

Manor Multi Academy Trust

Trustees' report and financial statements

For the Year Ended 31 August 2018

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
For the Year Ended 31 August 2018

Members	D Coles T Westwood D Gwinnett E Stanford D C Knipe (appointed 1 November 2017)
Trustees	D Coles, Chair M Sharif, Vice Chair A Cliff, Executive Head Teacher A J Dibble S Farnell D C Knipe (resigned 17 October 2017) K Morgan M I Morris (appointed 16 October 2018) H Smith Revd N E Watson (appointed 1 September 2018) 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 - Executive Head Teacher - Manor Multi Academy Trust J Mills - Head of School - Manor Primary School H Guest - Head of School - East Park Academy E Hateley - Head of School - Hill Avenue Academy K Kaur - Deputy Head Teacher - Manor Primary School J Sargent - Deputy Head Teacher - East Park Academy D Jones - Deputy Head Teacher - Hill Avenue Academy A Warren - Executive Director - Manor Teaching School Alliance
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Manor Multi Academy Trust
(A company limited by guarantee)

Trustees' report
For the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates three academies in Wolverhampton for pupils between the ages of 3 and 11 – the outstanding rated Manor Primary School and two sponsored academies, East Park and Hill Avenue. There were over 1,500 children on roll during the academic year. The Trust has expanded to five academies from September 2018 with the addition of two more Wolverhampton schools, St Thomas' Church of England Primary and St Alban's Church of England Primary. The Trust now has just under 2,000 children on roll.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Trust.

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

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Trustees' report (continued)
For the Year Ended 31 August 2018

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 (CEO);
- 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.

f. Pay policy for 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.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of the 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 schools offering a broad and balanced curriculum.

b. Objectives, strategies and activities

The Improvement Plans are reviewed annually by the Trustees. The priorities set in the Improvement Plans for 2017-18 were:

Manor Primary School

- Further improve the quality of teaching and learning by providing a highly effective development programme to all NQT's, to ensure quality of teaching and learning is good with outstanding features by the end of their first year, a programme to all other staff so that outstanding teaching and learning is sustained and develop self-improving reflective teachers;
- Implement a leadership development programme to enable all leaders in the new leadership structure to be effectively accountable in their role, drive sustainable school improvement and further raise standards;
- To accelerate rates of progress of all pupil groups in all years in writing, so that we close the in-year attainment gaps between reading and writing;
- To further improve teaching and learning and provision in EYFS taking account of new staffing, so that teaching and learning is consistently outstanding over time and a greater percentage of children achieve a good level of development by the end of Reception;
- To review and revise the Computing, Art, PHSCE, RE, History, Geography, Music and Science curriculum through working party principles, in order to ensure they provide innovative, creative and challenging pathways to achievement.

East Park Academy

- Continue to improve the quality of teaching in order to eradicate any further underachievement and raise standards in reading, writing and mathematics;
- Improve pupils' personal development, behaviour and welfare;
- Improve provision in the Early Years;
- Improve leadership and management.

Hill Avenue Academy

- Developing capacity at all levels so that all leaders collectively influence and are accountable for school improvement;
- Further improve pupil outcomes for EYFS (GLD), key stages 1 and 2 to be significantly above national expectations;
- For all disadvantaged children to make better than expected rates of progress and the more-abled disadvantaged children to be working at greater depth by the end of Year 6;
- For the quality of teaching and learning to be consistently outstanding over time in all classes.

The detailed strategies and activities for achieving each academies priorities are included in the Improvement Plans. The actions taken, and progress made against the individual activities, are communicated to Trustees in the Head Teachers' Reports which are delivered on a termly basis.

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

Achievements and performance

a. Key performance indicators

The key financial performance indicators are:

- Maintain sufficient cash reserves to fund projected expenditure
- Maintain solvency
- To continually review all resources expended or planned

The key financial performance indicators were further met in that the year-end position of all accounts were in excess of the annual budget plans approved by Trustees. The Finance Committee is a sub-committee of the Board of Trustees. They receive management accounts at each meeting to allow them to scrutinise the financial performance in detail. The minutes of these meetings are then reported to all Trustees at the next board meeting.

The key school improvement indicators were met in terms of pupil outcomes in all phases of each school in 2017-2018. Manor Primary sustained their very high standards with children entering school with skills developmentally below that expected nationally. They left EYFS above national, KS 1 significantly above national and KS 2 outcomes were again amongst best performing schools nationally.

Hill Avenue continued to improve on their outcomes of 2016-2017, which put them in the top 10% of schools nationally. Children entered EYFS with skills developmentally below that of expected of nationally. They left EYFS just above national, KS 1 significantly above national and KS 2 outcomes were again amongst 10% of schools nationally.

East Park's outcomes significantly improved with all (EYFS, Year 1 phonics, KS 1 and KS 2) outcomes being above national figures from a well below starting point on entry.

In all three schools SIP priorities outlined above were achieved. In all three schools the quality of teaching and learning is now nothing less than at least good. Hill Avenue and East Park are preparing for inspection and the grading in both schools will at least be good for all key judgements and many will be outstanding.

All three schools have embedded real system leadership and are supporting other schools to improve, growing their own leadership capacity as they do this.

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Review of activities

The priorities set for the academies in the Improvement Plans for 2017-18 are detailed in the Objectives and Activities section. The performance achieved against these activities is detailed below:

Assessment

The Outcomes for academic year 2017-18 were as follows:

Percentage of pupils achieving age-related expectations at Foundation Stage and at the end of KS1 and KS2 (greater depth percentages are shown in brackets)

Manor Primary

SUBJECT	FOUNDATION STAGE	KS1	KS2
Reading	84%	93% (51%)	97% (47%)
Writing	83%	93% (37%)	100% (47%)
Maths	88%	94% (43%)	100% (37%)
SPAG	n/a	n/a	98% (32%)
Combined	80%	90%	97%
National Average	71.5%	n/a	64%

Hill Avenue Academy

SUBJECT	FOUNDATION STAGE	KS1	KS2
Reading	75%	87% (29%)	93% (27%)
Writing	77%	84% (29%)	89% (31%)
Maths	75%	87% (27%)	91% (29%)
SPAG	n/a	n/a	91% (47%)
Combined	75%	80%	87% (27%)
National Average	71.5%	n/a	64% (10%)

c. Review of activities (continued)

East Park Academy

SUBJECT	FOUNDATION STAGE	KS1	KS2
Reading	73%	80% (28%)	81% (21%)
Writing	73%	77% (21%)	87% (13%)
Maths	74%	78% (33%)	83% (25%)
SPAG	n/a	n/a	78%
Combined	73%	n/a	73% (9%)
National Average	71.5%	n/a	64% (10%)

Attainment in Phonics

SCHOOL	YEAR 1 % ACHIEVED	YEAR 2 RETAKES % ACHIEVED
Manor Primary	90%	100%
Hill Avenue	90%	100%
East Park	89%	95%
National Average	82%	68%

Attendance

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

- Manor Primary School - 96.8%
- East Park Academy - 94.2%
- Hill Avenue Academy – 95.4%

c. Review of activities (continued)

Site and equipment

A number of site and ICT investment has been achieved over the course of the year including:

- Replacement of the heating system at East Park, as part of a successful Capital Improvement Fund (CIF) application;
- Resurfacing of the playground and car park at Hill Avenue;
- Replacement of the wireless network at Hill Avenue;
- New pupil laptops and iPads at all three academies and a new server at East Park;
- New Multi Use Games Area (MUGA) at Hill Avenue;
- Cloakroom and corridor ceiling and lighting improvements at Manor and Hill Avenue;
- New pupil furniture in the Nursery setting at Manor.

d. Fundraising activities/Income generation

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.

e. 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.

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.

At 31 August 2018 the Trust had free reserves of £1,130,029 (2017 - £942,233), fixed asset reserves of £8,546,754 (2017 - £8,076,508) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £3,535,000 (2017 - £3,834,000).

The level of reserves is above that agreed by Trustees in the annual budget plan. The increase in unrestricted reserves during 2017-18 is linked to allocations made in the budgets for revenue contributions towards capital projects where the applications for CIF funding were eventually unsuccessful in 2017-18. Funds have been set aside for future expenditure associated with the capital improvement of the five academy sites. The Trust has resubmitted bids in 2018-19 for the three CIF projects we were unsuccessful with in 2017-18 and, if successful, this will lead to significant revenue contributions towards these projects from the Trust reserves. The sites will also need capital investment, funded by revenue contributions, to allow them to provide a 30 hour Nursery provision across three of the academies.

The aim of the Trust board is to gradually reduce reserves levels, through careful targeting on key priorities, so that they are equivalent to one month of GAG funding – currently this would be around £570,000.

b. Material investments 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 will be implemented during 2018/19, 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 annually. 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.

Plans for future periods

a. Future developments

The strategy of the Trust is to grow via a mixture of sponsorship and convertor schools and the Trust will expand to take on another two convertor academies during this academic year – Foley Infant School and Brindley Heath Junior School. Both schools are located in Staffordshire and are proposed to join the Trust in April 2019.

The priorities in the School Improvement Plans for the current academies in 2018-19 are:

Manor Primary School

Priority 1: To improve coaching culture and leadership capacity to create effective distributed leadership model in all phases that creates climate of high quality teaching and outstanding outcomes

Priority 2: To improve T&L and provision in EYFS in order to further improve outcomes

Priority 3: To further improve the quality of T&L of English so that it leads to the highest of standards in all year groups

Priority 4: To further improve the quality of teaching in mathematics so that it leads to the highest of standards in all year groups

Priority 5: Further improve quality of teaching & learning by providing highly effective development programme to all NQTs and RQTs to ensure quality of teaching and learning is good with outstanding features by the end of their first year and outstanding by the second year and a programme to all other staff so that outstanding T&L is sustained and develop self-improving reflective teachers.

East Park Academy

Priority 1: Teaching and Learning & Standards and Achievement
Continue to improve quality of teaching, learning and assessment

Priority 2: Behaviour, Safety and welfare
Continue to improve pupils' personal development, behaviour and welfare

Priority 3: Leadership and Management & T&L
Continue to Improve provision in the Early Years

Hill Avenue Academy

Priority 1: Leadership and Management
Developing capacity at all levels so that all leaders collectively influence and are accountable for school improvement

Priority 2: Standards and Achievement
Further improve pupil outcomes for EYFS (GLD), key stages 1 and 2 so that they are significantly above national expectations

Priority 3: Behaviour, Safety and welfare
For all disadvantaged children to make better than expected rates of progress and more able disadvantaged children to be working at greater depth by the end of Year 6

Priority 4: Teaching and Learning
For the quality of teaching and learning to be consistently outstanding over time in all classes and in all subjects

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Trustees' report (continued)
For the Year Ended 31 August 2018

a. Future developments (continued)

St Thomas' Church of England Academy

Priority 1: To improve quality of T&L across the school so that it is at least consistently good in all classes in order to improve rates of progress and pupil outcomes

Priority 2: To improve provision for SEND learners so they make greater rates of progress

Priority 3: To improve curriculum provision in English, maths and the wider curriculum so that pupil groups are challenged and make rapid and sustained rates of progress

Priority 4: To improve quality of leadership in order to increase percentages of children making better than expected progress and raise standards of attainment in reading, writing and mathematics.

Priority 5: To review safeguarding procedures to ensure they are highly effective and followed by all school staff

St Alban's Church of England Academy

Priority 1: Improve quality of teaching & learning so that it is at least consistently good in all classes across the curriculum in order to improve pupil outcomes

Priority 2: Improve quality of leadership in order to increase percentages of children making better than expected progress and raise standards of attainment in reading, writing and mathematics.

Priority 3: Improve quality of the curriculum in order to increase percentages of children making better than expected progress and raise standards of attainment in reading, writing and mathematics.

Priority 4: To review safeguarding procedures to ensure they are highly effective and followed by all school staff

Key site priorities for 2018-19 have been identified as:

- The replacement of the heating systems at Manor and Hill Avenue, subject to successful bids for Condition Improvement Funding;
- The replacement of the roof at East Park Academy, subject to a successful bid for Condition Improvement Funding;
- Development of the buildings at Manor, East Park and Hill Avenue to allow for the delivery of the 30 hour Nursery provision;
- Resurfacing works to the playground at Hill Avenue Academy.

All SIPs have clear measurable success criteria, milestones, clear actions, timescales and clear evaluations of impact.
Funds held as custodian

The Trust does not hold any funds as custodian trustee as at 31 August 2018.

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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

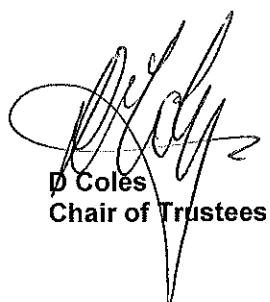
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Trustees' report (continued)
For the Year Ended 31 August 2018

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 11 December 2018 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.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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. 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	5	5
A Cliff, Executive Head Teacher	5	5
A J Dibble	4	5
S Farnell	4	5
D C Knipe (resigned 17 October 2017)	0	1
K Morgan	4	5
M I Morris (appointed 16 October 2018)	0	0
H Smith	5	5
Revd N E Watson (appointed 1 September 2018)	0	0
T Whatmore	5	5

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 and challenge to East Park and Hill Avenue to enable them to meet their ambitious targets for achievement in 2017/18. The Board have also worked on growing the Trust and an additional two academies joined in September 2018. The process of converting the two new academies was more complex as these were the first Church of England schools to join the Trust. The composition of both Members and Trustees has changed to accommodate the new requirements and the Board have adopted new Articles of Association during the year. Since the sponsored conversions of both East Park and Hill Avenue in December 2016, the Board had also provided the roll of Local Governing Body for these academies, until it was felt they were in a more secure position. During this academic year individual Local Governing Bodies have been established for firstly Hill Avenue and then East Park and there is still Trustee representation on each of these. The Board have also worked on establishing and recruiting to new posts within the MAT structure, to allow for the continued expansion of the Trust, and during the year new posts have been established to allow the academies to access additional centrally provided support in relation to ICT and data management.

Attendance levels this year have been good with total attendance at Board of Trustees meetings being at 90% and attendance at Finance Committee being at 75%.

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Governance Statement (continued)

Governance (continued)

The skills of the Trustees and members of the Local Governing Body are continually monitored and new appointments have, and will continue to be, based on a skills audit. All Trustees and Governors have 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 around the change in governance structure to accommodate the new Church of England academies and the adoption of the new Articles of Association. There were also challenges associated with the conversions, which were delayed from April 2018 to September 2018, due to land issues.

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 at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Cliff	4	4
D Coles	4	4
D C Knipe (resigned 17 October 2017)	0	1
K Morgan	3	3
M Sharif	3	4
T Whatmore	1	4

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 at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Coles	1	1
D C Knipe	0	0
K Morgan	1	1
M Sharif	1	1
T Whatmore	1	1

Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Executive Head Teacher 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 service level agreements traded through the Local Authority and external providers have again been reviewed, and these have been replaced, or removed altogether, where they have not represented value for money;
- 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 all major contracts and finalising the process of awarding these e.g. a new catering contract that commenced in October 2017 and a new finance system that was implemented in April 2018;
- The staffing structures have been reviewed to allow the Trust to take on additional academies. 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, premises, ICT, GDPR and data management;
- The Trust has robust monitoring and purchasing systems in place to ensure there is no wastage or extravagance;
- Ensuring management accounts and budgets were monitored and reviewed at least termly by the Finance Committee during 2017/18, with accounts now being prepared monthly in 2018/19.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Governance Statement (continued)

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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditor, to perform additional checks.

The auditor's 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:

Income testing, purchase testing, payroll testing, petty cash and credit card testing, bank reconciliation review, general month end procedural review and fixed asset tendering procedure review.

On an annual basis, the external auditor report to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The auditor has delivered their schedule of work as planned.


Review of Effectiveness

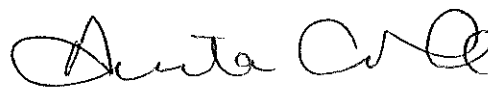
As Accounting Officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- 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 11 December 2018 and signed on their behalf, by:


D Coles
Chair of Trustees


A Cliff
Accounting Officer

Manor Multi Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Manor Multi Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 2017.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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: 11 December 2018

Manor Multi Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2018

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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 11 December 2018 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 for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

This report is made solely to the 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 Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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 Auditor's report thereon. Our opinion on the financial statements does not cover the 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 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.

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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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's or to cease operations, or have no realistic alternative but to do so.

Manor Multi Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Manor Multi Academy Trust

Auditor's responsibilities for the audit of the financial statements

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

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



Julian Townsend ACA FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
11 December 2018

Manor Multi Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Manor Multi Academy Trust and the Education and 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 2017 to 2018, 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 2017 to 31 August 2018 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 the 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 the 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 the 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 January 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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 accountants' assurance report on regularity to Manor Multi Academy Trust and the Education and 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 2017 to 31 August 2018 have 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

Birmingham

11 December 2018

Manor Multi Academy Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2018


	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	6,154,771
Other donations and capital grants	2	76,292	-	472,565	548,857	227,451
Charitable activities:	3					
Funding for Trust's educational operations		98,848	7,214,173	-	7,313,021	5,603,483
Teaching schools	26	20,767	483,670	-	504,437	155,034
Other trading activities	4	10,735	-	-	10,735	11,545
Investments	5	551	-	-	551	406
Total income		207,193	7,697,843	472,565	8,377,601	12,152,690
Expenditure on:						
Raising funds		50,636	-	-	50,636	44,082
Trust educational operations		117,929	7,075,082	249,443	7,442,454	5,948,866
Teaching schools	26	-	550,649	-	550,649	188,064
Total expenditure	6	168,565	7,625,731	249,443	8,043,739	6,181,012
Net income before transfers		38,628	72,112	223,122	333,862	5,971,678
Transfers between Funds	16	(57,479)	(189,465)	246,944	-	-
Net income / (expenditure) before other recognised gains and losses		(18,851)	(117,353)	470,066	333,862	5,971,678
Actuarial loss on defined benefit pension schemes		-	623,000	-	623,000	(361,000)
Net movement in funds		(18,851)	505,647	470,066	956,862	5,610,678
Reconciliation of funds:						
Total funds brought forward		928,569	(3,820,336)	8,076,508	5,184,741	(425,937)
Total funds carried forward		909,718	(3,314,689)	8,546,574	6,141,603	5,184,741

Manor Multi Academy Trust
(A company limited by guarantee)
Registered number: 09323792

Balance sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		8,546,574		8,073,436
Current assets					
Debtors	14	573,137		332,799	
Cash at bank and in hand		1,385,831		1,387,939	
			1,958,968	1,720,738	
Creditors: amounts falling due within one year	15	(828,939)		(775,433)	
Net current assets			1,130,029		945,305
Total assets less current liabilities			9,676,603		9,018,741
Defined benefit pension scheme liability	22		(3,535,000)		(3,834,000)
Net assets including pension scheme liabilities			6,141,603		5,184,741
Funds of the Trust					
Restricted funds:					
Restricted income funds	16	220,311		13,664	
Restricted fixed asset funds	16	8,546,574		8,076,508	
Restricted income funds excluding pension liability		8,766,885		8,090,172	
Pension reserve		(3,535,000)		(3,834,000)	
Total restricted funds			5,231,885		4,256,172
Unrestricted income funds	16		909,718		928,569
Total funds			6,141,603		5,184,741

The financial statements on pages 24 to 52 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:


D Coles
Chair of Trustees

Manor Multi Academy Trust
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>247,190</u>	<u>375,192</u>
Cash flows from investing activities:			
Bank interest receivable		718	575
Purchase of tangible fixed assets		(722,581)	(357,142)
Capital grants from DfE Group		472,565	146,824
Net cash used in investing activities		<u>(249,298)</u>	<u>(209,743)</u>
Cash flows from financing activities:			
Cash transferred on conversion to an academy trust		-	520,244
Net cash provided by financing activities		<u>-</u>	<u>520,244</u>
Change in cash and cash equivalents in the year		(2,108)	685,693
Cash and cash equivalents brought forward		<u>1,387,939</u>	<u>702,246</u>
Cash and cash equivalents carried forward	19	<u><u>1,385,831</u></u>	<u><u>1,387,939</u></u>

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 the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), have been prepared under the historical cost convention in accordance with 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Manor Multi Academy Trust constitutes a public benefit entity as defined by 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.

1.3 Income

All incoming resources are recognised when the Trust has entitlement to the funds, it is probable that the income will be received and the amount of income receivable 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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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.

1. Accounting policies (continued)

1.4 Income (continued)

Donations

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

Other income

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

Transfer on conversion

Where assets 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 risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants to the net assets received.

1.5 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

Expenditure on raising funds 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

Expenditure on charitable activities 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 expenditure is inclusive of irrecoverable VAT.

1.6 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 Bank.

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives 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.

1.8 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.

1.9 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.

1.10 Liabilities and provisions

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

1. Accounting policies (continued)

1.11 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.12 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from East Park Primary School and Hill Avenue Primary School to academy trusts 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 20.

1. Accounting policies (continued)

1.15 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 so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

1.16 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 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.

Notes to the financial statements
For the Year Ended 31 August 2018

1. Accounting policies (continued)

1.17 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 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/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2018. 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.

Critical areas of judgement:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	-	-	-	-	6,154,771
Donations	15,279	-	-	15,279	32,954
Capital Grants	-	-	472,565	472,565	146,824
School trips	61,013	-	-	61,013	47,673
Subtotal	76,292	-	472,565	548,857	227,451
	76,292	-	472,565	548,857	6,382,222
Total 2017	556,816	(2,218,000)	8,043,406	6,382,222	

Manor Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2018

3. Funding for Trust's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,411,663	5,411,663	4,231,384
Start up grants	-	50,000	50,000	50,000
Other DfE Group grants	-	119,297	119,297	51,724
Pupil Premium	-	616,677	616,677	456,072
Universal Infant Free School Meals grant	-	197,743	197,743	101,219
	-	6,395,380	6,395,380	4,890,399
Other government grants				
Local Authority grants	-	590,533	590,533	468,635
Expansion programme LAG funding	-	91,696	91,696	86,546
	-	682,229	682,229	555,181
Other funding				
Catering income	4,990	91,240	96,230	68,269
Support to other schools	74,401	-	74,401	40,820
Training income	1,195	-	1,195	-
Insurance income	-	-	-	1,000
Maternity pooling reimbursement	-	45,324	45,324	13,869
School uniform and other income	18,262	-	18,262	33,945
	98,848	136,564	235,412	157,903
	98,848	7,214,173	7,313,021	5,603,483
Total 2017	78,992	5,524,491	5,603,483	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of premises	10,735	-	10,735	11,545
Total 2017	11,545	-	11,545	

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5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	551	-	551	406
Total 2017	406	-	406	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					44,082
Direct costs	-	-	50,636	50,636	-
Support costs	-	-	-	-	-
Educational Operations:					
Direct costs	4,726,301	153,888	434,598	5,314,787	4,267,206
Support costs	731,796	426,504	969,367	2,127,667	1,681,660
Teaching schools (note 26)	229,610	1,124	319,915	550,649	188,064
	5,687,707	581,516	1,774,516	8,043,739	6,181,012
Total 2017	4,317,211	521,226	1,342,575	6,181,012	

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7. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	<u>5,314,787</u>	<u>2,127,667</u>	<u>7,442,454</u>	<u>5,948,866</u>
Total 2017	<u>4,267,206</u>	<u>1,681,660</u>	<u>5,948,866</u>	

Analysis of direct costs

	Total 2018 £	Total 2017 £
LGPS finance costs	95,000	72,000
Educational supplies	189,063	180,546
Staff development	30,943	32,838
Other direct costs	66,061	52,032
Agency and staff restructuring costs	53,531	176,082
Wages and salaries	3,428,519	2,681,761
National insurance	318,420	259,571
Pension cost	979,362	706,713
Depreciation	153,888	105,663
	<u>5,314,787</u>	<u>4,267,206</u>
At 31 August 2017	<u>4,267,206</u>	

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Notes to the financial statements
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total 2018 £	Total 2017 £
Staff costs	731,796	487,684
Depreciation	95,555	60,400
Advertising and marketing	10,704	15,414
Professional services	219,971	169,613
Catering costs	330,377	275,868
Maintenance of premises	252,249	185,442
Maintenance of equipment	50,099	28,961
Cleaning	36,713	100,421
Operating leases	7,042	9,321
Rates	13,821	9,895
Water rates	24,533	12,005
Energy	83,761	60,156
Insurance	51,256	26,560
Telephone and internet	16,521	12,406
Other support costs	130,398	122,537
Governance costs	72,871	104,977
	<u>2,127,667</u>	<u>1,681,660</u>
At 31 August 2017	<u>1,681,660</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	249,443	166,063
Auditors' remuneration - audit	11,675	10,950
Auditors' remuneration - other services	850	850
Operating lease rentals	7,042	9,321
	<u>279,810</u>	<u>187,984</u>

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9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,254,837	3,227,301
Social security costs	367,142	293,377
Operating costs of defined benefit pension schemes	1,065,728	755,221
	<u>5,687,707</u>	<u>4,275,899</u>
Staff restructuring costs	-	41,312
	<u>5,687,707</u>	<u>4,317,211</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	-	16,012
Severance payments	-	25,300
	<u>-</u>	<u>41,312</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017 - £25,300). In the prior year, two individual payments of £11,800 and £13,500 were made.

c. Staff numbers

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

	2018 No.	2017 No.
Management	9	7
Teaching	65	59
Educational Support	59	61
Premises	27	12
Finance and Administration	16	13
Lunchtime	21	26
	<u>197</u>	<u>178</u>

Notes to the financial statements
For the Year Ended 31 August 2018

9. Staff costs (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	1	0
In the band £110,001 - £120,000	1	1

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
A Cliff, Executive Head Teacher	Remuneration	115,000-120,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year, no Trustees received any benefits in kind (2017 - £Nil).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £Nil).

11. Shared services

No central services were provided by the Trust to its academies during the year and no central charges arose.

12. 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 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.

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Notes to the financial statements
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13. Tangible fixed assets

	Long-term leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2017	7,931,778	102,017	211,217	8,245,012
Additions	528,599	56,107	137,875	722,581
At 31 August 2018	<u>8,460,377</u>	<u>158,124</u>	<u>349,092</u>	<u>8,967,593</u>
Depreciation				
At 1 September 2017	105,663	14,923	50,990	171,576
Charge for the year	153,888	24,891	70,664	249,443
At 31 August 2018	<u>259,551</u>	<u>39,814</u>	<u>121,654</u>	<u>421,019</u>
Net book value				
At 31 August 2018	<u>8,200,826</u>	<u>118,310</u>	<u>227,438</u>	<u>8,546,574</u>
At 31 August 2017	<u>7,826,115</u>	<u>87,094</u>	<u>160,227</u>	<u>8,073,436</u>

No value is included in the financial statements for Manor Primary School's land and buildings as this is still owned by the Local Authority while the expansion programme is completed. A lease for the land and buildings has been signed on 9 October 2018.

14. Debtors

	2018 £	2017 £
Trade debtors	14,293	23,767
VAT recoverable	234,991	69,998
Other debtors	1,422	-
Prepayments and accrued income	322,431	239,034
	<u>573,137</u>	<u>332,799</u>

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15. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	284,247	-
Other taxation and social security	-	35,276
Accruals and deferred income	544,692	740,157
	<u>828,939</u>	<u>775,433</u>
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	211,329	156,365
Resources deferred during the year	276,460	211,329
Amounts released from previous years	(211,329)	(156,365)
	<u>276,460</u>	<u>211,329</u>
Deferred income at 31 August 2018	<u>276,460</u>	<u>211,329</u>

At the balance sheet date the Trust was holding funds received in advance for Universal Infant Free School Meals grant, Devolved Formula Capital grant and Early Years nursery funding, and unspent conversion grants and Strategic School Improvement Fund grant.

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16. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	626,633	186,426	(168,565)	-	-	644,494
Teaching School	301,936	20,767	-	(57,479)	-	265,224
	<u>928,569</u>	<u>207,193</u>	<u>(168,565)</u>	<u>(57,479)</u>	<u>-</u>	<u>909,718</u>
Restricted funds						
General Annual Grant (GAG)	-	5,411,663	(4,957,221)	(238,295)	-	216,147
Start Up Grant	4,164	50,000	(50,000)	-	-	4,164
Pupil Premium	-	635,200	(635,200)	-	-	-
Teaching School	9,500	483,670	(550,649)	57,479	-	-
Other DfE Group grants	-	317,040	(317,040)	-	-	-
Other government grants	-	663,706	(655,057)	(8,649)	-	-
Other grants	-	136,564	(136,564)	-	-	-
Pension reserve	(3,834,000)	-	(324,000)	-	623,000	(3,535,000)
	<u>(3,820,336)</u>	<u>7,697,843</u>	<u>(7,625,731)</u>	<u>(189,465)</u>	<u>623,000</u>	<u>(3,314,689)</u>
Restricted fixed asset funds						
Capital surplus transferred on conversion	48,864	-	(3,880)	-	-	44,984
Assets transferred on conversion	7,729,666	-	(173,989)	-	-	7,555,677
DfE Group capital grants	148,771	472,565	(18,873)	-	-	602,463
Capital expenditure from GAG	149,207	-	(52,701)	238,295	-	334,801
Capital expenditure from other funding	-	-	-	8,649	-	8,649
	<u>8,076,508</u>	<u>472,565</u>	<u>(249,443)</u>	<u>246,944</u>	<u>-</u>	<u>8,546,574</u>
Total restricted funds	<u>4,256,172</u>	<u>8,170,408</u>	<u>(7,875,174)</u>	<u>57,479</u>	<u>623,000</u>	<u>5,231,885</u>
Total of funds	<u>5,184,741</u>	<u>8,377,601</u>	<u>(8,043,739)</u>	<u>-</u>	<u>623,000</u>	<u>6,141,603</u>

16. 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 directors. These funds are likely to be used for future expenditure associated with a staffing restructure to allow the Trust to take on additional schools, to restructure the management of the Teaching School provision and for contributions towards the cost of any successful CIF funded projects.

Restricted funds

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

Teaching school

A deficit of £46,212 (2017 - deficit of £33,030) was made on teaching school activities in the year, being a deficit of £66,979 (2017 - deficit of £9,849) within restricted funds and a surplus of £20,767 (2017 - deficit of £23,181) within unrestricted funds.

Pension reserve

The pension reserve included within restricted general funds represents the academy'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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16. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Manor Primary School	545,473	573,926
East Park Academy	457,008	292,495
Hill Avenue Academy	127,548	75,812
	<u>1,130,029</u>	<u>942,233</u>
Total before fixed asset fund and pension reserve		
Restricted fixed asset fund	8,546,574	8,076,508
Pension reserve	(3,535,000)	(3,834,000)
	<u>6,141,603</u>	<u>5,184,741</u>
Total		

Analysis of academies by cost

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 depreciat- ion £	Total 2018 £	Total 2017 £
Manor Primary School	1,671,145	343,008	148,964	786,228	2,949,345	2,408,718
East Park Academy	2,406,838	308,837	196,337	530,663	3,442,675	2,681,191
Hill Avenue Academy	842,378	115,501	68,849	280,368	1,307,096	925,040
	<u>4,920,361</u>	<u>767,346</u>	<u>414,150</u>	<u>1,597,259</u>	<u>7,699,116</u>	<u>6,014,949</u>

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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds	158,806	643,369	(98,468)	(77,074)	-	626,633
Teaching School	325,117	53,734	(76,915)	-	-	301,936
	<u>483,923</u>	<u>697,103</u>	<u>(175,383)</u>	<u>(77,074)</u>	<u>-</u>	<u>928,569</u>
Restricted funds						
General Annual Grant (GAG)	67,194	4,231,384	(4,214,920)	(83,658)	-	-
Start Up Grant	4,164	-	-	-	-	4,164
Pupil Premium	-	483,607	(483,607)	-	-	-
Teaching School	19,349	101,300	(111,149)	-	-	9,500
Other DfE Group grants	-	202,943	(202,943)	-	-	-
Other government grants	-	527,646	(527,646)	-	-	-
Other grants	-	83,301	(83,301)	-	-	-
Pension reserve	(1,039,000)	(2,218,000)	(216,000)	-	(361,000)	(3,834,000)
	<u>(948,293)</u>	<u>3,412,181</u>	<u>(5,839,566)</u>	<u>(83,658)</u>	<u>(361,000)</u>	<u>(3,820,336)</u>
Restricted fixed asset funds						
Capital surplus transferred on conversion	9,051	39,813	-	-	-	48,864
Assets transferred on conversion	25,587	7,856,770	(152,691)	-	-	7,729,666
DfE Group capital grants	3,795	146,823	(1,847)	-	-	148,771
Capital expenditure from GAG	-	-	(11,525)	160,732	-	149,207
	<u>38,433</u>	<u>8,043,406</u>	<u>(166,063)</u>	<u>160,732</u>	<u>-</u>	<u>8,076,508</u>
Total restricted funds	<u>(909,860)</u>	<u>11,455,587</u>	<u>(6,005,629)</u>	<u>77,074</u>	<u>(361,000)</u>	<u>4,256,172</u>
Total of funds	<u>(425,937)</u>	<u>12,152,690</u>	<u>(6,181,012)</u>	<u>-</u>	<u>(361,000)</u>	<u>5,184,741</u>

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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	158,806	829,795	(267,033)	(77,074)	-	644,494
Teaching School	325,117	74,501	(76,915)	(57,479)	-	265,224
	<u>483,923</u>	<u>904,296</u>	<u>(343,948)</u>	<u>(134,553)</u>	<u>-</u>	<u>909,718</u>
Restricted funds						
General Annual Grant (GAG)	67,194	9,643,047	(9,172,141)	(321,953)	-	216,147
Start Up Grant	4,164	50,000	(50,000)	-	-	4,164
Pupil Premium	-	1,118,807	(1,118,807)	-	-	-
Teaching School	19,349	584,970	(661,798)	57,479	-	-
Other DfE Group grants	-	519,983	(519,983)	-	-	-
Other government grants	-	1,191,352	(1,182,703)	(8,649)	-	-
Other grants	-	219,865	(219,865)	-	-	-
Pension reserve	(1,039,000)	(2,218,000)	(540,000)	-	262,000	(3,535,000)
	<u>(948,293)</u>	<u>11,110,024</u>	<u>(13,465,297)</u>	<u>(273,123)</u>	<u>262,000</u>	<u>(3,314,689)</u>
Restricted fixed asset funds						
Capital surplus transferred on conversion	9,051	39,813	(3,880)	-	-	44,984
Assets transferred on conversion	25,587	7,856,770	(326,680)	-	-	7,555,677
DfE Group capital grants	3,795	619,388	(20,720)	-	-	602,463
Capital expenditure from GAG	-	-	(64,226)	399,027	-	334,801
Capital expenditure from other funding	-	-	-	8,649	-	8,649
	<u>38,433</u>	<u>8,515,971</u>	<u>(415,506)</u>	<u>407,676</u>	<u>-</u>	<u>8,546,574</u>
	<u>(909,860)</u>	<u>19,625,995</u>	<u>(13,880,803)</u>	<u>134,553</u>	<u>262,000</u>	<u>5,231,885</u>
Total of funds	<u>(425,937)</u>	<u>20,530,291</u>	<u>(14,224,751)</u>	<u>-</u>	<u>262,000</u>	<u>6,141,603</u>

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17. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,546,574	8,546,574
Current assets	909,718	1,049,250	-	1,958,968
Creditors due within one year	-	(828,939)	-	(828,939)
Provisions for liabilities and charges	-	(3,535,000)	-	(3,535,000)
	<u>909,718</u>	<u>(3,314,689)</u>	<u>8,546,574</u>	<u>6,141,603</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,073,436	8,073,436
Current assets	928,569	789,097	3,072	1,720,738
Creditors due within one year	-	(775,433)	-	(775,433)
Provisions for liabilities and charges	-	(3,834,000)	-	(3,834,000)
	<u>928,569</u>	<u>(3,820,336)</u>	<u>8,076,508</u>	<u>5,184,741</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	333,862	5,971,678
Adjustment for:		
Depreciation	249,443	166,063
Bank interest receivable	(718)	(575)
Increase in debtors	(240,338)	(212,773)
Increase in creditors	53,506	540,637
Capital grants from DfE and other capital income	(472,565)	(146,824)
Defined benefit pension scheme obligation inherited	-	2,218,000
Defined benefit pension scheme cost less contributions payable	324,000	216,000
Assets transferred from Local Authority on conversion	-	(8,377,014)
Net cash provided by operating activities	<u>247,190</u>	<u>375,192</u>

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19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	1,385,831	1,387,939
Total	<u>1,385,831</u>	<u>1,387,939</u>

20. Conversion to an academy trust

In the prior year, East Park Academy and Hill Avenue Academy 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.

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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities during 2017.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	7,727,189	7,727,189
- Other tangible fixed assets	-	-	129,581	129,581
Budget surplus on LA funds	439,599	-	39,812	479,411
Budget surplus on other school funds	36,590	-	-	36,590
LGPS pension deficit	-	(2,218,000)	-	(2,218,000)
Net assets/(liabilities)	<u>476,189</u>	<u>(2,218,000)</u>	<u>7,896,582</u>	<u>6,154,771</u>

The above net assets include £520,244 that was transferred as cash.

21. Capital commitments

At 31 August 2018 the Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>80,280</u>	<u>85,738</u>

22. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 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

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £423,000 (2017 - £319,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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22. Pension commitments (continued)

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £420,000 (2017 - £308,000), of which employer's contributions totalled £334,000 (2017 - £249,000) and employees' contributions totalled £86,000 (2017 - £59,000). The agreed contribution rates for future years are 20.4% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.60 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	21.9 years	21.8 years
Females	24.4 years	24.3 years
Retiring in 20 years		
Males	24.1 years	24.0 years
Females	26.7 years	26.6 years

	At 31 August 2018	At 31 August 2017
	£	£
Sensitivity analysis		
Discount rate +0.1%	(121,000)	(118,000)
Discount rate -0.1%	124,000	121,000
Mortality assumption - 1 year increase	147,000	142,000
Mortality assumption - 1 year decrease	(141,000)	(138,000)
CPI rate +0.1%	102,000	91,000
CPI rate -0.1%	(99,000)	(87,000)

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22. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	668,000	400,000
Government bonds	75,000	47,000
Other bonds	39,000	24,000
Property	85,000	47,000
Cash/liquidity	39,000	32,000
Other	147,000	85,000
	<u>1,053,000</u>	<u>635,000</u>
Total market value of assets	<u>1,053,000</u>	<u>635,000</u>

The actual return on scheme assets was £9,000 (2017 - £59,000).

The amounts recognised in the Statement of financial activities are as follows:

	2018 £	2017 £
Current service cost	(563,000)	(393,000)
Interest cost	(95,000)	(72,000)
	<u>(658,000)</u>	<u>(465,000)</u>
Total	<u>(658,000)</u>	<u>(465,000)</u>
Actual return on scheme assets	<u>9,000</u>	<u>59,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	4,469,000	1,241,000
Liabilities assumed upon conversion	-	2,218,000
Current service cost	563,000	393,000
Interest cost	117,000	80,000
Employee contributions	86,000	59,000
Benefits paid	(11,000)	(9,000)
Actuarial (gains)/losses	(636,000)	487,000
	<u>4,588,000</u>	<u>4,469,000</u>
Closing defined benefit obligation	<u>4,588,000</u>	<u>4,469,000</u>

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22. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	635,000	202,000
Actuarial (losses)/gains	(13,000)	126,000
Interest income	22,000	8,000
Employee contributions	86,000	59,000
Benefits paid	(11,000)	(9,000)
Employer contributions	334,000	249,000
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,053,000</u>	<u>635,000</u>

23. Operating lease commitments

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	5,447	8,173
Between 1 and 5 years	9,928	13,873
	<hr/>	<hr/>
Total	<u>15,375</u>	<u>22,046</u>

24. 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.

25. Related party transactions

A Coles, wife of D Coles, the Chair of Trustees, is employed by the Trust as a teacher. 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.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

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26. Teaching school trading account

	2018 £	2018 £	2017 £	2017 £
Income				
Direct income				
Grant and consultancy income	504,270		154,865	
Other income				
Bank interest	167		169	
Total income		504,437		155,034
Expenditure				
Direct expenditure				
Direct staff costs	194,060		117,691	
Staff coaching and mentoring	14,673		-	
Other direct costs	9,243		2,580	
Total Direct expenditure	217,976		120,271	
Other expenditure				
Other staff costs	35,550		22,480	
Other support costs	297,123		45,313	
Total Other expenditure	332,673		67,793	
Total expenditure		550,649		188,064
Deficit from all sources		(46,212)		(33,030)
Teaching school balances at 1 September 2017		311,436		344,466
Teaching school balances at 31 August 2018		265,224		311,436