

REGISTERED COMPANY NUMBER 07816548 (England and Wales)
EXEMPT CHARITY

REPORT AND FINANCIAL STATEMENTS
PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012
MANOR SCHOOL SPORTS COLLEGE
(A Company Limited by Guarantee)

Smith Hodge & Baxter
Chartered Accountants
& Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

MONDAY



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COMPANIES HOUSE

MANOR SCHOOL SPORTS COLLEGE

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FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

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MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER: 07816548)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

Governors	Mr Gary Croxford Mrs Julie Gradwell Mr Edward Hudson Mr Matthew Hurren (Staff Governor) Mrs Julie Johnson Mrs Sandra Jones (appointed 23/01/2012) Mr Richard Levell (appointed 08/03/2012) Mrs Debbie Paton Mr James Slater (Staff Governor) Mr David Thoday Mr Martin Brooks (resigned 02/11/2011) Mr Roderick Cooper (resigned 02/11/2011) Mrs Janet Wood (resigned 02/11/2011)
Members and Governors	Mrs Linda Brooks (Principal and Accounting Officer) Mr Dudley Hughes (Chairman) Mr Lance Jones Mr Michael Busby Mr David Little Mrs Patricia Wordon
Principal	Mrs Linda Brooks
Vice Principal	Mr Javier Sanchez
Company Secretary/ Director of Business & Finance	Mr David Little
Responsible Officer	Mr Neil Repton
Principal and Registered office	Mountbatten Way RAUNDS NN9 6PA
Company Registration Number	07816548 (England and Wales)
Independent Auditor	Smith Hodge & Baxter Chartered Accountants & Statutory Auditors Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL
Bankers	Lloyds Bank 133 High Street Rushden Northamptonshire NN1 5NB
Solicitors	Tollers Solicitors 2 Castilian Street Northampton NN1 1JX
Subsidiary undertaking	Manor School Co-operative Limited

GOVERNORS' REPORT

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

The Governors present their report together with the financial statements and auditors' report of the charitable company for the period ended 31st August 2012. The report has been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out therein, and comply with the Academy's memorandum and articles of association, the Companies Act 2006, the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005'), and the requirements of "Academies Accounts Direction 2011/12" as issued by the Education Funding Agency in August 2012.

The Governors have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The Governors ensure that the Academy's activities are undertaken in line with the charitable objects and aims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company, limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. Some of the Governors act as the trustees for the charitable activities of Manor School Sports College and are also directors of the Charitable Company for the purposes of company law.

Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are 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.

Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Principal activities

The Academy Trust's principal activity, as set out in its articles of association and funding agreement is to advance, for the public benefit, education in the United Kingdom through its carrying on as a school offering a broad curriculum with emphasis on a particular specialism being sport.

Method of recruitment and appointment or election of Governors.

Governors of the Academy are nominated by either the Secretary of State for Education, the Local Authority or members of the Charitable Company. Parent Governors are elected by parents of registered pupils at the Academy. The Principal is treated as an ex officio Governor. The articles of association require no less than three Governors.

The term of office for any Governor, shall be 4 years except the Principal who remains a Governor whilst in post. Governors are eligible for re-election at the meeting at which they retire.

Policies and procedures adopted for the induction and training of Governors

During the period under review the Governors held five Full Governors Meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The management structure consists of four levels, the Governors, the Principal, the Senior leadership team and the Extended leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and appointment of the Principals and the Director of Business and Finance.

GOVERNORS' REPORT (continued)

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Senior Leaders are the Principal, the Vice Principal, two Assistant Principals and the Director of Business and Finance. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

The Extended leadership team includes the Leadership team and the Heads of Faculties. These leaders are responsible for the day to day operation of the faculties within the Academy and for a whole approach.

Risk management

The Governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

CONNECTED ORGANISATIONS INCLUDING RELATED PARTY RELATIONSHIPS

Subsidiary company

The Manor School Sports College owns 100% of the issued ordinary shares of Manor School Co-operative Limited, a company incorporated in England and Wales (registration no. 77877519). Further details regarding the subsidiary company are given in note 14 to the financial statements.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the Academy is to provide education for pupils of different abilities between the ages of 11 and 19.

In accordance with the articles of association the Academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on sports.

Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2012 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

GOVERNORS' REPORT (continued)

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

The Academy's main strategy to carry out the objects is to provide education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff, and especially teaching staff,
- secondments and placing of students with industrial and commercial partners,
- a programme of sporting and after school leisure activities for all students,
- a system of after school clubs to allow students to explore science and technology in a practical and project orientated way,
- a careers advice and a guidance programme to help students obtain employment or move on to higher education

Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Ramps to access some class rooms and all teaching blocks. Disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS

Manor School Sports College opened as an Academy on 1st November 2011.

The Academy challenges all students to make the best of their considerable talents and abilities. An excellent curriculum, good teaching by committed staff and a culture of high aspirations ensure students of all abilities achieve well and enjoy their learning.

Work hard and play hard reflects our ethos and ensures the academy can deliver its mission statement of 'Success for all'.

Achievement, performance and plans for future periods

The exam results in 2011/2012 were

• 5 A* - C in GCSE and equivalent	97%
• 5 A* - C with E+M	51%
(pending English review – 14 students affected by grade boundary change)	
• 5 A* - G	98%
• 5 A* - G with E+M	98%
• 1 A* - G	99%
• APS	701
• Capped	366
• 2+ Science	78%
• Avg score per entry	41.77 (Grade C)

GOVERNORS' REPORT (continued)

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)

Key subject successes with A*- C outcomes

- PE and Sport 100%
- English Literature 90%
- Maths –showing a 19% increase at A*-C to achieve 71%
- International GCSE maths 100%
- Statistics 100%
- Science 78%
- Geography 70%
- Citizenship 76%
- ICT 100%
- Music 100%
- French 69%
- German 80%
- Business 68%
- Art 63%

Overall headlines

- 5 A*-C – 97% (up 43% in 5 years)
- 5 A*-C E+M – 51% (down 6% after a three year upward trend but outcomes were affected by grade boundary change that is subject to legal challenge nationally)

Post 16 Overall Headlines

- A2 Student performance judged as Grade 2 (outstanding through ALPS grading system)
- 86 3% achieved 3+ A levels equivalent (National 2012 80 9%)
- 95 9% achieved 2+ A levels equivalent (National 2012 91 7%)
- 97 2% achieved 1+ A levels equivalent (National 2012 99 9%)

Sporting performance

The Academy specialism is sport and in this London Olympic Year our sports teams and individual athletes have had an outstanding year with a list of accomplishments outlined below

- Year 11 Boys Football district champions
- U16 Volleyball district champions
- Year 7 Cross Country district champions
- Year 8 Cross Country district champions
- YAPS organising and running the regional badminton championships
- KS3 Boys Badminton district champions
- KS4 Boys Badminton district champions
- Year 7 Girls Netball district champions
- Brad Denny selected to shoot for Great Britain and achieving 3 Gold Medals and 1 Silver Medal in the European Championships in Ireland August 2012
- Paris Football Tour – Under 13 Plate Champions, Under 13 and 14 fair play winners
- KS3, KS4 Boys and Girls win the district and qualify for the Level 3 Games in rowing
- Year 10 Boys Football finalist in the district final
- 41 bronze and silver students in the Duke of Edinburgh expedition

In partnership with Corby Town, Manor School Sports College operates an U19 Football Academy This allows students to study A Levels, BTEC Level 3 qualifications alongside a football development programme delivered by highly qualified UEFA A and B registered coaches Last year the squad achieved amazing success on the pitch and reached the 3rd round of the FA Youth Cup where they were beaten by Manchester City U19 The academic results of the Year 13 football academy students were excellent with all achieving at least 2 A levels or equivalent and many achieving three

GOVERNORS' REPORT (continued)

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)

Ofsted Inspection

Manor School Sports College was Inspected in May 2012. The outcomes were very positive with key findings confirming that Manor School was a good school. All five Inspection judgements achieved a Grade 2 – Good.

Key comments reflected

- the achievements of students 'students join the school with below average standards, especially in literacy and numeracy, and leave attaining standards that are above average',
- the quality of teaching 'teaching is good, ensuring students achieve well',
- that the behaviour and attitude of students is good 'students have positive attitudes to learning and behave well',
- that student progress is good 'students were making good and sometimes outstanding progress'

It was particularly pleasing for the Inspection Team to acknowledge the impact of our specialism on the curriculum across the Academy, 'some lessons make an outstanding contribution to the development of key literacy and numeracy skills, especially in sport'. Further that the broad curriculum 'supports students' spiritual and cultural development well, especially in sports subjects'.

The next 12 months

In the next 12 months the main strategic directions the Academy plans to take are

- to build on the academic progress made over the past 5 years to deliver excellence in all areas in the Ofsted report,
- increase community involvement by providing a wider range of Leisure and Hospitality facilities traded through Manor School Co-operative Limited which will attract more members of the local population,
- create and reinforce partnership agreements with local primary schools and help in assisting them in providing effective teaching and carrying out administrative functions so the focus can be made on educational attainment,
- to ensure that the Sports College builds on the Olympic Legacy and develops an increase in the participation of sport in our local community by promoting the values and benefits that occur from this

GOING CONCERN

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

FINANCIAL REVIEW

Financial report for the period

Most of the Academy's income is obtained from the Education Funding Agency (EFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA/DfE during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA/DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

GOVERNORS' REPORT (continued)

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

FINANCIAL REVIEW (continued)

In addition funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the period ended 31 August 2012 total revenue expenditure was £4.58 million and total incoming funds from the DfE and other sources were £16.35 million, including net assets transferred from the Local Authority on conversion, of £11.65 million.

At 31st August 2012 the net book value of tangible fixed assets was £10.52 million and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial and Risk Management Objectives and Policies

The Governors regularly review the risks faced by the Academy Trust and have completed a "Risk Map" to identify the critical areas of concern. As far as possible the Governors have put in place management controls to minimise/mitigate risks.

Principal risks and uncertainties

The Governors consider the following item is the principal risk facing the Academy Trust:

Academy funding

- The DfE is currently consulting on the details of system wide funding reform, including when changes will be introduced. The earliest date being consulted upon for the implementation of changes to the funding system is April 2013. This means that for the academic year 2012/13 academies will be funded using interim arrangements. Until these funding reforms are completed there is a degree of uncertainty as to the level of future funding and the effects this may have on the operation of the Academy Trust.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the approximate level of free reserves should be equivalent of 12 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in restricted funds and amounts held as fixed assets) is £0.78 million which is less than is needed. The Academy intends to continue building up free reserves to the level required.

Financial position

The Academy held fund balances at 31 August 2012 of £11.68 million comprising £10.90 million of restricted funds and £0.78 million of unrestricted funds. The restricted pension reserve is currently in deficit (£0.5 million). This deficit relates solely to the actuarial assessment of Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit.

Investment policy

The Academy Trust does not hold any investments other than cash at Bank and its initial £1 investment in its subsidiary undertaking, Manor School Co-operative Limited. After a review of the year end bank balances the Governors agreed to transfer funds to a high interest deposit account.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and the Governors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the governing body on 12 December 2012 and signed on its behalf by.


D Hughes – Governor and Director

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER: 07816548)

GOVERNANCE STATEMENT

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Manor School Sports College 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 Governing Body has delegated the day-to-day responsibility to the Principal, 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 School Sports College and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Full Governing Board has met 5 times during the period.

Attendance during the period at meetings of the Full Governing Board was as follows:

Governor	Meetings Attended	Out of a Possible
Mr Dudley Hughes	4	5
Mrs Linda Brooks	5	5
Mr Lance Jones	4	5
Mr Michael Busby	4	5
Mrs Pat Wordon	4	5
Mr David Little	4	5
Mr Gary Croxford	3	5
Mrs Julie Gradwell	3	5
Mr Edward Hudson	5	5
Mrs Julie Johnson	3	5
Mrs Sandra Jones	1	1
Mr Richard Levell	0	2
Mrs Debbie Paton	2	5
Mr James Slater	5	5
Mr David Thoday	5	5
Mr Matthew Hurren	4	5

The Business Performance Committee is a sub Committee of the main governing Board. Its purpose is to review and approve all matters relating to Finance, Human Resources, Premises Risk Management and Health and safety. The Committee makes recommendations to the Governing Board for approval as set out in the terms of reference.

Attendance at meetings during the period was as follows:

Governor	Meetings Attended	Out of a Possible
Mrs Linda Brooks	8	8
Mr Lance Jones	2	4
Mr Michael Busby	5	5
Mrs Pat Wordon	7	7
Mr David Little	7	8
Mrs Julie Gradwell	1	1
Mr Edward Hudson	5	7
Mrs Julie Johnson	1	5
Mr Richard Levell	2	4
Mrs Debbie Paton	1	1
Mr James Slater	5	6
Mr David Thoday	4	5

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER: 07816548)

GOVERNANCE STATEMENT (continued)

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

Governance (continued)

The Teaching and Learning Committee is a sub Committee of the main governing Board. Its purpose is to review and approve all matters relating to Teaching and Learning, Achievement and Standards, Curriculum, Behaviour and Safety and the Academy Development Plan. The Committee makes recommendations to the Governing Body as set out in the terms of reference.

Attendance at meetings during the period was as follows

Governor	Meetings Attended	Out of a Possible
Mrs Linda Brooks	6	6
Mr Lance Jones	2	5
Mr Michael Busby	3	3
Mr Gary Croxford	1	3
Mrs Julie Gradwell	4	5
Mr Edward Hudson	3	3
Mrs Julie Johnson	2	5
Mrs Debbie Paton	4	5
Mr David Thoday	1	1
Mr Matthew Hurren	5	5

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Manor School Sports College for the period ended 31st August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31st August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The Academy'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 governing body,
- 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

GOVERNANCE STATEMENT (continued)

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

The risk and control framework (continued)

The Governing Body has considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Governors have appointed Mr Neil Repton as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.


Review of effectiveness


As Accounting Officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 Governing Body on 12 DECEMBER 2012 and signed on its behalf by


Mr Dudley Hughes
Governor and Director


Mrs Linda Brooks
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

As accounting officer of Manor School Sports College Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and Educational Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mrs Linda Brooks
Accounting Officer

Date 12 DECEMBER 2012

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

The Governors, (some of whom act as trustees for charitable activities of Manor School Sports College, and some are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and 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 academy will continue in operation

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the governors are aware

- there is no relevant audit information of which the academy's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 Governing Body on ~~12 DECEMBER 2012~~ and signed on its behalf by


D Hughes – Governor and Director

INDEPENDENT AUDITORS REPORT TO THE MEMBERS
TO MANOR SCHOOL SPORTS COLLEGE
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

We have audited the financial statements of Manor School Sports College for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (some of who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- 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 governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Date 13/12/12

Ian Chown (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Smith Hodge & Baxter
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER 07816548)

**INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON REGULARITY
TO MANOR SCHOOL SPORTS COLLEGE AND THE EDUCATION FUNDING AGENCY
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012**

In accordance with the terms of our engagement letter dated 5 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Manor School Sports College during the period 19 October 2011 to 31 August 2012 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 School Sports College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Manor School Sports College and the EFA 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 the Manor School Sports College and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Manor School Sports College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Manor School Sports College's funding agreement with the Secretary of State for Education dated 28 October 2011 and the Academies Financial Handbook as published by DfES in 2006, 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 2011/12. 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 period 19 October 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 period 19 October 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Date 13/12/12

Smith, Hodge & Baxter Chartered Accountants
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER: 07816548)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total 2012 £000s
INCOMING/(OUTGOING) RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	35	-	-	18	53
Voluntary income - transfer from Local Authority on conversion	4	797	(432)	606	10,674	11,645
Activities for generating funds	5	30	-	261	-	291
Incoming resources from charitable activities						
Funding for the Academy's educational operations	6	1	-	4,356	-	4,357
Total incoming/(outgoing) resources		863	(432)	5,223	10,692	16,346
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations	8	78	-	4,284	155	4,517
Governance costs	9	-	-	67	-	67
Total resources expended	7	78	-	4,351	155	4,584
Net incoming/(outgoing) resources before transfers		785	(432)	872	10,537	11,762
Gross transfers between funds		(1)	13	(12)	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		784	(419)	860	10,537	11,762
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes		-	(81)	-	-	(81)
Net movement in funds		784	(500)	860	10,537	11,681
RECONCILIATION OF FUNDS						
Funds carried forward at 31 August 2012	18	£784	(£500)	£860	£10,537	£11,681

All of the Academy's activities derive from acquisitions in the current financial period

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes form part of the financial statements

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER: 07816548)

BALANCE SHEET AT 31ST AUGUST 2012

		<u>2012</u>
	Notes	£000
FIXED ASSETS		
Tangible assets	13	10,519
Investments	14	-
		<hr/>
		10,519
CURRENT ASSETS		
Stocks	15	2
Debtors	16	96
Cash at bank and in hand		1,793
		<hr/>
		1,891
CURRENT LIABILITIES		
Creditors Amounts falling due within one year	17	229
		<hr/>
NET CURRENT ASSETS		1,662
		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES/NET ASSETS EXCLUDING PENSION LIABILITY		12,181
PENSION SCHEME LIABILITY	25	(500)
		<hr/>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		11,681
		<hr/> <hr/>
FUNDS OF THE ACADEMY	18	
Restricted funds		
Fixed asset fund		10,537
General fund		860
Pension reserve		(500)
		<hr/>
Total restricted fund		10,897
Unrestricted funds		
General fund		784
		<hr/>
Total unrestricted funds		784
		<hr/>
TOTAL FUNDS		£11,681
		<hr/> <hr/>

The financial statements on pages 15 to 32 were approved by the Board of Governors and authorised for issue on 12 DECEMBER 2012 and are signed on their behalf by


D Hughes – Governor and Director

The notes form part of these financial statements

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER: 07816548)

CASH FLOW STATEMENT

FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

	Notes	<u>2012</u> £000s
Net cash inflow from operating activities	20	372
Capital expenditure and financial investment	21	18
Cash transferred on conversion to an academy trust	4	1,403
		<hr/>
Increase in cash in the period	22	1,793
		<hr/>
Reconciliation of net cash flow to movements in net funds		
Net funds at 31st August 2012	22	1,793
		<hr/>

All of the Academy's cash flows derive from acquisitions in the current financial period

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

1. ACCOUNTING POLICIES

Basis of Preparation

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

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cause significant doubts on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Preparation of Consolidated Financial Statements

The financial statements contain information about Manor School Sports College as an individual charitable company and do not contain consolidated financial information as the parent of a group. In the Governors' opinion the results of the subsidiary are not material to an understanding of the Academy's financial statements as in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Manor School and Sports College to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Manor School Sports College. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income 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 4.

Incoming Resources

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant (GAG) income is accounted for as noted above. Capital grants are accounted for as noted in the tangible fixed asset accounting policy below.

- **Donations**

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

- **Other income**

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

1 ACCOUNTING POLICIES (continued)
Incoming Resources (continued)

- **Donated services and gifts in kind**

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

Resources Expended

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

- **Charitable activities**

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

- **Governance costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land (which is included at a value of £1 983 million), at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold buildings	2% of cost
Motor vehicles	20% of cost
Office and computer equipment	25% of cost

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.

Investments

The Academy's shareholding in the wholly owned subsidiary Manor School Co-operative Limited is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of a valuation exceeds the benefit derived.

Stocks

Catering stores are valued at the lower of cost or net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

1. ACCOUNTING POLICIES (continued)

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

Restricted pension reserve funds represent the Academy's share of the assets and liabilities of the Local Government Pension Scheme.

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER: 07816548)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

2	GENERAL ANNUAL GRANT (GAG)	2012 £000s
	Results and Carry Forward for the Period	
	GAG brought forward from previous year	-
	GAG allocation for current period	3,216
		<hr/>
		3,216
	Total GAG available to spend	
	Recurrent expenditure from GAG	2,915
		<hr/>
	GAG carried forward to next year	301
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	386
		<hr/>
	GAG to surrender to DfE	(85)
	(12% rule breached if result is positive)	<hr/>

(no breach)

3.	VOLUNTARY INCOME	Unrestricted Funds £000s	Restricted Funds £000s	Total 2012 £000s
	Capital grants	-	18	18
	Gift Aid - Manor School Co-operative Limited	35	-	35
		<hr/>	<hr/>	<hr/>
		35	18	53
		<hr/>	<hr/>	<hr/>

4. CONVERSION TO AN ACADEMY TRUST

On 1st November 2011 Manor School and Sports College converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Manor School Sports College from the Northamptonshire County Council local authority for £Nil consideration. The transfer has been accounted for using the acquisitions method. 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 net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and as analysis of their recognition in the SOFA.

	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total 2012 £000s
Tangible fixed assets					
Freehold land and buildings	-	-	-	10,610	10,610
Other tangible fixed assets	-	-	-	64	64
Budget surplus on LA funds	559	-	343	-	902
Budget surplus on other school funds	381	-	263	-	644
LGPS pension deficit	-	(432)	-	-	(432)
Borrowing obligations	(143)	-	-	-	(143)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	797	(432)	606	10,674	11,645
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

5. ACTIVITIES FOR GENERATING FUNDS	Unrestricted Funds £000s	Restricted Funds £000s	Total 2012 £000s
Catering income	-	108	108
Other income	30	153	183
	<u>30</u>	<u>261</u>	<u>291</u>

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds 2012 £000s
DfE/EFA revenue grants			
General Annual Grant (GAG) (Note 2)	-	3,216	3,216
Other DfE/EFA grants	-	89	89
	<u>-</u>	<u>3,305</u>	<u>3,305</u>
Other Government grants			
Local authority grants	-	471	471
Training and Development Agency grants	-	497	497
Other grants	1	83	84
	<u>1</u>	<u>1,051</u>	<u>1,052</u>
	<u>1</u>	<u>4,356</u>	<u>4,357</u>

7. RESOURCES EXPENDED	Staff Costs £000s	Non pay Expenditure		Totals 2012 £000s
		Premises £000s	Other Costs £000s	
Academy's educational operations				
Direct costs	2,224	113	895	3,232
Allocated support costs	814	279	192	1,285
	<u>3,038</u>	<u>392</u>	<u>1,087</u>	<u>4,517</u>
Governance costs including allocated support costs	2	-	65	67
	<u>3,040</u>	<u>392</u>	<u>1,152</u>	<u>4,584</u>

Incoming/outgoing resources for the year include

Fees payable to auditor - audit	10
- other services	3
Depreciation - owned assets	155

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

8. CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000s	Restricted Funds £ 000s	Totals 2012 £000s
Direct Costs			
Teaching and Educational Support Staff costs	-	2,224	2,224
Teacher Training College support costs	-	404	404
Depreciation	-	113	113
Educational Supplies	1	371	372
Examination Fees	-	96	96
Staff Development	-	14	14
Educational Consultancy	-	1	1
Other Direct Costs	-	8	8
	<u>1</u>	<u>3,231</u>	<u>3,232</u>
Allocated Support Costs			
Support Costs Staff costs	11	653	664
Depreciation	-	42	42
Cleaning	-	90	90
Recruitment and Support	-	9	9
Fuel	-	80	80
Rates and Rents	-	51	51
Insurance	-	22	22
Maintenance of premises and equipment	6	54	60
Security and Transport	-	9	9
Catering staff and other costs	2	150	152
Other Support Costs	58	48	106
	<u>77</u>	<u>1,208</u>	<u>1,285</u>
	<u>78</u>	<u>4,439</u>	<u>4,517</u>

9. GOVERNANCE COSTS

	Unrestricted Funds £000s	Restricted Funds £ 000s	Total 2012 £000s
Staff costs	-	2	2
Auditors’ remuneration - audit of financial statements	-	10	10
- other services	-	3	3
Legal and professional fees	-	52	52
	<u>-</u>	<u>67</u>	<u>67</u>

10. STAFF COSTS

Staff costs during the period were:	2012 £000s
Wages and salaries	2,521
Social security	177
Other pension costs	342
	<u>3,040</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

10 STAFF COSTS (continued)

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

Charitable Activities	2012 No
Management	4
Administration and support	52
Teachers	58
	<hr/>
	114
	<hr/>

The number of employees whose annualised emoluments fell within the following bands were

	2012
£90,001 - £100,000	1
	<hr/>

The above employee participated in the Teachers' Pension Scheme During the period ended 31 August 2012 pension contributions for this member of staff amounted to £11,293

11. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors Other Governors did not receive any payments from the academy in respect of their role as Governors

During the period there was one Member Governor who received remuneration of £80,000 - £85,000 in respect of their employment as Principal and not in respect of their services as trustee of the academy trust

During the period ended 31st August 2012 no expenses were reimbursed to Governors

Other related party transactions involving the trustees are set out in note 26

12. GOVERNORS AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business The insurance provides cover up to £5,000,000 aggregate liability in any one period and the cost for the period ended 31st August 2012 was £2,056 The cost of this insurance is included in the total insurance cost

13 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £000s	Motor vehicles £000s	Office & computer equipment £000s	Totals £000s
COST				
Transfer on conversion	10,610	40	24	10,674
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2012	10,610	40	24	10,674
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
Charge for period	144	6	5	155
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2012	144	6	5	155
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 August 2012	10,466	34	19	10,519
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

14. FIXED ASSET INVESTMENTS

Shares in group undertakings

COST

Additions

£

1

At 31st August 2012

1

NET BOOK VALUE

At 31st August 2012

1

The Academy's investments at the balance sheet date in the share capital of companies include the following

Manor School Co-operative Limited

Country of incorporation England

Nature of business hire of sports and business facilities

Class of share

% holding

Ordinary

100

2012

£000s

Aggregate capital and reserves

2

Profit for the year

2

The investment is shown in the balance sheet at cost. The Governors have not prepared group accounts as they are of the opinion that the results of the subsidiary are not material to an understanding of the Academy's financial statements in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

A summary of the results for the period from 9th December 2011 to 31st August 2012 and the balance sheet position as at 31st August 2012 is shown below

2012

£ 000s

Turnover

82

Expenditure

45

Profit on ordinary activities before Gift Aid payment

37

Gift Aid payment to Manor School Sports College

35

Net profit before taxation

2

Taxation

-

Retained profit for period/earned forward at 31st August 2012

2

Current assets

50

Current liabilities

48

2

Called up share capital

-

Profit and loss account

2

Shareholder's funds

2

The audit report for Manor School Co-operative Limited for the period ended 31 August 2012 is unmodified

MANOR SCHOOL SPORTS COLLEGE (REGISTERED NUMBER 07816548)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

15. STOCKS

	2012
	£000s
Catering supplies	2

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£000s
Trade debtors	9
Amounts owed by group undertakings	35
Prepayments and accrued income	44
Other debtors	8
	<u>96</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£000s
Trade creditors	87
Social security and other taxes	70
Accruals and deferred income	27
Amounts owed to group undertakings	45
	<u>229</u>

18. FUNDS

	Balance at 19th October 2011 £000s	Incoming resources £000s	Resources expended £000s	Gains, losses and Transfers £000s	Balance at 31 August 2012 £000s
Restricted general funds					
General Annual Grant (GAG)	-	3,216	(2,902)	(13)	301
Other DfE/EFA grants	-	89	(88)	(1)	-
Other restricted general funds	-	1,918	(1,361)	2	559
Pension Reserve	-	(432)	-	(68)	(500)
	<u>-</u>	<u>4,791</u>	<u>(4,351)</u>	<u>(80)</u>	<u>360</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	18	-	-	18
Assets transferred on conversion	-	10,674	(155)	-	10,519
	<u>-</u>	<u>10,692</u>	<u>(155)</u>	<u>-</u>	<u>10,537</u>
Total restricted funds	<u>-</u>	<u>15,483</u>	<u>(4,506)</u>	<u>(80)</u>	<u>10,897</u>
Unrestricted funds					
Unrestricted funds	-	863	(78)	(1)	784
Total unrestricted funds	<u>-</u>	<u>863</u>	<u>(78)</u>	<u>(1)</u>	<u>784</u>
TOTAL FUNDS	<u>-</u>	<u>16,346</u>	<u>(4,584)</u>	<u>(81)</u>	<u>11,681</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

18. FUNDS (continued)

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy together with other restricted general funds. The Academy is allowed to carry forward up to 12% of the (GAG). Of the carried forward amount, up to 2% of the GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Other restricted general funds at 31st August 2012 comprise

	£000s
YAPS fund	109
TENITTC fund	238
Children's Centre fund	126
Disadvantaged subsidy fund	5
Bikeability fund	54
Sports Games Organiser Fund	27
	<u>559</u>

The above funds all represent funding received less specific costs relating to each activity during the period. The activities are generally government funded and are all closely associated with the educational objectives of the Academy Trust.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy's share of the assets and liabilities of the Local Government Pension Scheme.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	-	10,519	10,519
Fixed asset investments	-	-	-	-	-
Current assets	829	-	1,044	18	1,891
Current liabilities	(45)	-	(184)	-	(229)
Pension scheme liability	-	(500)	-	-	(500)
Total Net Assets	<u>784</u>	<u>(500)</u>	<u>860</u>	<u>10,537</u>	<u>11,681</u>

20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £000s
Net income	11,762
Net assets transferred in on conversion	(11,645)
Depreciation	155
Capital grants from DfE and other capital income	(18)
FRS 17 pension cost less contributions payable	(22)
FRS 17 pension finance costs	9
Increase in stocks	(2)
Increase in debtors	(96)
Increase in creditors	229
	<u>372</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

21. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012
	£000s
Capital grants from DfE/EFA	18
	<hr/>
Net cash inflow from capital expenditure and financial investment	18
	<hr/> <hr/>

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 19th		At 31st
	October	Cash	August
	2011	Flows	2012
	£000s	£000s	£000s
Cash in hand and at bank	-	1,793	1,793
	<hr/>	<hr/>	<hr/>
Total	-	1,793	1,793
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

23. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

- (a) the value at that time of the Academy site and premises and other assets held for the purpose of the Academy, and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

24 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 cease to be a member

25. PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

25. PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

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

The Government Actuary (GA), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

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

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

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

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme The academy is unable to identify its share of the underlying assets and liabilities of the scheme Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds The total contribution made for the period ended 31 August 2012 was £161,000 of which employer's contributions totalled £125,000 and employees' contributions totalled £36,000 The agreed contribution rates for future years are 16.3% for employers and 5.5% to 7.5% for employees

As described in Note 4 the LGPS obligation relates to the employees of the academy but, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

25. PENSION AND SIMILAR OBLIGATIONS (continued)
Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 August 2012
Rate of increase in salaries	4.5%
Rate of increase for pensions in payment/inflation	2.2%
Inflation assumption (CPI)	2.1%
Discount rate for scheme liabilities	4.1%
Commutation of pensions to lump sums - Pre April 2008 service	50%
- Post April 2008 service	75%

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

Change in assumptions at year ended 31 August 2012	Approximate % increase to Employer Liability	Approximate monetary amount £000s
0.5% decrease in Real Discount Rate	12%	201
1 year increase in member life expectancy	3%	50
0.5% increase in the Salary Increase Rate	5%	82
0.5% increase in the Pension Increase Rate	7%	114

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

	At 31 August 2012
<i>Current Pensioners</i>	
Males	21.4
Females	23.3
<i>Future Pensioners</i>	
Males	23.4
Females	25.5

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

	Expected return at 31 August 2012	Fair value at 31 August 2012
		£000s
Equities	5.5%	797
Bonds	3.0%	266
Property	3.7%	69
Cash	2.8%	23
Total market value of assets		1,155
Present value of scheme liabilities		
- Funded		(1,655)
Surplus/(deficit) in the scheme		(500)

The expected returns are the median annualised (geometric) total returns over twenty years

The actual return on scheme assets was £95,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

25. PENSION AND SIMILAR OBLIGATIONS (continued)
Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities	2012 £000s
Current service cost (net of employee contributions)	103
Past service cost	-
Total operating charge	103
	2012 £000s
Analysis of pension finance (income)/costs	
Expected return on pension scheme assets	(46)
Interest on pension liabilities	55
Pension finance (income)/costs	9

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £112,000 loss.

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

	2012 £000s
Defined benefit obligations transferred on conversion	1,332
Current service cost	103
Interest cost	55
Employee contributions	36
Actuarial loss	129
Benefits paid	-
Past service cost	-
At 31 August 2012	1,655

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

	2012 £000s
Fair value of scheme assets transferred on conversion	900
Expected return on assets	46
Actuarial gain	48
Employer contributions	125
Employee contributions	36
Benefits paid	-
At 31 August 2012	1,155

The estimated value of employer contributions for the year ending 31 August 2013 is £151,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD 19TH OCTOBER 2011 TO 31ST AUGUST 2012

25. PENSION AND SIMILAR OBLIGATIONS (continued)
Local Government Pension Scheme (continued)

The history of experience adjustments is as follows

	2012 £000s
Present value of defined benefit obligations	(1,655)
Fair value of share of Scheme assets	1,155
	<hr/>
(Deficit) in the Scheme	(500)
	<hr/>
	2012 £000s
Experience adjustments on share of Scheme assets	48
Experience adjustments on Scheme liabilities	-
	<hr/>

26. RELATED PARTY DISCLOSURES

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

The following transactions were carried out with the Academy's wholly owned subsidiary, Manor School Co-operative Limited

- a) The academy recharged staff costs and other expenses totalling £26,978 to the subsidiary
- b) The subsidiary recharged £598 to the academy and contributed £10,000 toward the maintenance of the All Weather Pitch
- c) The subsidiary agreed to gift aid £35,000 to the academy
- d) At 31 August 2012 trade debtors includes £6,954 due from the subsidiary and other debtors includes £35,000
- e) At 31 August 2012 other creditors includes £44,882 due to the subsidiary

27. ULTIMATE CONTROLLING PARTY

The Academy is under the control of the Governors