumption breakdown (kWh):	
Gas	1,650,689
Electricity	573,787
Transport fuel	2,081
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	303.51
Total scope 1	<u>303.51</u>
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	<u>133.77</u>
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	<u>0.58</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>437.86</u>
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	<u>0.20</u>

The Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency:

During the course of 2019/20 the Trust submitted a number of bids for CIF projects, the vast majority of which were for projects that would reduce energy consumption by improving the quality of the heating systems or roofing projects. In the year the Trust was successful with four full replacement roofing bids and one full replacement heating system bid. Three unsuccessful bids, that were also energy saving bids, including one for a new school, one for a replacement heating system and one for a replacement roof will be bid for again in 2020/21.

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

Plans for future periods

The current strategy of the Trust is to grow further via a mixture of sponsored and convertor schools and the Trust is in the process expanding to take on two sponsored academies during academic year 2020/21, these being Foxyards Primary School located within Dudley Local Authority who are now expected to join the Trust in January 2021 and Hateley Heath Primary School within Sandwell Local Authority who are also expected to join the Trust in early 2021.

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.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:

D Coles
Chair of Trustees

Manor Multi Academy Trust
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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Manor Multi 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 Multi 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 5 times during the year. Effective oversight has been maintained between meetings, especially during the COVID-19 pandemic, by the Chief Executive Officer holding regular telephone conversations and virtual meetings with key Trustees' including the Chair and Vice-chair. They are kept updated, and provide advice on, key decisions made between formal meetings of the Trustees.

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

Trustee	Meetings attended	Out of a possible
D Coles, Chair	5	5
M Sharif, Vice Chair	3	5
A Cliff, Chief Executive Officer	5	5
A J Dibble	4	5
A J Pritchard (appointed 7 May 2020)	3	3
K Morgan	5	5
M I Morris	5	5
I C D Rumble (appointed 1 September 2019)	5	5
H Smith	4	5
Revd N E Watson	4	5
T Whatmore	3	5

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Governance Statement (continued)

Governance (continued)

The work of the board during this academic year has primarily focussed on maintaining the exceptionally high standards of achievement at Manor Primary and providing support to East Park and Hill Avenue that enabled them to both achieve Ofsted ratings of Outstanding in the previous academic year. The board have also worked hard on progressing both the educational outcomes and teaching environment for the four academies that joined the Trust in the previous academic year. For sponsored conversions the board also provided the roll of Local Governing Body for these academies, until it was felt they were in a more secure position, we are pleased to confirm that all academies within the Trust now have their own Local Governing Bodies. There is still Trustee representation on each of the Local Governing Bodies.

Attendance levels this year have been maintained at a high level with total attendance at Board of Trustees meetings being at 87% (94% in 2018/19) and attendance at Finance Committee being 100% (83% in 2018/19)

The skills of the Trustees and members of the Local Governing Bodies are continually monitored and new appointments have, and will continue to be, based on a skills audit. All Trustees and Governors had access to a comprehensive training programme purchased from an external provider to accommodate all potential CPD opportunities.

Challenges that have arisen during the year have primarily been focused around dealing with the implications of the COVID-19 pandemic and ensuring the continued safety of pupils and staff and around the delayed expansion of the size of the Trust from the seven in 2018/19. Two conversions are currently in progress, one of which has been delayed significantly from the projected date of early 2020.

The type of financial data that is used by the board includes a report produced by the Finance Director to each meeting of the Finance Committee, which provides them with a detailed analysis of the most recent monthly management accounts, updated budget projections including KPIs (e.g. staffing as a % of income, estimated reserves as a % of income), cash flow position and future forecast information and updates on pupil numbers and pupil number projections and the potential impact on funding and budgets. The board finds this acceptable as, for each meeting of the committee, the most up to date information is made available in advance, the Finance Director presents the information in detail and committee attendees have the opportunity to interrogate the financial information and ask questions.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to regulate and control the financial affairs of the Trust. The committee is responsible for setting the Trust's annual budget in the light of the School's Development Plan, conducting an annual review of the Trust's financial management arrangements and financial procedures, entering into and monitoring contract performance and reviewing any charges that the Trust makes, ensuring they comply with statutory limitations.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Cliff	3	3
D Coles	3	3
K Morgan	3	3
M I Morris	3	3
I Rumble (appointed 30 June 2020)	1	1
M Sharif	3	3
T Whatmore	3	3

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Governance Statement (continued)

Governance (continued)

The Pay Committee is also a sub-committee of the main Board of Trustees. Its purpose is to determine annual salary progression for eligible members of staff.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
D Coles	2	2
K Morgan	2	2
M I Morris	2	2
M Sharif	2	2
T Whatmore	1	2

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to report on the operation of the systems of control, discharge of the Trustee's financial responsibilities and review of the risk register.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Cliff	1	2
D Coles	2	2
K Morgan	2	2
M I Morris	1	2
I C D Rumble	1	2
M Sharif	2	2
T Whatmore	1	2

Review of value for money

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

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

- All traded service level agreements have again been reviewed, and these have been replaced, or removed altogether, where they have not represented value for money to the Trust;
- Supplier contracts that came to an end during the year have been reviewed and these have been re-negotiated or not renewed where they have not represented value for money;
- Reviewing major contracts and negotiating new deals when these come to an end, especially where a Trust wide purchase would offer an increased discount to that if purchasing for an individual academy;
- The staffing structures have been reviewed to allow the Trust to take on additional academies, and this has initially been funded via a successful Trust Capacity Grant application. This has allowed staff and best practice to be shared across all the Trust's academies. This includes, but is not limited to, support for leadership and management, finance, business, human resources, governance and clerking, premises, ICT, GDPR and data management;
- The Trust has robust monitoring and purchasing systems in place to ensure that wastage is kept to a minimum;
- Ensuring management accounts were produced monthly and presented in detail to the Finance Committee at regular intervals across the academic year.

Governance Statement (continued)

Review of value for money (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 on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Manor Multi Academy Trust 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks. This engagement existed prior to 15 March 2020.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

Payroll testing, charge card testing, management accounts review, cash income testing, review of debt recovery processes, and fixed asset procedure review.

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

The external auditor has delivered their schedule of work as planned.

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Governance Statement (continued)

Review of effectiveness

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

- the work of the external auditors
- the work of the executive managers within the 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 finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf by:

D Coles
Chair of Trustees

A Cliff
Accounting Officer

Manor Multi Academy Trust
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Manor Multi Academy Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the 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 Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

A Cliff
Accounting Officer
Date: 15 December 2020

Manor Multi Academy Trust
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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 . 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 on 15 December 2020 and signed on its behalf by:

D Coles
Chair of Trustees

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

Opinion

We have audited the financial statements of Manor Multi Academy Trust (the '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 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 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 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.

Independent Auditors' Report on the financial statements to the Members of Manor Multi 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 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 Multi Academy Trust
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the 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 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 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 charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Julian Townsend ACA FCCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

15 December 2020

Manor Multi Academy Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 26 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 Multi 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 Multi 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 Multi 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 Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Manor Multi Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2019 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 Trust's income and expenditure.

Manor Multi Academy Trust
(A Company Limited by Guarantee)

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

Conclusion

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

Statutory Auditor
Chartered Accountants

Date: 15 December 2020

Manor Multi 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		-	-	-	-	4,263,101
Donated fixed assets		-	-	-	-	9,623,107
Other donations and capital grants		97,109	150	1,448,648	1,545,907	641,728
Charitable activities:	4					
Funding for the Trust's educational operation		259,653	11,947,802	-	12,207,455	10,218,451
Teaching schools	30	79,883	56,275	-	136,158	323,957
Other trading activities	5	25,798	-	-	25,798	16,987
Investments	6	1,823	-	-	1,823	665
Total income		464,266	12,004,227	1,448,648	13,917,141	25,087,996
Expenditure on:						
Raising funds		35,047	-	-	35,047	73,895
Charitable activities:						
Trust educational operations		54,501	12,568,779	926,799	13,550,079	11,080,479
Teaching schools		33,784	56,275	-	90,059	343,429
Total expenditure	7	123,332	12,625,054	926,799	13,675,185	11,497,803
Net income/ (expenditure)		340,934	(620,827)	521,849	241,956	13,590,193
Transfers between funds	18	(372,019)	159,585	212,434	-	-
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	26	-	(896,000)	-	(896,000)	(835,000)
Net movement in funds		(31,085)	(1,357,242)	734,283	(654,044)	12,755,193
Reconciliation of funds:						

Manor Multi 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 £
Total funds brought forward as previously stated	1,454,806	(6,353,291)	27,771,901	22,873,416	6,141,603
Prior year adjustment 17	-	-	-	-	3,976,620
Total funds brought forward as restated	1,454,806	(6,353,291)	27,771,901	22,873,416	10,118,223
Net movement in funds	(31,085)	(1,357,242)	734,283	(654,044)	12,755,193
Total funds carried forward	1,423,721	(7,710,533)	28,506,184	22,219,372	22,873,416

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

The notes on pages 29 to 63 form part of these financial statements.

Manor Multi Academy Trust
(A Company Limited by Guarantee)
Registered number: 09323792

Balance Sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	27,511,616	27,759,052
		<u>27,511,616</u>	<u>27,759,052</u>
Current assets			
Debtors	15	2,424,483	1,031,433
Cash at bank and in hand		1,287,846	1,763,505
		<u>3,712,329</u>	<u>2,794,938</u>
Creditors: amounts falling due within one year	16	(1,268,573)	(1,218,574)
Net current assets		<u>2,443,756</u>	<u>1,576,364</u>
Total assets less current liabilities		<u>29,955,372</u>	<u>29,335,416</u>
Defined benefit pension scheme liability	26	(7,736,000)	(6,462,000)
Total net assets		<u><u>22,219,372</u></u>	<u><u>22,873,416</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	28,506,184	27,771,901
Restricted income funds	18	25,467	108,709
Pension reserve	18	(7,736,000)	(6,462,000)
Total restricted funds	18	<u>20,795,651</u>	<u>21,418,610</u>
Unrestricted income funds	18	<u>1,423,721</u>	<u>1,454,806</u>
Total funds		<u><u>22,219,372</u></u>	<u><u>22,873,416</u></u>

The financial statements on pages 25 to 63 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

D Coles
Chair of Trustees

The notes on pages 29 to 63 form part of these financial statements.

Manor Multi 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 (used in)/provided by operating activities	20	(1,455,195)	651,336
Cash flows from investing activities	21	979,536	(273,662)
Change in cash and cash equivalents in the year		(475,659)	377,674
Cash and cash equivalents at the beginning of the year		1,763,505	1,385,831
Cash and cash equivalents at the end of the year	22, 23	1,287,846	1,763,505

The notes on pages 29 to 63 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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

Manor Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 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.

• **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 premises, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the 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 Trust. An equal amount of income is recognised as a transfer on conversion within Donations and Capital Grants to the net assets received.

1.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1. Accounting policies (continued)

1.5 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 on raising funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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.

Two schools in the multi academy trust occupy land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

Having considered the fact that the schools occupy the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the multi academy trust no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the Trustees have concluded that the value of the land and buildings occupied by the schools will not be recognised on the balance sheet of the multi academy trust.

Expenditure on improvements to diocesan property occupied by the Trust is written off to the Statement of financial activities as it is incurred.

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)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long term leasehold buildings	- 2% straight line
Long term leasehold land	- 0.8% straight line
Leasehold improvements	- 10% straight line
Furniture and fixtures	- 20% straight line
Computer equipment	- 25% straight line

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

1.7 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

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

1.10 Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors and accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

1.12 Operating leases

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

1.13 Pensions

Retirement benefits to employees of the 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 to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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)

1.14 Conversion to an academy trust

In the prior year, the conversion of four schools from state maintained schools to academy trusts involved the transfer of identifiable assets and liabilities and the operation of the schools for £Nil consideration. The substance of the transfer is that of a gift and it was accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Thomas' Church of England Primary Academy, St Alban's Church of England Primary Academy, Brindley Heath Junior School Academy and Foley Infant School Academy to the Trust were valued at their fair value. The fair value was derived based on that of equivalent items. The amounts were recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations - Transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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.

1.16 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transferred on conversion	-	-	-	-	4,263,101
Donated fixed assets	-	-	-	-	9,623,107
Donations	97,109	150	-	97,259	61,767
Capital Grants	-	-	1,448,648	1,448,648	483,675
School trips	-	-	-	-	96,286
Total 2020	<u>97,109</u>	<u>150</u>	<u>1,448,648</u>	<u>1,545,907</u>	<u>14,527,936</u>
Total 2019	<u>527,480</u>	<u>(1,544,718)</u>	<u>15,545,174</u>	<u>14,527,936</u>	

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

4. Funding for the Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,458,656	8,458,656	7,559,422
Start up grants	-	150,000	150,000	50,000
Pupil Premium	-	954,868	954,868	840,864
Universal Infant Free School Meals grant	-	312,750	312,750	296,055
Other DfE Group grants	8,253	772,208	780,461	309,262
	<u>8,253</u>	<u>-</u>	<u>10,656,735</u>	<u>9,055,603</u>
Other government grants				
Local Authority grants	-	841,178	841,178	803,392
Expansion programme LAG funding	-	103,654	103,654	90,200
	<u>-</u>	<u>-</u>	<u>944,832</u>	<u>893,592</u>
Catering income	5,075	108,701	113,776	126,116
Support to other schools	93,361	-	93,361	13,328
Training income	-	-	-	13,050
Maternity pooling reimbursement	25,667	-	25,667	51,183
School uniform and other income	127,297	-	127,297	65,579
	<u>251,400</u>	<u>108,701</u>	<u>360,101</u>	<u>269,256</u>
Exceptional government funding				
Coronavirus exceptional support	-	245,787	245,787	-
Total 2020	<u><u>259,653</u></u>	<u><u>11,947,802</u></u>	<u><u>12,207,455</u></u>	<u><u>10,218,451</u></u>
Total 2019	<u><u>136,595</u></u>	<u><u>10,081,856</u></u>	<u><u>10,218,451</u></u>	

The Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The funding received for coronavirus exceptional support covers £246k of costs for alternative free school meals vouchers. These costs are included in notes 7 and 8 below as appropriate.

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of premises	20,680	-	20,680	16,987
Training income	5,118	-	5,118	-
Total 2020	<u>25,798</u>	<u>-</u>	<u>25,798</u>	<u>16,987</u>
Total 2019	<u>11,055</u>	<u>5,932</u>	<u>16,987</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	1,823	1,823	665
Total 2020	<u>1,823</u>	<u>1,823</u>	<u>665</u>
Total 2019	<u>665</u>	<u>665</u>	

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising funds:					
Direct costs	-	-	35,047	35,047	73,895
Educational Operations:					
Direct costs	8,261,109	508,226	814,085	9,583,420	7,988,934
Support costs	1,562,471	294,918	2,107,270	3,964,659	3,091,545
Teaching school (note 30)	80,646	3,652	5,761	90,059	343,429
Total 2020	<u>9,904,226</u>	<u>806,796</u>	<u>2,962,163</u>	<u>13,673,185</u>	<u>11,497,803</u>
Total 2019	<u>8,317,008</u>	<u>996,069</u>	<u>2,184,726</u>	<u>11,497,803</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Operations	9,583,420	3,964,659	13,548,079	11,080,479
Total 2020	<u>9,583,420</u>	<u>3,964,659</u>	<u>13,548,079</u>	<u>11,080,479</u>
Total 2019	<u>7,988,934</u>	<u>3,091,545</u>	<u>11,080,479</u>	

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
LGPS finance costs	117,000	117,000	117,000
Staff costs	8,261,109	8,261,109	7,076,282
Depreciation	508,155	508,155	423,997
Educational supplies	275,342	275,342	197,051
Staff development and training	69,454	69,454	64,721
Technology costs	147,929	147,929	-
Consultancy	171,076	171,076	-
Other costs	13,972	13,972	58,894
Staff related insurance	-	-	28,472
Recruitment and other staff expenses	19,383	19,383	10,582
Agency staff costs	-	-	11,935
Total 2020	<u>9,583,420</u>	<u>9,583,420</u>	<u>7,988,934</u>
Total 2019	<u>7,988,934</u>	<u>7,988,934</u>	

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,560,521	1,560,521	1,117,521
Depreciation	195,210	195,210	159,646
Educational supplies / Catering	719,222	719,222	487,988
Staff development and other staff costs	7,842	7,842	11,193
Technology costs	31,070	31,070	200,888
Consultancy	159,616	159,616	105,477
Other costs	224,550	224,550	238,833
Staff related insurance	23,828	23,828	24,240
Maintenance of premises and special facilities	457,852	457,852	177,188
Impairment	-	-	47,430
Cleaning and caretaking	93,236	93,236	81,015
Operating lease rentals	13,732	13,732	10,745
Rates	30,599	30,599	31,684
Security	4,711	4,711	2,831
Energy	137,574	137,574	120,818
Legal and professional	128,479	128,479	134,957
Transport	21,031	21,031	-
Apprenticeship Levy expenditure / Interest	1,950	1,950	19,440
Other premises costs	153,636	153,636	119,651
Total 2020	<u>3,964,659</u>	<u>3,964,659</u>	<u>3,091,545</u>
Total 2019	<u>3,091,545</u>	<u>3,091,545</u>	

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	8,704	5,447
Depreciation of tangible fixed assets	703,365	583,643
Loss on disposal of fixed assets	15,006	-
Fees paid to auditors for:		
- audit	19,500	18,950
- other services	1,600	1,250
	=====	=====

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	7,289,095	6,168,036
Social security costs	635,912	518,326
Pension costs	1,977,269	1,618,711
	=====	=====
	9,902,276	8,305,073
Agency staff costs	1,950	11,935
	=====	=====
	9,904,226	8,317,008

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

10. Staff (continued)

b. Staff numbers

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

	2020	2019
	No.	No.
Management	16	14
Teaching	102	90
Educational Support	93	80
Premises	35	31
Finance and Administration	26	24
Catering	3	2
Lunchtime	43	37
	<u>318</u>	<u>278</u>

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	3
In the band £100,001 - £110,000	2	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the 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 Trust was £1,551,236 (2019 £1,202,476).

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

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role of Chief Executive Officer under their contract of employment and not in respect of their role as a Trustee. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
A Cliff, Chief Executive Officer	Remuneration	135 - 140	125 - 130
	Pension contributions paid	30 - 35	20 - 25

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £Nil).

12. Central services

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

- financial services
- educational support services
- premises and site services
- IT services
- services provided by the CEO
- PA support to CEO/Executive Leaders and Clerk of Governors for the Trust from January 2020
- HR Transactional and School Admin Management from April 2020

The Trust charges for these services on the following basis:

A flat percentage of 5% of General Annual Grant income, or 7% for schools in additional measures.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Manor Primary School	93,975	92,708
East Park Academy	123,534	149,804
Hill Avenue Academy	52,947	58,994
St Thomas' Church of England Primary Academy	37,469	39,502
St Alban's Church of England Primary Academy	51,739	49,471
Foley Infant School Academy	31,813	14,629
Brindley Heath Junior School Academy	46,239	21,262
Total	437,716	426,370

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

13. Trustees' and Officers' insurance

The 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.

14. Tangible fixed assets

	Long-term leasehold land and buildings £	Leasehold improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	27,739,177	282,440	379,843	470,357	28,871,817
Additions	194,581	118,347	52,585	105,422	470,935
Disposals	-	(15,315)	-	-	(15,315)
At 31 August 2020	<u>27,933,758</u>	<u>385,472</u>	<u>432,428</u>	<u>575,779</u>	<u>29,327,437</u>
Depreciation					
At 1 September 2019	757,504	34,147	94,121	226,993	1,112,765
Charge for the year	479,002	29,153	79,311	115,899	703,365
On disposals	-	(309)	-	-	(309)
At 31 August 2020	<u>1,236,506</u>	<u>62,991</u>	<u>173,432</u>	<u>342,892</u>	<u>1,815,821</u>
Net book value					
At 31 August 2020	<u><u>26,697,252</u></u>	<u><u>322,481</u></u>	<u><u>258,996</u></u>	<u><u>232,887</u></u>	<u><u>27,511,616</u></u>
At 31 August 2019	<u><u>26,981,673</u></u>	<u><u>248,293</u></u>	<u><u>285,722</u></u>	<u><u>243,364</u></u>	<u><u>27,759,052</u></u>

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For the Year Ended 31 August 2020

15. Debtors

	2020	2019
	£	£
Trade debtors	56,926	23,810
VAT repayable	347,917	171,386
Other debtors	5,606	5,606
Prepayments and accrued income	2,014,034	830,631
	2,424,483	1,031,433

16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	557,357	567,162
Accruals and deferred income	711,216	651,412
	1,268,573	1,218,574

	2020	2019
	£	£
Deferred income at 1 September 2019	221,936	276,460
Resources deferred during the year	179,276	221,936
Amounts released from previous periods	(221,936)	(276,460)
Deferred income at 31 August 2020	179,276	221,936

At the balance sheet date the Trust was holding funds received in advance for Universal Infant Free School Meals and Rates Relief.

17. Prior year adjustments

On 1 December 2016, Wolverhampton City Council granted the Trust a lease for the East Park Academy and Hill Avenue Academy sites. As at 31 August 2018, the sites were valued in the financial statements based on a desktop valuation, as a full professional valuation was not available. Following receipt of a full professional valuation in the year ended 31 August 2019, the sites were valued on a depreciated replacement cost basis which gave rise to a prior year adjustment of £3,976,620.

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

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	1,209,054	384,383	(89,548)	(372,019)	-	1,131,870
Teaching School	245,752	79,883	(33,784)	-	-	291,851
	<u>1,454,806</u>	<u>464,266</u>	<u>(123,332)</u>	<u>(372,019)</u>	<u>-</u>	<u>1,423,721</u>
Restricted general funds						
General Annual Grant (GAG)	89,427	8,458,656	(8,700,481)	152,398	-	-
Start Up Grant	16,045	150,000	(140,578)	-	-	25,467
Pupil Premium	-	954,868	(954,868)	-	-	-
Teaching School	-	56,275	(56,275)	-	-	-
Other DfE Group grants	-	110,051	(110,051)	-	-	-
Other government grants	-	276,747	(276,747)	-	-	-
Other grants	3,237	1,251,637	(1,262,061)	7,187	-	-
Teachers pay grant and pensions grant	-	433,243	(433,243)	-	-	-
Universal Infant Free School Meals grant	-	312,750	(312,750)	-	-	-
Pension reserve	(6,462,000)	-	(378,000)	-	(896,000)	(7,736,000)
	<u>(6,353,291)</u>	<u>12,004,227</u>	<u>(12,625,054)</u>	<u>159,585</u>	<u>(896,000)</u>	<u>(7,710,533)</u>

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

18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Capital surplus transferred on conversion	77,334	-	-	-	-	77,334
Assets transferred on conversion and donated fixed assets	26,113,319	-	(704,589)	-	-	25,408,730
DfE Group capital grants	1,051,355	1,448,648	(222,210)	-	-	2,277,793
Capital expenditure from GAG	522,974	-	-	-	-	522,974
Capital expenditure from other funding	6,919	-	-	212,434	-	219,353
	<u>27,771,901</u>	<u>1,448,648</u>	<u>(926,799)</u>	<u>212,434</u>	<u>-</u>	<u>28,506,184</u>
Total Restricted funds	<u>21,418,610</u>	<u>13,452,875</u>	<u>(13,551,853)</u>	<u>372,019</u>	<u>(896,000)</u>	<u>20,795,651</u>
Total funds	<u><u>22,873,416</u></u>	<u><u>13,917,141</u></u>	<u><u>(13,675,185)</u></u>	<u><u>-</u></u>	<u><u>(896,000)</u></u>	<u><u>22,219,372</u></u>

18. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees. These funds are likely to be used for future expenditure associated with revenue contributions to capital for successful CIF bids from AY19/20 and earmarked against three large CIF bids with significant school contributions in AY20/21. If these bids are unsuccessful then the Trust will still need to commit significant funding towards improving the estate.

Restricted funds

This fund represents grants and other income received for the Trust's operational activities and development.

Teaching school

A surplus of £46,099 (2019 - deficit of £19,472) was made on teaching school activities in the year, being a surplus of £46,099 (2019 - £Nil) within unrestricted funds and a result of £Nil (2019 - £Nil) within unrestricted funds.

Pension reserve

The pension reserve included within restricted general funds represents the Trust's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

The fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

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Notes to the Financial Statements
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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Manor Primary School	452,704	455,222
East Park Academy	645,534	584,958
Hill Avenue Academy	93,964	179,388
St Thomas' Church of England Primary Academy	17,162	72,596
St Alban's Church of England Primary Academy	38,113	39,534
Brindley Heath Junior School Academy	180,867	148,839
Foley Infant School Academy	2,647	79,333
Central services	18,197	3,645
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,449,188	1,563,515
Restricted fixed asset fund	28,506,184	27,771,901
Pension reserve	(7,736,000)	(6,462,000)
	<hr/>	<hr/>
Total	22,219,372	22,873,416
	<hr/> <hr/>	<hr/> <hr/>

18. 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 £
Manor Primary School	2,098,391	313,222	237,378	526,589	3,175,580	3,024,322
East Park Academy	2,405,972	353,407	260,238	426,339	3,445,956	3,534,013
Hill Avenue Academy	1,017,506	152,500	171,466	185,722	1,527,194	1,314,707
St Thomas' Church of England Primary Academy	638,122	82,875	101,969	267,058	1,090,024	902,854
St Alban's Church of England Primary Academy	653,217	71,652	90,511	234,864	1,050,244	876,585
Brindley Heath Junior School Academy	794,007	152,523	96,904	138,868	1,182,302	495,047
Foley Infant School Academy	618,774	116,346	26,633	111,191	872,944	343,908
Central services	209,593	343,169	9,465	65,349	627,576	422,724
Trust	8,435,582	1,585,694	994,564	1,955,980	12,971,820	10,914,160

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

18. 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	644,494	675,795	(111,235)	-	-	1,209,054
Teaching School	265,224	-	-	(19,472)	-	245,752
	<u>909,718</u>	<u>675,795</u>	<u>(111,235)</u>	<u>(19,472)</u>	<u>-</u>	<u>1,454,806</u>
Restricted general funds						
General Annual Grant (GAG)	216,147	7,559,421	(7,373,731)	(312,410)	-	89,427
Start Up Grant	4,164	50,000	(62,128)	24,009	-	16,045
Pupil Premium	-	840,864	(840,864)	-	-	-
Teaching School	-	323,957	(343,429)	19,472	-	-
Other DfE Group grants	-	605,317	(605,317)	-	-	-
Other government grants	-	893,592	(893,592)	-	-	-
Other grants	-	139,876	(136,639)	-	-	3,237
Pension reserve	(3,535,000)	(1,546,000)	(546,000)	-	(835,000)	(6,462,000)
	<u>(3,314,689)</u>	<u>8,867,027</u>	<u>(10,801,700)</u>	<u>(268,929)</u>	<u>(835,000)</u>	<u>(6,353,291)</u>

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

18. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Capital surplus transferred on conversion	44,984	34,977	(2,627)	-	-	77,334
Assets transferred on conversion and donated fixed assets	11,532,297	15,026,522	(445,500)	-	-	26,113,319
DfE Group capital grants	602,463	483,675	(34,783)	-	-	1,051,355
Capital expenditure from GAG	334,801	-	(100,228)	288,401	-	522,974
Capital expenditure from other funding	8,649	-	(1,730)	-	-	6,919
	<u>12,523,194</u>	<u>15,545,174</u>	<u>(584,868)</u>	<u>288,401</u>	<u>-</u>	<u>27,771,901</u>
Total Restricted funds	<u>9,208,505</u>	<u>24,412,201</u>	<u>(11,386,568)</u>	<u>19,472</u>	<u>(835,000)</u>	<u>21,418,610</u>
Total funds	<u>10,118,223</u>	<u>25,087,996</u>	<u>(11,497,803)</u>	<u>-</u>	<u>(835,000)</u>	<u>22,873,416</u>

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

19. 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	-	-	27,511,616	27,511,616
Current assets	1,423,721	1,176,676	1,111,932	3,712,329
Creditors due within one year	-	(1,151,209)	(117,364)	(1,268,573)
Provisions for liabilities and charges	-	(7,736,000)	-	(7,736,000)
Total	<u>1,423,721</u>	<u>(7,710,533)</u>	<u>28,506,184</u>	<u>22,219,372</u>

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	-	-	27,759,052	27,759,052
Current assets	1,454,806	1,026,295	313,837	2,794,938
Creditors due within one year	-	(917,586)	(300,988)	(1,218,574)
Provisions for liabilities and charges	-	(6,462,000)	-	(6,462,000)
Total	<u>1,454,806</u>	<u>(6,353,291)</u>	<u>27,771,901</u>	<u>22,873,416</u>

20. Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£	£
Net income for the period (as per Statement of Financial Activities)	241,956	13,590,193
Adjustments for:		
Depreciation	703,365	583,643
Capital grants from DfE and other capital income	(1,448,648)	(518,652)
Bank interest receivable	(1,823)	(665)
Defined benefit pension scheme obligation inherited	-	1,546,000
Defined benefit pension scheme cost less contributions payable	378,000	546,000
Increase in debtors	(1,393,050)	(458,296)
Increase in creditors	49,999	389,635
Assets transferred on conversion and donated fixed assets	-	(15,026,522)
Loss on disposal of fixed asset	15,006	-
Net cash (used in)/provided by operating activities	(1,455,195)	651,336

21. Cash flows from investing activities

	2020	2019
	£	£
Bank interest receivable	1,823	665
Purchase of tangible fixed assets	(470,935)	(792,979)
Capital grants from DfE Group	1,394,596	483,675
Capital funding received from others	54,052	34,977
Net cash provided by/(used in) investing activities	979,536	(273,662)

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

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,287,846	1,763,505
Total cash and cash equivalents	1,287,846	1,763,505

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,763,505	(475,659)	1,287,846

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

On 1 September 2018, St Thomas' Church of England Primary School and St Alban's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Manor Multi Academy Trust from Wolverhampton City Council for £Nil consideration.

On 1 April 2019, Foley Infant School and Brindley Heath Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Manor Multi Academy Trust from Staffordshire City Council for £Nil consideration.

The transfer was 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 in the prior year and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
St Thomas' Church of England Primary School				
Leasehold land and buildings	-	-	9,079	9,079
Other tangible fixed assets	-	-	20,000	20,000
Cash - representing budget surplus on LA funds	63,058	-	20,985	84,043
Defined benefit pension scheme deficit	-	(502,000)	-	(502,000)
	<u>63,058</u>	<u>(502,000)</u>	<u>50,064</u>	<u>(388,878)</u>
Net assets/(liabilities)	<u>63,058</u>	<u>(502,000)</u>	<u>50,064</u>	<u>(388,878)</u>

	Restricted funds £	Restricted fixed asset funds £	Total funds £
St Alban's Church of England Primary School			
Leasehold land and buildings	-	127,102	127,102
Other tangible fixed assets	-	35,000	35,000
Cash - representing budget surplus on LA funds	-	5,160	5,160
Defined benefit pension scheme deficit	(110,000)	-	(110,000)
	<u>(110,000)</u>	<u>167,262</u>	<u>57,262</u>
Net (liabilities)/assets	<u>(110,000)</u>	<u>167,262</u>	<u>57,262</u>

24. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Foley Infant School				
Leasehold land and buildings	-	-	2,748,509	2,748,509
Other tangible fixed assets	-	-	20,000	20,000
Cash - representing budget surplus on LA funds	141,404	-	-	141,404
Cash - representing budget surplus on other school funds	7,618	-	-	7,618
Defined benefit pension scheme deficit	-	(327,000)	-	(327,000)
Net assets/(liabilities)	149,022	(327,000)	2,768,509	2,590,531

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Brindley Heath Junior School				
Leasehold land and buildings	-	-	2,423,725	2,423,725
Other tangible fixed assets	-	-	20,000	20,000
Cash - representing budget surplus on LA funds	145,891	-	8,832	154,723
Cash - representing budget surplus on other school funds	12,738	-	-	12,738
Defined benefit pension scheme deficit	-	(607,000)	-	(607,000)
Net assets/(liabilities)	158,629	(607,000)	2,452,557	2,004,186

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	1,285,907	121,152

26. Pension commitments

The 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 West Midlands Pension Fund and 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 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 £778,000 (2019 - £609,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

26. 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 £940,000 (2019 - £528,000), of which employer's contributions totalled £788,000 (2019 - £408,000) and employees' contributions totalled £ 152,000 (2019 - £120,000). The agreed contribution rates for future years are 19.5% per cent for employers and 5.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.0	3.4
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.7	1.9

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	21.7	21.0
Females	24.0	23.3
Retiring in 20 years		
Males	23.3	22.5
Females	25.7	25.0

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(308,000)	(239,000)
Discount rate -0.1%	315,000	245,000
Mortality assumption - 1 year increase	350,000	251,000
Mortality assumption - 1 year decrease	(337,000)	(243,000)
CPI rate +0.1%	272,000	199,000
CPI rate -0.1%	(266,000)	(195,000)

Share of scheme assets

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

26. Pension commitments (continued)

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

	2020	2019
	£	£
Equities	2,229,000	1,618,000
Government bonds	505,000	360,000
Other bonds	103,000	61,000
Property	288,000	207,000
Cash and other liquid assets	219,000	78,000
Other	395,000	241,000
Total market value of assets	3,739,000	2,565,000

The actual return on scheme assets was £195,000 (2019 - £145,000).

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

	2020	2019
	£	£
Current service cost	(1,047,000)	(719,000)
Past service cost	-	(118,000)
Interest income	56,000	43,000
Interest cost	(175,000)	(160,000)
Total amount recognised in the Statement of Financial Activities	(1,166,000)	(954,000)

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

	2020	2019
	£	£
At 1 September	9,027,000	4,588,000
Conversion of academy trusts	-	2,395,000
Current service cost	1,047,000	719,000
Interest cost	175,000	160,000
Employee contributions	152,000	120,000
Actuarial losses	1,087,000	937,000
Benefits paid	(13,000)	(10,000)
Past service cost	-	118,000
At 31 August	11,475,000	9,027,000

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

26. Pension commitments (continued)

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

	2020	2019
	£	£
At 1 September	2,565,000	1,053,000
Conversion of academy trusts	-	849,000
Interest income	56,000	43,000
Actuarial gains	191,000	102,000
Employer contributions	788,000	408,000
Employee contributions	152,000	120,000
Benefits paid	(13,000)	(10,000)
At 31 August	3,739,000	2,565,000

27. Operating lease commitments

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

	2020	2019
	£	£
Other		
Not later than 1 year	10,543	8,704
Later than 1 year and not later than 5 years	31,639	14,993
	42,182	23,697

28. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

29. Related party transactions

A Coles, wife of D Coles, the Chair of Trustees is employed by the Trust as a Deputy Headteacher. A Coles' appointment was made in open competition and D Coles was not involved in the decision making process regarding appointment. A Coles is paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a Trustee.

The Church of England Central Education Trust (CECET) is a Member of Manor Multi Academy Trust. CECET is the corporate body representing the Diocese of Lichfield. Purchases made from the Lichfield Diocesan Board of Education in the year totalled £1,298.

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

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

30. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Grant and consultancy income	103,170		316,568	
Other income				
Other income	32,856		7,238	
Bank interest	132		151	
	<hr/>		<hr/>	
Total other income	32,988		7,389	
Total income		136,158		323,957
Expenditure				
Direct expenditure				
Direct staff costs	55,473		87,305	
Staff coaching and mentoring	-		38,616	
Other direct costs	-		4,117	
	<hr/>		<hr/>	
Total direct expenditure	55,473		130,038	
Other expenditure				
Other staff costs	25,173		23,965	
Other support costs	9,413		189,426	
	<hr/>		<hr/>	
Total other expenditure	34,586		213,391	
Total expenditure		90,059		343,429
		<hr/>		<hr/>
Surplus/(deficit) from all sources		46,099		(19,472)
Teaching school balances at 1 September 2019		245,752		265,224
		<hr/>		<hr/>
Teaching school balances at 31 August 2020		291,851		245,752
		<hr/> <hr/>		<hr/> <hr/>