

Mayflower High School

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
31 August 2013

Company registration number:
07692668 (England and Wales)

Mayflower High School

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Mayflower High School

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	L Brumby *	(Principal and Accounting Officer)
	A Butler *	(Staff Trustee)
	D Coleman *	
	I Cousins	
	S Dawkins	
	J Farry	
	G Harris *	
	A Hunt	(Staff Trustee)
	A Hunter *	
	I Mitchell *	
	J Pardon	(Resigned 14 March 2013)
	L Stephenson	(Responsible Officer)
	L Whitworth	
	J Worricker *	
	S Wright	
	J Barak *	(Appointed 1 March 2013)
	G Bott *	(Appointed 1 March 2013)

* Members of the Finance Committee

Company secretary S Mason

Senior leadership team:

Headteacher:	L Brumby
Deputy Headteacher:	B Mason
Deputy Headteacher:	J Williams
Business Manager:	D Knight
Assistant Headteacher	K Farrant
Assistant Headteacher	C Kerrigan
Assistant Headteacher	J Rhodes
Assistant Headteacher	A Roberts
Assistant Headteacher	J Rowlands
Assistant Headteacher	J Smalley

Principal and Registered Office	Mayflower High School Stock Road Billericay Essex CM12 0RT
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Company Registration Number	07692668
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Mayflower High School

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor	Baker Tilly UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Bankers	Lloyds Bank 4 Station Road Upminster Essex RM14 2UR
Solicitors	Stone King 16 St Johns' Lane London EC1M 4BS

Mayflower High School

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013.

The comparative period of account relates to the thirteen month period 1 August 2011 to 31 August 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION AND MEMBERS' LIABILITY

The school 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 school.

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.

The governors act as the trustees for the charitable activities of Mayflower High School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Mayflower High School ("the School").

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

TRUSTEES' INDEMNITIES

Qualifying third party indemnity provisions (as defined in section 236 of the Companies Act 2006) were in force for the benefit of directors of the charitable company throughout the year and remain in force at the date of this report.

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy Trust business. The insurance provides an aggregate limit of indemnity of £5,000,000.

In accordance with normal commercial practice the school has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions whilst on school business. (see note 10).

PRINCIPAL ACTIVITIES

The school's objects are

- a. 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 a school offering a broad and balanced curriculum;
- b. to promote for the benefit of the inhabitants of Billericay and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

METHOD OF RECRUITMENT, APPOINTMENT, ELECTION, INDUCTION & TRAINING OF TRUSTEES

MEMBERS

The members of the Academy Trust comprise;

- the Headteacher
- the Chair of the Trustees
- the vice-chair of the Trustees
- one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose; and
- members appointed under article 16 of the Articles of association

Each of the persons above are entitled to appoint Members shall have the right from time to time by written notice delivered to the Office to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

Membership will terminate automatically if:

- a Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- a Member (which is an individual) dies or becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs;
- a Member becomes insolvent or makes any arrangement or composition with that Member's creditors generally.

Any of the persons above may appoint a Member in the event of membership terminating under the above conditions.

The Members may agree unanimously in writing to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agree to remove any such additional Members.

Every person nominated to be a Member of the Academy Trust shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the Academy Trust of a notice in writing signed by the person or persons entitled to remove him under Articles 13 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

TRUSTEES

As detailed in the Memorandum and Articles, the Academy Trust should have the following Trustees:

Subject to Articles 48-49 and 64, the Academy Trust shall have the following Trustees:

- a) up to 9 Trustees, appointed under Article 50;
- b) a minimum of 2 and up to 7 Parent Trustees appointed under Articles 53-58;
- c) up to 3 Staff Trustees, subject to Article 50A;
- d) the Headteacher;
- e) any Additional Trustees, if appointed under Article 62, 62A or 68A; and
- f) any Further Trustees, if appointed under Article 63 or Article 68A.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

APPOINTMENT OF TRUSTEES

The Members may appoint up to 9 Trustees, subject to Article 50A.

The total number of Trustees who are employees of the Academy Trust (including the Principal) must not exceed one third of the total number of Trustees.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

Parent Trustees are elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot.

The Staff Trustees shall be elected by staff members at the Academy. A Staff Governor must be a staff member at the time when he/she is elected. If a Staff Governor ceases to be a staff member then he/she shall be deemed to have resigned and shall cease to be a Governor.

The Trustees may appoint up to 3 Co-opted Trustees.

The Secretary of State may also appoint such Additional Trustees where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by the Predecessor School shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Trustees as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any Additional or Further Trustees in accordance with Articles 62, 62A or 63, any Trustees appointed under Article 50 and holding office immediately preceding the appointment of such Trustees, shall resign immediately and the Members' power to appoint Trustees under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Trustees.

RECRUITMENT AND TRAINING OF TRUSTEES

Trustees are recruited based on the skills that they will bring to the Governing Body or based on a proposal to the Governing Body by representative groups. On appointment Trustees receive extensive information relating to the Academy Trust and attend a briefing on the role and responsibilities of Trustees. During the year Trustees are offered training through school based and external courses. All Trustees are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents that they will need to undertake their role as Trustees.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

ORGANISATIONAL STRUCTURE

All Trustees are members of the full board. In addition Trustees are members of committees who report to the full board. There are six governor's committees: Curriculum, Chairs Liaison, Finance, Personnel, Premises and Pay Committee. The membership of committees is shown on page 1. There is an agreed terms of reference for each committee which is reviewed annually. The Academy Trust is responsible for the strategic direction and overall Trust management.

The day to day running of the school is delegated to the Headteacher, the leadership team and middle managers. The leadership team consists of the Headteacher, two Deputy Headteachers, Six Assistant Headteachers and the Business Manager.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Trust is exposed. In particular those related to the operations and finances of the Trust, and are satisfied that systems and controls are in place to mitigate any exposure to major risks.

AIMS, OBJECTIVES AND ACTIVITIES

AIMS

The core aim of Mayflower High School is to maximise success, well-being and achievement by delivering outstanding provision for all within a culture of equality, understanding and mutual respect and to prepare students for their roles as global citizens. To achieve this core aim we undertake:

- To create and sustain a caring, positive and stimulating learning environment for all;
- To maximise the learning potential of all, academically, socially, culturally and spiritually and celebrate their successes and achievements;
- To encourage self-esteem, respect for others and for the world in which we live.

On a daily basis the school's commitment towards this vision can be seen through;

- Strong, supportive and professional leadership at all levels.
- High standards and expectations, underpinned by care and support for each individual.
- A clear focus on teaching and learning, achievement and standards that can be measured by results and examinations.
- Well-kept and maintained buildings and facilities.
- Confident, qualified and articulate young people personally motivated to undertake the next stage of their development.

OBJECTIVES FOR THE YEAR

The objectives for the year were:

Pupil Achievement

- 1.1 Raising standards of attainment
- 1.2 Tracking progress
- 1.3 Intervention strategies

Quality of Teaching

- 2.1 To ensure all teaching to be good or outstanding
- 2.2 To improve the standards of literacy & numeracy across all key stages
- 2.3 To review and further develop SEN provision to raise achievement
- 2.4 To monitor, review and develop the use of homework to enhance learning
- 2.5 To enhance the attainment of students through increased opportunities for independent learning
- 2.6 Assessment & feedback
- 2.7 To develop further the quality of assessment and feedback at all levels

Pupil Behaviour & Safety

- 3.1 Behaviour for Learning
- 3.2 Safeguarding and Child Protection
- 3.3 Attendance/punctuality
- 3.4 Pastoral Staff Induction

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES FOR THE YEAR (CONTINUED)

Leadership & Management

- 4.1 Monitoring of teams, Leaders & individuals
- 4.2 Curriculum Development including KS5
- 4.3 Performance Management
- 4.4 Support and develop staff
- 4.5 Ofsted preparation
- 4.6 School review
- 4.7 School self-evaluation

Physical Resources

- 5.1 Development of the Virtual Learning Environment
- 5.2 Review and enhance the ICT infrastructure
- 5.3 Management of Premises refurbishment
- 5.4 Seeking and securing additional funds

STRATEGIES TO ACHIEVE THE YEAR'S OBJECTIVES

The Academy Trust produced detailed development plans for the year ended 31 August 2013. These are the School Improvement Plan for activities across the school. The plans form the basis for review of the achievement of objectives against the plan.

PUBLIC BENEFIT

The Academy Trust's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission, in exercising their powers and duties.

A map is available on the school website showing the schools' catchment area . There is no guarantee of a place in the school. In the event of oversubscription places will be allocated using the following criteria in the order given:

1. Looked After Children as defined in section 22 of the Children's Act 1989.
2. Children living in the priority admission area with a sibling attending the school;
3. Other children living in the priority admission area;
4. Children living outside the priority admission area with a sibling attending the school;
5. Remaining applications.

In the event of oversubscription within any of the above criteria, priority will be determined by straight line distance from home to school, those living closest being given the highest priority.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES & EVENTS

Mayflower High School continues to be a high achieving school with students' progress and attainment at the school are considered good to outstanding.

The percentage of students gaining five or more GCSE passes at grade A*-C is the highest in the school's history and the A Level average points score continues to be considerably higher than the national averages and within the top two in the Local Authority for similar institutions.

Mayflower High School's 2013 Examination Results.

GCSE

5+ A*-C GCSE	85%
5+ A*-C GCSE (inc En & Ma)	74%
5+ A*-G GCSE	99%
EBACC	37%
A*-A entries	24%
A*-B entries	57%
A*-C English	82%
A*-C Mathematics	83%
A*-C Science	82%

A Level

Average Points Score	351 (QCA = 867)
A*-B grades	60%
A*-E grades	100%

PUPIL PROGRESS

Objective(s):

- To achieve the KS2-KS4 3 level progress targets (E&M)

Success criteria: Percentage of pupils making 3 levels progress in English KS2-4 80%
Percentage of pupils making 3 levels progress in Maths KS2-4 79%

Actual:

English	3+ Levels = 87%	4+levels = 57 %	5+levels = 14%
Maths	3+ Levels = 85%	4+levels = 46 %	5+levels = 16%

- To achieve KS4 whole-school targets

Success criteria: To achieve 82% 5+A*-C grades at GCSE
To achieve 70% 5+A*-C incl Eng & Maths grades at GCSE
All students to achieve at least 1 GCSE or equivalent grade

Actual:

5A*-C = 85%

5A*-C Including English and Maths = 74%

100% of entries achieved 1 A*G

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PUPIL PROGRESS (CONTINUED)

Objective(s):

- To attain or exceed targets with the EBacc subjects.

Success criteria: 35% of students to achieve EBacc.

Actual:

37% of students achieved the EBacc

- To continue to monitor the progress of identified vulnerable groups

Success criteria: Vulnerable groups to achieve in line with set targets

SEN Students:

65% Expected Progress in English (35% in 2012)

72% Expected Progress in Maths (26% in 2012)

50% of SEN Students Achieved 5 A*-C (16% in 2012) and 19% achieved 5 A*-C incl English and Maths (4% in 2012).

94% of SEN students achieved 5 A*-G (80% in 2012)

Pupil Premium:

65% Expected Progress in English (53% in 2012)

50% Expected Progress in Maths (37% in 2012)

- To continue to add value from GCSE to A and AS

Success criteria: To achieve 100% A*-E grades at A Level
To achieve 56% A*-B grades at A Level, APS 335

Results

To achieve 100% A*- E at A Level – Achieved

To achieve 54% A*-B at A Level – Achieved and exceeded 60.4%

To achieve APS 335 – Achieved and exceeded 351

Fixed Term Exclusions:

The number of fixed term exclusions from school during the academic year 2012/2013 was the lowest number in the history of the school and has shown a dramatic decline during this period.

Academic Year	Number of students receiving fixed term exclusions	Number of days students were excluded for
2009 / 10	54 (3.6%)	141
2010 / 11	44(3.4%)	125
2011 / 12	18 (1.5%)	41
2012 / 13	9 (0.6%)	25

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Attendance:

Excellent attendance continues to be a major strength of the school with improvements on the previous year and exceeding all targets, as shown below.

		2011	2012	2013 (target in brackets)
Attendance:	% attendance	93.7%	95.3%	95.6% (95%)
	% unauthorised	2.0%	1.6%	0.6% (<1.0%)
	Persistent Absence	1.49%	4.25%	3.1%* (4.0%)

PREMISES RELATED PROJECTS

Academies Capital Maintenance Fund for 2012 -13 2nd phase of applications:

Approval was given on 14 December for the replacement of the B Block roof. The project bid also included the tank room cladding & roofs and also to address the problems with the weather seal between the existing and new section of the building. The total approved value of the bid was £209,380 and the project was tendered with the successful main contractor, Acclaim, awarded the project. The project started on 21 January under Construction, Design and Management regulations (CDM) and was completed at the end of March 2013.

During the summer break a major ICT infrastructure refresh was undertaken replacing the schools aging switches with the latest HP Procurve POE (Power over Ethernet) fully managed switches, complete server refresh programme, and continued replacement and renewal of staff laptops

A significant sum was set aside in the budget to facilitate the refurbishment of the PE changing rooms as well as several toilet blocks. The money remained unspent at the end of the year due to the fact that the consultant employed to look at the design and procurement greatly underestimated the costs involved. A decision was taken to ensure that as best value was a key factor the project would be delayed.

Throughout the year four capital maintenance bids were prepared and submitted to the EFA.

The first ACMF bid for £209,380 was successful and work was carried out to fully replace the B-Block roof during the spring term 2012.

Two subsequent bids were prepared in the new funding round. One to replace the relocatable buildings with a permanent new teaching block at a cost of £2,117,581. The other to replace A and B block roofs at a cost of £206,193. Unfortunately neither of these bids were successful in meeting the criteria for the award. This was partly due to the school receiving the previous bid allocation.

Subsequent to this the new teaching block bid was renewed as a Local Authority DGCF bid to provide a purpose built sixth form centre. Unfortunately the LA figures did not show a sufficient growth need and the bid was unsuccessful.

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 which is at least 12 months from the date of approval of the financial statements. For this reason the going concern basis has been adopted in preparing the financial statements.

FINANCIAL REVIEW

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is embedded in the work of the school. The principal risk facing the school is uncertainty over our future funding levels beyond 2013/14 which is linked to pupil retention. The Funding received for 2013/14 has allowed the governing body to approve a balanced budget to include a level of School Improvement and to allocate funds to in year contingencies.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

RESERVES POLICY

The school is required to consider what level of reserves it is appropriate for the school to hold in order to demonstrate appropriate financial management, stewardship and sustainability. The governing body wish to do this to provide assurance to all the schools' stakeholders that the school is being managed in a prudent manner for the best interest of its beneficiaries. The governing body also wants to provide confidence that there is a strong justification for the reserves held by the school, and that they wish to be open and transparent on all aspects concerning the schools' reserves policy. In doing this the school has considered the following areas:

Working Capital

The schools' cash flow is strong due to the profile of its incoming resources. In particular receipt of core grant funding at the start of the financial year means that reserves are not required for working capital purposes.

Financial risk management

All schools are subject to a wide range of risks, many of which have financial implications, and as such 'rainy day' funds are appropriate to be held as mitigation against the effect of such risks. The school has a formalised approach to risk management which identifies major risks, assesses their severity in terms of impact and likelihood and identifies mitigating actions. The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance.

The schools' policy for reserves is linked to and part of its formal consideration of the schools' going concern presumption. The Trustees annually consider the level of reserves it is appropriate for the school to hold in order to demonstrate appropriate financial management and sustainability. During the year 2012/13 the Trustees, having discussed likely risks, decided on a level of £100,000.

The Academy acknowledges the need to set cash reserves aside to meet the risk of unforeseen events. Since its funding is relatively well assured, such risks relate to the potential late receipt of funds and the need for emergency expenditure. The governors have considered these issues and agreed it prudent to reserve £100,000 for these purposes.

The Academy also has an exposure to the Local Government Pension Scheme in respect of its share of the overall scheme deficit. This deficit is being funded through a programme of agreed annual payments funded from the Academy's regular income and the risk that additional lump sums will be required is low. The governors have therefore decided not to set further cash reserves aside for this eventuality.

This policy will be reviewed annually in light of developing experience.

INVESTMENT POLICY

The end of the financial year 31 August 2013 sees the Academy holding a significant balance; however the intention is to invest those funds into the fabric of the school in order to improve the environment for the students. Therefore investment plans will consist of short term transfer to interest bearing accounts with Lloyds Bank in order to ensure funds are available to spend.

PLANS FOR FUTURE PERIODS

FUTURE STRATEGY

1. Achievement & Student Progress

- 1.1 Raising standards of attainment
- 1.2 Pupil Premium
- 1.3 Student progress interventions
- 1.4 Data for tracking
- 1.5 Year 7 Catch-Up Premium
- 1.6 SEN/D reforms

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

PLANS FOR FUTURE PERIODS (CONTINUED)

FUTURE STRATEGY (CONTINUED)

2. Quality of teaching

- 2.1 National Curriculum reforms content/rigour
- 2.2 Moderation at key stage 3 & 4
- 2.3 Assessment & feedback
- 2.4 Independent learning
- 2.5 All teaching good or outstanding

3. Quality of teaching in the Sixth Form

- 3.1 Raising standards of attainment
- 3.2 A Level reforms content/rigour
- 3.3 Moderation at key stage 5
- 3.4 Assessment, feedback, stretch & challenge
- 3.5 CEIAG

4. Behaviour & Safety

- 4.1 CEIAG Years 8-11
- 4.2 Parent online access
- 4.3 Online Personal Safety
- 4.4 Rewards

5. Leadership & Management: Performance

- 5.1 Performance management
- 5.2 Training
- 5.3 Pay progression
- 5.4 Coaching & mentoring

6. Leadership & Management Evaluation

- 6.1 School self-review
- 6.2 Increased use of ICT
- 6.3 Literacy & numeracy
- 6.4 Development of social, moral, spiritual & cultural (SMSC)
- 6.5 Marketing
- 6.6 Curriculum interventions
- 6.7 In school variation (ISV)

7. Physical Resources

- 7.1 Premises refurbishments
- 7.2 Securing additional funds

The Academy has carried a considerable balance in to this financial year – this balance is of a one-off nature. It is planned to carry out refurbishment works that were due to take place in 2012-13; in addition it is proposed to increase the teaching provision if possible. This should ensure that by the 31 August funds have either been spent or been committed to a project.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

FUNDS HELD AS CUSTODIAN

Although the company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, Mayflower High School does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

EMPLOYEE INVOLVEMENT

The Charitable Company encourages the involvement of its employees in its management through regular meetings with union representatives who have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

DISABLED PERSONS

The Charitable Company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

AUDITORS

The auditors, Baker Tilly UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office.

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees have confirmed that as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the members of the governing body at its meeting on and signed on its behalf by:

.....
S Wright
Chair of Trustees

Mayflower High School

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Mayflower High School 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Mayflower High School and the Secretary of State for Education. The Headteacher is 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
J Barak (appointed 1 March 2013)	2	2
G Bott (appointed 1 March 2013)	2	2
L Brumby (Headteacher and Accounting Officer)	3	3
A Butler (Staff Governor)	3	3
D Coleman	2	3
I Cousins	3	3
S Dawkins	3	3
J Farry	3	3
G Harris	3	3
A Hunt (Staff Governor)	3	3
A Hunter	3	3
I Mitchell	1	3
J Pardon (resigned 14 March 2013)	1	1
L Stephenson	3	3
L Whitworth	3	3
J Worricker	1	3
S Wright (Chair of Trustees)	3	3

Two parent Trustees joined the governing body in March 2013. J Barak works in education and G Bott is a local Youth Worker with a lot of experience of the school. The Annual Meeting and its timing proved to be problematical; however it will be amalgamated into the final meeting of the main Governing Body this year.

The Finance Committee is a sub-committee of the main board and its purpose described within its Terms of Reference below:

On behalf of the Governing Body:

1. To consider the academy's indicative funding, notified annually by the DfE, and to assess its implications to the for the academy, in consultation with the Headteacher and Business Manager, in advance of the financial year, drawing any matters of significance or concern to the attention of the governing body
2. To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year
3. To contribute to the formulation of the academy's improvement plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher and SLT, with the stated and agreed aims and objectives of the academy

Mayflower High School

GOVERNANCE STATEMENT (CONTINUED)

4. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the improvement priorities set out in the improvement plan
5. To liaise with the Pay Committee and other governing body committee, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them and to agree budgets within which these committees may operate
6. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the governing body
7. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement
8. To prepare the financial statement to form part of the report to be filed in accordance with the Companies Act and DfE requirements
9. To receive Auditor's reports and to recommend to the full governing body action as appropriate in response to audit findings; acting as and subsuming the role of the Audit Committee
10. To recommend to the full governing body the appointment or reappointment of the auditors of the academy

The Finance Committee recommended to the Main Governing Body during the year ended 31 August 2013 the release of significant funds to facilitate school improvement. The ICT infrastructure has received a complete refresh at a cost of approximately £250,000, the remaining £200,000 is ring fenced to be spent on improvements to changing rooms and toilet facilities. Discussion is on-going at this time on plans to make best use of the remaining excess funds in order to give the highest benefit to the students.

Attendance at Finance Committee meetings during the year is as follows:

	Meetings attended	Out of a possible
J Barak (appointed 1 March 2013)	2	2
G Bott (appointed 1 March 2013)	2	2
L Brumby (Headteacher and Accounting Officer)	6	6
A Butler (Staff Governor)	6	6
D Coleman	4	6
G Harris	3	6
A Hunter	6	6
I Mitchell	5	6
J Worricker	2	6

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 Mayflower High School for the year to 31 August 2013 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 year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

Mayflower High School

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

The schools' 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 twice termly financial reports which are reviewed by the Finance Committee of the Governing Body
- Regular reviews by the Finance Committee of major expenditure and any budget movements that take place during the year
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Baker Tilly, the external auditor, to perform additional checks. For the first year of the new system Baker Tilly have performed checks on the financial systems and produced a report giving advice on the 5 low risk areas raised as an issue.

REVIEW OF EFFECTIVENESS

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

- The work of Baker Tilly in providing additional checks
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the senior managers within the school 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 the review of the systems of internal control and with the Finance Committee has ensured there is a plan to address any weaknesses.

Approved by order of the members of the governing body on and signed on its behalf by:

.....
S Wright
Chair of Trustees

.....
L Brumby
Accounting Officer

Mayflower High School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

.....

L Brumby
Accounting Officer

.....

Mayflower High School

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as governors of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

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

.....
S Wright

Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAYFLOWER HIGH SCHOOL

We have audited the financial statements of Mayflower High School for the year ended 31 August 2013 on pages 21 to 44. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES' AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who act as Trustees for the charitable activities of the company, and are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2012/13 issued by the Education Funding Agency.

OPINION ON OTHER REQUIREMENT OF THE COMPANIES ACT 2006

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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
MAYFLOWER HIGH SCHOOL (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

.....

Mayflower High School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

For the year ended 31 August 2013

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2013 £	Total 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	1	310,743	-	238,338	549,081	310,040
Voluntary income - transfer from local authority on conversion		-	-	-	-	7,745,576
Activities for generating funds	2	562,135	-	-	562,135	473,637
Investment income	3	3,908	-	-	3,908	2,588
Incoming resources from charitable activities:						
Academy Trust's educational operations	4	-	8,513,408	-	8,513,408	8,803,993
TOTAL INCOMING RESOURCES		876,786	8,513,408	238,338	9,628,532	17,335,834
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	5	266,764	-	-	266,764	293,891
Fund-raising trading	5	354,884	-	-	354,884	320,831
Charitable activities:						
Academy Trust's educational operations	5, 6	-	8,364,585	353,379	8,717,964	9,247,571
Governance costs	5, 7	-	39,675	-	39,675	51,580
TOTAL RESOURCES EXPENDED		621,648	8,404,260	353,379	9,379,287	9,913,873
NET INCOMING/(OUTGOING)						
RESOURCES BEFORE TRANSFERS		255,138	109,148	(115,041)	249,245	7,421,961
Gross transfers between funds	14	-	48,689	(48,689)	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		255,138	157,837	(163,730)	249,245	7,421,961
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	22	-	(134,000)	-	(134,000)	(365,000)
NET MOVEMENT IN FUNDS		255,138	23,837	(163,730)	115,245	7,056,961

Mayflower High School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) (CONTINUED)

For the year ended 31 August 2013

		Unrestricted	Restricted	Restricted	Total	Total
		funds	general	fixed asset	2013	2012
	<i>Notes</i>	£	£	£	£	£
NET MOVEMENT IN FUNDS		255,138	23,837	(163,730)	115,245	7,056,961
RECONCILIATION OF FUNDS						
Total funds brought forward		575,556	(2,546,000)	9,027,405	7,056,961	-
TOTAL FUNDS CARRIED FORWARD	15	830,694	(2,522,163)	8,863,675	7,172,206	7,056,961

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

Mayflower High School

BALANCE SHEET

31 August 2013

	<i>Notes</i>	2013 £	2013 £	2012 £	2012 £
FIXED ASSETS					
Tangible assets	11		8,837,891		9,010,527
CURRENT ASSETS					
Debtors	12	452,285		193,733	
Cash at bank and in hand		1,376,346		1,027,911	
		<u>1,828,631</u>		<u>1,221,644</u>	
CREDITORS: Amounts falling due within one year	13	<u>(639,316)</u>		<u>(629,210)</u>	
NET CURRENT ASSETS			<u>1,189,315</u>		<u>592,434</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,027,206</u>		<u>9,602,961</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>10,027,206</u>		<u>9,602,961</u>
Pension Scheme Liability	22		<u>(2,855,000)</u>		<u>(2,546,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>7,172,206</u></u>		<u><u>7,056,961</u></u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	14		8,863,675		9,027,405
General annual grant	14		259,125		-
Special educational projects	14		73,712		-
Restricted funds excluding pension reserve			<u>9,196,512</u>		<u>9,027,405</u>
Pension reserve	14		<u>(2,855,000)</u>		<u>(2,546,000)</u>
TOTAL RESTRICTED FUNDS			<u><u>6,341,512</u></u>		<u><u>6,481,405</u></u>
TOTAL UNRESTRICTED INCOME FUNDS	14		<u>830,694</u>		<u>575,556</u>
TOTAL FUNDS			<u><u>7,172,206</u></u>		<u><u>7,056,961</u></u>

The financial statements on pages 21 to 44 were approved by the Trustees and authorised for issue on
and are signed on their behalf by:

.....
L Brumby
Accounting Officer

Mayflower High School

CASH FLOW STATEMENT

For the year ended 31 August 2013

	<i>Notes</i>	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	286,932	702,537
Returns on investments and servicing of financing	18	3,908	2,588
Capital expenditure	19	57,595	(178,159)
Cash transferred on conversion to an academy trust	18A	-	500,945
INCREASE IN CASH IN THE YEAR	20	<u>348,435</u>	<u>1,027,911</u>
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER	20	1,027,911	-
Increase in cash in the year	20	<u>348,435</u>	<u>1,027,911</u>
NET FUNDS AT 31 AUGUST	20	<u>1,376,346</u>	<u>1,027,911</u>

Mayflower High School

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 Statement of Recommended Practice: 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies: Accounts Direction 2013 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

GOING CONCERN

The Trustees 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 charitable company 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 approval of the financial statements.

INCOMING RESOURCES

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

GRANTS RECEIVABLE

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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

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

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

DONATIONS

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

OTHER INCOME

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

INTEREST RECEIVABLE

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

FUND ACCOUNTING

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

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

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

Mayflower High School

ACCOUNTING POLICIES (CONTINUED)

RESOURCES EXPENDED

All expenditure is recognised in the year 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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

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

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

All resources expended are inclusive of irrecoverable VAT.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £5,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold buildings	Straight line over 20 years
Plant and machinery	Straight line over 5 years
Computer equipment	Straight line over 3 years

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

TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

LEASED ASSETS

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

Mayflower High School

ACCOUNTING POLICIES (CONTINUED)

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 22, 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 year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust in the prior period, involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and was been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school Mayflower High School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees 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 Mayflower High School. The amounts were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2013

1 VOLUNTARY INCOME

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2013 £	Total 2012 £
DfE/EFA capital grants	-	-	238,338	238,338	-
Other donations	310,743	-	-	310,743	310,040
	<u>310,743</u>	<u>-</u>	<u>238,338</u>	<u>549,081</u>	<u>310,040</u>

Capital grants received are not permanent endowments.

2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted general funds £	Total 2013 £	Total 2012 £
Catering	349,494	-	349,494	240,842
Class sales	22,936	-	22,936	21,136
Photocopying	1,483	-	1,483	3,043
Vending machine	10,886	-	10,886	10,552
Music tuition	5,262	-	5,262	7,598
Exam fees	15,300	-	15,300	17,775
Course fees & community sales	59,900	-	59,900	55,914
Rentals income	4,506	-	4,506	5,180
Lettings income	82,714	-	82,714	87,380
Student books sales	4,058	-	4,058	6,634
Uniform	3,315	-	3,315	16,931
Other income	2,281	-	2,281	652
	<u>562,135</u>	<u>-</u>	<u>562,135</u>	<u>473,637</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

3 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Short term deposits	3,908	-	3,908	2,588

4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2013 £	Total 2012 £
DfE/EFA REVENUE GRANTS					
General annual grant (GAG)	-	8,099,021	-	8,099,021	8,261,897
Start up grants	-	-	-	-	25,000
Other DfE/EFA grants	-	53,820	-	53,820	159,708
	-	8,152,841	-	8,152,841	8,446,605
OTHER GOVERNMENT GRANTS					
School standards fund	-	39,375	-	39,375	32,445
Local Authority grants	-	24,193	-	24,193	90,665
Special educational projects	-	296,999	-	296,999	234,278
	-	360,567	-	360,567	357,388
	-	8,513,408	-	8,513,408	8,803,993

Capital grants received are not permanent endowments.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

5 RESOURCES EXPENDED

	Staff costs £	Non pay expenditure		Total 2013 £	Total 2012 £
		Premises £	Other costs £		
Costs of generating voluntary income	-	-	266,764	266,764	293,891
Fund-raising trading	118,358	-	236,526	354,884	320,831
Academy's education operations					
Direct costs	5,699,977	-	558,968	6,258,945	6,817,659
Allocated support costs	1,243,676	595,305	620,038	2,459,019	2,429,912
	<u>7,062,011</u>	<u>595,305</u>	<u>1,682,296</u>	<u>9,339,612</u>	<u>9,862,293</u>
Governance costs including allocated support costs	-	-	39,675	39,675	51,580
	<u>7,062,011</u>	<u>595,305</u>	<u>1,721,971</u>	<u>9,379,287</u>	<u>9,913,873</u>
Net incoming/(outgoing) resources for the year				2013 £	2012 £
Operating leases - plant and machinery				12,072	10,381
Fees payable to Baker Tilly UK Audit LLP and its associates for:					
- audit				10,300	8,000
- other services - in respect of the current year				8,445	2,000
- other services - in respect of the prior year				6,194	-

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

6 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATION OPERATIONS

	2013	2012
	£	£
DIRECT COSTS		
Teaching and educational support staff	5,699,977	6,036,646
Educational supplies	287,819	359,334
Educational visits	1,000	3,098
Examination fees	127,888	154,585
Staff development	33,452	26,789
Educational consultancy	54,335	105,923
Other finance cost - pension	-	112,000
Other direct costs	54,474	19,284
	<u>6,258,945</u>	<u>6,817,659</u>
ALLOCATED SUPPORT COSTS		
Support staff costs	1,243,676	1,127,418
Depreciation	353,379	364,967
Maintenance of premises and equipment	433,566	513,297
Cleaning	15,314	21,007
Rent and rates	146,425	150,355
Insurance	58,663	72,744
Legal & professional	7,698	65,537
Security and transport	11,144	14,580
PPS and telephone	63,330	58,839
Bank interest and charges	296	110
Other finance cost - pension	93,000	-
Other support costs	32,528	41,058
	<u>2,459,019</u>	<u>2,429,912</u>
	<u>8,717,964</u>	<u>9,247,571</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

7 GOVERNANCE COSTS

	2013 £	2012 £
Legal and professional fees	14,306	37,273
Auditor's remuneration		
Audit of financial statements	10,300	8,000
Other services	14,639	6,307
Trustees' reimbursed expenses	430	-
	<u>39,675</u>	<u>51,580</u>

8 STAFF COSTS

	2013 £	2012 £
Staff costs during the period were:		
Wages and salaries	5,622,382	5,907,185
Social security costs	419,520	435,537
Pension costs	897,723	872,762
	<u>6,939,625</u>	<u>7,215,484</u>
Supply teacher costs	110,136	90,907
Severance payments	12,250	11,000
	<u>7,062,011</u>	<u>7,317,391</u>

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2013 FTE	2012 FTE	2013 No.	2012 No.
Teachers	94	87	102	93
Administration and support	77	76	139	117
Management	10	10	10	10
	<u>181</u>	<u>173</u>	<u>251</u>	<u>220</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

8 STAFF COSTS (CONTINUED)

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

	2013 No.	2012 No.
£60,001 - £70,000	-	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1
	<u> </u>	<u> </u>

Three (2012: five) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £38,100 (2012: £56,726).

9 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff trustees under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

The value of the Principal's remuneration was £127,188 (2012: £130,950) in 2013. The value of the staff Trustee's remuneration was £57,331. The staff Trustees are accruing retirement benefits under the Teacher' Pension Scheme and contributions paid during the year amounted to £7,890.

During the year ended 31 August 2013, travel and subsistence expenses totalling £430 (2012: £77) were reimbursed to Trustees.

Related party transactions involving the Trustees are set out in note 23.

10 TRUSTEES' AND OFFICERS INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £2,454 (2012: £2,610).

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

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

11 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant & machinery £	Total £
COST			
1 September 2012	9,288,000	87,494	9,375,494
Additions	-	180,743	180,743
31 August 2013	<u>9,288,000</u>	<u>268,237</u>	<u>9,556,237</u>
DEPRECIATION			
1 September 2012	356,742	8,225	364,967
Charge for the year	329,300	24,079	353,379
31 August 2013	<u>686,042</u>	<u>32,304</u>	<u>718,346</u>
NET BOOK VALUE			
31 August 2013	<u>8,601,958</u>	<u>235,933</u>	<u>8,837,891</u>
31 August 2012	<u>8,931,258</u>	<u>79,269</u>	<u>9,010,527</u>

Included in freehold land and buildings is £2,702,000 (2012: £2,702,000) of land which is not depreciated.

12 DEBTORS

	2013 £	2012 £
Trade debtors	742	2,348
VAT recoverable	189,692	92,955
Other debtors	-	16,246
Prepayments	261,851	82,184
	<u>452,285</u>	<u>193,733</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

13 CREDITORS: Amounts falling due within one year	2013	2012
	£	£
Trade creditors	177,790	77,521
Other taxation and social security	126,088	218,959
Other creditors	97,940	3,750
Accruals and deferred income	237,498	328,980
	<u>639,316</u>	<u>629,210</u>

Deferred income	2013	2012
	£	£
Deferred income at 1 September	61,756	-
Resources deferred in the year	138,384	61,756
Amounts released from previous period	(61,756)	-
Deferred income at 31 August	<u>138,384</u>	<u>61,756</u>

Included in deferred income at 31 August 2013 is £22,807 (2012: £13,614) of restricted funding from the EFA for the academy's educational operations received in advance relating to the following academic year.

Also included in deferred income is £35,238 (2012: £Nil) of restricted funding from the local authority for educational support funding received in advance relating to the following academic year.

Also included in deferred income is £80,339 (2012: £48,142) of unrestricted income relating to the following academic year made up as follows:

	2013	2012
	£	£
Lettings income	-	3,624
Course fees & community sales	5,789	7,765
Music tuition	250	1,640
Catering	16,056	13,062
Trips and visits	58,244	22,051
	<u>80,339</u>	<u>48,142</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

14 FUNDS

	At 1 September 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2013 £
RESTRICTED GENERAL					
General Annual Grant (GAG)	-	8,099,021	(7,888,585)	48,689	259,125
Pension reserve	(2,546,000)	-	(175,000)	(134,000)	(2,855,000)
Other DfE/EFA grants	-	53,820	(53,820)	-	-
Local authority grants	-	24,193	(24,193)	-	-
Special education projects	-	296,999	(223,287)	-	73,712
Standards fund	-	39,375	(39,375)	-	-
	<u>(2,546,000)</u>	<u>8,513,408</u>	<u>(8,404,260)</u>	<u>(85,311)</u>	<u>(2,522,163)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/EFA and local authority capital grants	16,878	238,338	-	(48,689)	206,527
Inherited fixed assets	8,931,258	-	(329,300)	-	8,601,958
Capital expenditure since conversion	79,269	-	(24,079)	-	55,190
	<u>9,027,405</u>	<u>238,338</u>	<u>(353,379)</u>	<u>(48,689)</u>	<u>8,863,675</u>
TOTAL RESTRICTED FUNDS	<u>6,481,405</u>	<u>8,751,746</u>	<u>(8,757,639)</u>	<u>(134,000)</u>	<u>6,341,512</u>
UNRESTRICTED FUNDS					
Unrestricted funds	575,556	876,786	(621,648)	-	830,694
TOTAL UNRESTRICTED FUNDS	<u>575,556</u>	<u>876,786</u>	<u>(621,648)</u>	<u>-</u>	<u>830,694</u>
TOTAL FUNDS	<u>7,056,961</u>	<u>9,628,532</u>	<u>(9,379,287)</u>	<u>(134,000)</u>	<u>7,172,206</u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the EFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2013.

The Pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Other DfE/EFA fund has been created to recognise the restricted grant funding received from the DfE/EFA which fall outside the scope of core funding.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

14 FUNDS (CONTINUED)

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Academy's revenue expenditure.

The Special Educational Needs fund has been set up to recognise the restricted funding received from the EFA to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Standards fund has been set up to recognise the restricted funding received from the Local Education Authority in support of the specialist school status of the Academy Trust's educational operations for the remainder of the financial year.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The DfE/EFA and local authority capital grant fund represents the total amount of capital grants received. The monies spent on fixed assets and refurbishment works are therefore allocated to this fund. Depreciation charge on the fixed asset purchases is allocated to the fund. The transfer into the GAG represents the amount of revenue expenditure that was incurred through using the capital grants received. The fund balance carried forward represent the carrying value of the fixed assets purchased using the capital grants received, together with the value of capital grants unspent by the reporting date.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2013 £	Total 2012 £
Tangible fixed assets	-	-	8,837,891	8,837,891	9,010,527
Current assets	841,271	961,576	25,784	1,828,631	1,221,644
Current liabilities	(10,577)	(628,739)	-	(639,316)	(629,210)
Pension scheme liability	-	(2,855,000)	-	(2,855,000)	(2,546,000)
TOTAL NET ASSETS	830,694	(2,522,163)	8,863,675	7,172,206	7,056,961

16 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Other:		
Expiring within one year	-	9,476
Expiring within two and five years inclusive	6,848	-
	6,848	9,476

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

17	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2013 £	2012 £
	Net income	249,245	7,421,961
	Cash impact of transfer on conversion	-	(7,745,576)
	Depreciation (note 11)	353,379	364,967
	Capital grants from DfE/EFA and others	(238,338)	90,665
	Interest receivable	(3,908)	(2,588)
	FRS 17 pension cost less contributions payable (note 22)	82,000	26,000
	FRS 17 pension finance costs (note 22)	93,000	112,000
	Increase in debtors	(258,552)	(158,506)
	Increase in creditors	10,106	593,614
	NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>286,932</u>	<u>702,537</u>
18	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2013 £	2012 £
	Interest received	3,908	2,588
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	<u>3,908</u>	<u>2,588</u>
18A	CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	2013 £	2012 £
	Cash balance transferred on conversion	-	500,945
19	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2013 £	2012 £
	Capital grants from DfE/EFA and others	238,338	(90,665)
	Capital expenditure	(180,743)	(87,494)
	NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>57,595</u>	<u>(178,159)</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

20 ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2012 £	Cash flows £	At 31 August 2013 £
Cash at bank and in hand	1,027,911	348,435	1,376,346
	<u>1,027,911</u>	<u>348,435</u>	<u>1,376,346</u>

21 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.

22 PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions were payable to the schemes as follows at 31 August and are included within other creditors:

	2013 £	2012 £
Teachers' Pension Scheme	75,518	72,044
Local Government Pension Scheme	22,103	20,097
	<u>97,621</u>	<u>92,141</u>

Teachers' Pension Scheme

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, 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.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

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

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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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%.

Employer and employee contribution rates

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

From 1 April 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.

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.

The pension costs paid to TPS in the year amounted to £556,723 (2012: £584,762).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme (continued)

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated 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 year ended 31 August was £346,000, of which employer's contributions totalled £259,000 and employees' contribution totalled £87,000. The agreed rates for future years are 12.3 per cent for employers and between 5.5 and 7.5 per cent for employees.

Principal actuarial assumptions	2013	2012
	%	%
Rate of increase in salaries	4.7	3.7
Rate of increase for pensions in payment	2.9	1.9
Discount rate	4.7	3.9
Inflation (CPI)	2.9	1.9

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

	2013	2012
	Years	Years
Retiring today:		
Males	22.7	22.7
Females	25.3	25.3
Retiring in 20 years:		
Males	24.2	24.1
Females	26.9	26.8

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £'000
Equities	6.6	602	5.9	344
Gilts	3.5	74	2.8	30
Other bonds	4.4	83	3.9	46
Property	5.6	102	4.9	66
Cash	0.5	28	0.5	20
Alternative assets	4.4	37	0.0	-
TOTAL MARKET VALUE OF ASSETS		926		506
Present value of scheme liabilities				
- Funded		(3,781)		(3,052)
DEFICIT IN THE SCHEME		(2,855)		(2,546)

The actual return on the scheme assets was £102,000 (2012: £25,000).

Amounts recognised in the statement of financial activities

	2012 £'000	2012 £'000
Current service cost	341	288
Total operating charge	341	288
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	34	21
Interest on pension liabilities	(127)	(133)
Pension finance costs	(93)	(112)

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS17 is £499,000 (2012: £365,000).

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

The expected return on assets is based on the long-term future expected investment return for each asset class. The returns on gifts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Movements in the present value of defined benefit obligations were as follows:	2013 £'000	2012 £'000
At the beginning of the period	3,052	2,188
Current service cost	341	288
Interest cost	127	133
Employee contributions	87	87
Actuarial loss	202	369
Benefits paid	(28)	(13)
	<hr/>	<hr/>
At 31 August	3,781	3,052
	<hr/> <hr/>	<hr/> <hr/>

Movements in the fair value of Academy Trust's share of scheme assets:	2013 £'000	2012 £'000
At the beginning of the period	506	145
Expected return on assets	34	21
Actuarial gain	68	4
Employer contributions	259	262
Employee contributions	87	87
Benefits paid	(28)	(13)
	<hr/>	<hr/>
At 31 August	926	506
	<hr/> <hr/>	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2014 is £262,000.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2013

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Amounts for the year:

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(3,781)	(3,052)
Fair value of share of scheme assets	926	506
Deficit in the scheme	<u>(2,855)</u>	<u>(2,546)</u>
Experience adjustments on share of scheme assets Amount £'000	<u>68</u>	<u>4</u>
Experience adjustments on scheme liabilities: Amount £'000	<u>-</u>	<u>-</u>

23 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees 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 Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

24 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £13,306 (2012: £7,790) and disbursed £13,306 (2012: £7,401), £Nil (2012: £389) was retained to cover administration expenses and therefore a balance of £Nil (2012: £Nil) was repayable to the EFA at the 31 August 2013.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MAYFLOWER HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mayflower High School during the year 1 September 2012 to 31 August 2013 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 Mayflower High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Mayflower High School 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 Mayflower High School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF MAYFLOWER HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Mayflower High School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2012, 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 2013. 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 2012 to 31 August 2013 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 2013 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
MAYFLOWER HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BAKER TILLY UK AUDIT LLP

Chartered Accountants

Marlborough House

Victoria Road South

Chelmsford

Essex

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