

**JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM
CENTRE**

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD 12TH MAY 2011 TO
31ST AUGUST 2012**

**Company Registration Number :
07631985 (England and Wales)**

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

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for the Period Ended 31st August 2012

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JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	Spencer Lane – Chair	(appointed 12/5/11, resigned 20/7/12)
	John Daniels - Vice Chair	(appointed 12/5/11, resigned 20/7/12)
	Frances SurrIDGE - Parent Governor/Chair	(appointed 7/6/11)
	Christopher Mapp - Parent Governor	(appointed 12/5/11, resigned 28/11/11)
	Emma Carr - Parent Governor	(appointed 7/6/11)
	Sandra Berry - Parent Governor	(appointed 7/6/11, resigned 1/3/12)
	Sarah Edwards – Parent Governor	(appointed 7/6/11, resigned 27/2/12)
	Karen Ennis – Governor	(appointed 7/6/11)
	Sue Millington-Jones - Governor	(appointed 7/6/11)
	Andrew Sims - Governor	(appointed 12/5/11)
	Colin Myles – Governor	(appointed 7/6/11)
	Keith Hough – Governor	(appointed 12/5/11)
	Howard Mayell – Governor	(appointed 7/6/11)
	Ros Graham – Staff Governor	(appointed 7/6/11, resigned 5/11/12)
	Steven Williams – Staff Governor	(appointed 7/6/11)
	Andy Evans – Headteacher and Accounting Officer	(appointed 7/6/11)
	Nathan Lewis – Parent Governor/Responsible officer	(appointed 6/12/11)
	Dr Debra Hiley – Parent Governor	(appointed 6/12/11)
	Dr Ian Williams – Parent Governor	(appointed 6/12/11)
	Feya Recordon – Parent Governor	(appointed 6/12/11)
Cllr Terry Widdows – Parent Governor	(appointed 6/12/11)	
Dylan Phillips – Parent Governor	(appointed 6/12/11)	
Valerie Chadney – Staff Governor	(appointed 27/3/12)	

Company Secretary Wrigleys Solicitors LLP

Senior Leadership Team

Andrew Evans - Headteacher	
Andrew Collard - Deputy Headteacher	
Peter Hammond - Assistant Headteacher	
Andrew Williams - Assistant Headteacher	
Lee Jones - Assistant Headteacher	(left 31/8/11)
Jo Lindley - Assistant Headteacher	(appointed 1/9/11)
Mark Hawksworth - Assistant Headteacher	(appointed 1/9/11)
Lana Laidler - Faculty Leader	
Jonathan Andrews - Faculty Leader	
Wendy Bradbeer - School Business Manager	

This team directs the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. They are also responsible for the day-to-day operation of the Academy.

Principal and Registered Office

Mabel's Furlong
Ledbury
Herefordshire
HR8 2HF

Company Registration Number 07631985 (England and Wales)

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REFERENCE AND ADMINISTRATIVE DETAILS****(continued)**

Statutory Auditor Davies Mayers Barnett LLP
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

Bankers Barclay's Bank PLC
1-3 Broad Street
Hereford
Herefordshire
HR4 9BA

Solicitors Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31st August 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy was incorporated on 12th May 2011 and commenced as an Academy Trust from 1st June 2011. The Academy Trust is a company limited by guarantee and an exempt charity. John Masefield High School and Sixth Form Centre's Memorandum and Articles of Association, together with the Funding Agreement, are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of John Masefield High School and Sixth Form Centre and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as John Masefield High School and Sixth Form Centre.

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 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.

Governor's Indemnities

John Masefield High School and Sixth Form Centre have Governors Liability insurance in place, note 12 refers.

PRINCIPAL ACTIVITIES

The purposes of the Academy are those set out in the Memorandum of Association and the Funding Agreement.

The principal activity is the provision of public benefit education by maintaining, managing and developing a comprehensive School offering a broad and balanced curriculum.

The Governors ensure the school operates as a state funded, mixed, independent school for students aged 11-18 of all abilities drawing mainly from the area in which it is situated.

To develop a school offering a broad and balanced curriculum (Memorandum of Association). This curriculum is designed to have strengths in the 8 main faculty areas in the school; English, Mathematics, the Sciences, Modern Foreign Languages, the Humanities, Performing Arts, Technology and Enterprise, and PE and Health. Whilst the school's specialism is in the performing arts, Governors feel it is essential to have strength in each of the 8 areas named above so that students of all abilities and aptitudes can succeed, thrive and enjoy learning at our school.

The school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community. (Funding Agreement).

We achieve our key aims through developing high quality teaching, pastoral care to help each individual to succeed and a wide range of extra-curricular opportunities including many that promote student leadership.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Eligibility to act as a Governor of the John Masefield High School and Sixth Form Centre is within the Constitutional Framework and Clauses 65-81 of the Articles of Association.

Governors are sought via election from the parent body, election from the staff body and co-opted from the local community dependent upon skill requirements.

Policies and Procedures Adopted for the Induction and Training of Governors

The school has adopted an in-house programme of induction for all new Governors. This includes information about the school, the Company and the Trust.

Each new Governor meets individually with the Headteacher and is assigned a mentor from the Governing Body.

Training is provided in-house by the Headteacher and Chair and Vice Chair of Governors through sessions on governance and financial management and other key areas led by the Specialist Schools and Academies Trust and training on others areas led by Hoople Ltd (formally Herefordshire Council) including personnel issues and acting as a member of the Disciplinary Committee.

ORGANISATIONAL STRUCTURE

Governors make strategic decisions about the direction of the school and are responsible for policy. The Headteacher and Senior Leadership Team (SLT) of the School are responsible for all operational matters. The diagram below shows the responsibilities of members of the Senior Leadership Team.

Extended Leadership Team Structure – Roles and Responsibilities 2011-12

Andy Evans	Andy Collard	Wendy Bradbeer	Peter Hammond	Mark Hawsworth
<p>Lead on whole school performance, standards, performance management, strategic and financial planning and the School Development Plan</p> <p>And this year</p> <ul style="list-style-type: none"> • Visit as many lessons as possible • Support others in improving learning and teaching <p>Line manage Maths</p>	<p>Lead creating outstanding teaching and oversee KS3 performance with lead on Y8 and Y9</p> <ul style="list-style-type: none"> • Equalities policy and statement • Attendance and punctuality • Child Protection and looked after children • Teaching School – building capacity work • INSET days • Work with partner school <p>Line manage Humanities and Languages</p>	<p>Lead site and facilities development and the support staff team</p> <ul style="list-style-type: none"> • Organisation of the school day • Communications and press officer • Contractors, cleaning and catering • Duties and supervision • Calendar including scheduling and staffing for school events, visits etc. <p>Line manage support staff and contractors</p>	<p>Lead improve student progress and oversee KS4 performance with lead on Y11</p> <ul style="list-style-type: none"> • Student progress and intervention • Assessment • Academic mentoring • ICT development • Progress of groups particularly pupil premium <p>Line manage Technology and Enterprise and Science</p>	<p>Lead Sixth Form</p> <ul style="list-style-type: none"> • Sixth Form performance, progress, learning and teaching, curriculum and pastoral • Improving teaching group • Btec courses <p>Line manage Sixth Form team and PE and Health</p>

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

ORGANISATIONAL STRUCTURE - continued

Jo Lindley	Andy Williams	Lana Laidler	Jon Andrews
<p>Lead Student Services (including house system) and oversee KS3 performance with lead on Y6 and Y7</p> <ul style="list-style-type: none"> • Primary transition and recruitment • Student Services Centre and SEN oversight • House team and House system • Behaviour improvement and support • Rewards, respect and ethos • Prefect system <p>Line manage House Leaders team and SEN</p>	<p>Lead Faculty Leaders team to improve quality of curriculum and learning experience and oversee KS4 performance with lead on Y10</p> <ul style="list-style-type: none"> • Review new National Curriculum • Develop JMHS curriculum entitlement • Lead literacy improvement programme • Lead alternative curriculum • IAG <p>Line manage English and Arts</p>	<p>Lead New Curriculum Model</p> <ul style="list-style-type: none"> • Oversight of timetable, curriculum planning and teacher deployment • Further development of learning standards <p>Faculty Leader Maths</p>	<p>Lead Professional Development</p> <ul style="list-style-type: none"> • Lead Professional Enquiry Group • Co-ordinate all training opportunities <p>Assistant Faculty Leader Humanities</p>

Key stage responsibility for SLT

- Analysing progress following data collection
- Co-ordinating action to bring about improvement
- Leading information evenings
- Producing termly newsletters
- Developing mentoring
- Induction of new students
- Leading assemblies at least once per term

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

ORGANISATIONAL STRUCTURE - continued

All Governors have equal responsibilities and are both Directors of the Company and Trustees of the Charity. This encourages participation, develops responsibility and encourages decision-making. The Chair and Vice Chair of Governors exercise their responsibilities in providing meetings and structures that facilitate decision-making that supports the development of the school and achievement of its aims.

The full Governors' meetings are the decision-making body. Through these meetings Governors adopt a School Development Plan and a budget and monitor the development of the Academy. They make decisions about the future direction of the Academy, capital expenditure and with the Senior Leadership Team on staffing appointments. The Governors receive, at the Full Governors' meetings a termly report from the Headteacher with up-dates on student progress, the quality of teaching, student behaviour and safety and the quality of leadership and management. This report helps Governors to monitor progress against the School Development Plan and helps inform strategic planning. During 2011-12 there were 4 Governors' Sub-Committees each of which met once per term.

Name of the Sub-Committee	Key Aims
Learning and Teaching	1. To monitor and enable the highest quality of teaching and design the curriculum to enable all students to succeed.
Personnel and Guidance	1. To ensure equitable and fair employment policies that will maximise the success of the school. 2. To ensure the highest standards of pastoral care of our students.
Health, Safety, Site and Systems	1. To ensure a healthy and safe environment. 2. To consider how to make improvements on our site, in our accommodation and facilities and infrastructure (including ICT) in order to maximise the quality of learning, student progress and enjoyment of school.
Strategy and Finance	1. To ensure that all funds allocated to the school are spent in a way to achieve the school's aims to make progress and achieve the objectives of our School Development Plan. 2. To check that all financial procedures are appropriate, legal and ethical.

Governors' Committee meetings are supported by officers of the school, for example Faculty Leaders, Senior Leadership Team members, the School Business Manager and Finance Officer, and are presented with papers that detail current positions and draft plans for improvement. Governors regularly receive school newsletters, the Up-date magazine and other information from the Headteacher on the progress of the school.

The school works with a School Improvement Partner (SIP) who is currently a Lead Ofsted Inspector and carries out regular reviews which include reports on the quality of teaching and student progress and suggestions for improvement on key areas of our work. The SIP provides independent advice on the progress of the school against its aims and assists Governors in their key role of challenging the Headteacher and SLT to achieve even greater success.

RISK MANAGEMENT

Since incorporation, the Governors have completed risk management exercises identifying financial, health and safety risks to the quality of teaching, the curriculum and pupil welfare and reputational risks, and have identified and implemented strategies for mitigating against these risks. The Governors have also completed an assessment of Internal Financial Control for the Education Funding Agency (formerly YPLA) where if significant financial risks still remain they have ensured that they have adequate insurance cover. The Governors have an effective system of Internal Financial Control and this is explained in more detail in the financial statement later on in this report.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

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CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

As part of our initial agreement to gain Academy status we have worked with Earl Mortimer College, Leominster in supporting their school development plan. We work closely with the Ledbury Cluster of primary schools (both Headteachers and Governors) to support educational improvement for all children in the Ledbury area.

We are currently working with Stourport High School which is a specialist teaching school as a member of their teaching school network and are exploring the possibility of becoming a Teaching School in the future.

We work in partnership with many local organisations including The Town Council, Ledbury Rotary Club and Ledbury in Bloom on projects which involve our students.

Our students are also involved in raising money for a large variety of local, national and international charities.

During the summer term the Headteacher, Mr Evans, was nominated and received training to become a Local Leader of Education. This means that he is available to work with other Headteachers in a formal way to support improvement in their schools.

We have a joint use agreement with HALO Leisure governing the use of Ledbury Leisure Centre which is based on our school site. This agreement enables the school to use the sports facilities during the school day and for after school clubs. HALO leisure is responsible for the management of the centre in the evenings after 5.30 pm, at weekends and during the school holidays. The arrangements for maintaining the sports centres and for sharing costs between the Academy and Leisure Centre are detailed in the 'joint use agreement' which was agreed in 2000 when the leisure centre was built.

The school works in partnership with various contractors including Shire Catering who provide school dinners and catering services, Churchill Cleaning who clean the school site, and Highground who maintain the school grounds. The School Business Manager has worked with all of these contractors in 2011-12 who have each achieved good improvements and make strong contributions to improving the school environment.

OBJECTIVES AND ACTIVITIES

Objects and Aims

John Masefield High School and Sixth Form Centre aims are;

1. Create excellent and enjoyable learning for all.
2. Help each individual to achieve his or her personal best.
3. Building a community where we all support each other.

Public Benefit

The Academy Trust Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising powers or duties. This has been with particular reference to Principles 1 and 2 as found in "The Advancement of Education for the Public Benefit, 2008"

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

OBJECTIVES AND ACTIVITIES - continued

Objectives Strategies and Activities

Develop a school offering a broad and balanced curriculum (*Memorandum of Association*)

The curriculum was judged as outstanding by Ofsted in February 2011 in the last full inspection. Since then there have been further improvements to the quality of the curriculum including;

- a) Developing the quality of alternative curriculum provision so that some students can work on practical courses at College or with employers for one or 2 days a week. This provision was praised as very strong in an Ofsted Inspection of the Alternative Curriculum in October 2012 (see the school website for a copy of the report).
- b) The opportunity for students to choose areas of particular interest to study in Year 9. This has improved student motivation and progress in this year group.
- c) The introduction of enhancement classes for students needing extra help in Years 7 and 8 in English and Maths. This will help students develop the skills and confidence to succeed in these core subjects.
- d) The quality of courses at Key Stage 4 (KS4) and Sixth Form are continually reviewed and improved and include the successful introduction from September 2012 of Public Services BTEC in the Sixth Form and Catering GCSE in KS4.

The curriculum to have an emphasis on the Performing Arts (funding agreement)

There are high quality courses in art, dance, drama, music and photography with a significant amount of students gaining more qualifications in these subjects than in other schools across England and Wales. The assessment that the school continues to meet Artsmark Gold standard in June 2012 alongside the glowing assessment of the Arts Award Assessor for the Year 9 course confirms our continued strength in these areas. Many students have continued to participate in extra-curricular dance, drama and music.

The school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community. (*Funding Agreement*)

Our students have worked in 2011-12 very successfully with our feeder primary schools leading dance, language and sports days where students from the primary school visited John Masefield High School and performed and worked with us. They participated in several community projects including working with Speller Metcalfe to investigate the restoration of the Masters House in Ledbury. Our Green Fingers club worked with Ledbury in Bloom, our Prefects visited all feeder primary schools and worked with the teachers and pupils, and musicians performed many concerts ranging from events at homes for the elderly, performances on the Olympic Torch day, the Rotary Club concert and performing on the Queens Diamond Jubilee Day. The Headteacher worked with local primary schools advising them of the advantages and disadvantages of Academy Status and with Earl Mortimer College on their School Development Plan. Teachers and middle and senior leaders are invited to training events at JMHS including a University at Worcester Masters' module on mentoring. There are a wide variety of regular events held at John Masefield High School that benefit the local community including the highly successful community choir, the Silver Surfers club, evening classes as part of our arts provision and training courses for adults who wish to become classroom assistants. Our students also worked with Ledbury Town Council on the Town Plan.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

ACHIEVEMENTS AND PERFORMANCE

Examination Results

A Level

All except one entry for advanced level GCE and advanced BTEC resulted in Pass grades so the overall pass rate was 99.5%. 39% of all advanced level entries resulted in A* or A grades, the highest yet achieved at John Masefield High School with more than a quarter of the year group achieving 3 A levels at grade A or higher. The average UCAS score per student was 330 points, the equivalent of 2 A grades and one B grade per student. The A Level results were significantly above the national average.

GCSE

The following chart compares GCSE results to Herefordshire and National averages. It can be seen that the JMHS results were in nearly all cases higher than national averages and in many cases significantly above.

Key Stage 4 Results					
	% of students achieving 3 A-A* grades	% of students achieving 5 A-C grades	% of students achieving 5 A*-C grades including both English and maths	% of students achieving 5 A-G grades	Average GCSE point score
JMHS	46%	97%	61%	100%	558
Herefordshire	38%	87%	56%	98%	484
National	33%	83%	58%	98%	480

Extract from School Profile compiled by Herefordshire Council

There were particularly strong GCSE results this year in maths, the sciences, history, geography, French, German and Spanish. BTEC results were also very high in practical subjects. We were particularly proud that 100% of students achieved 5 A-G grades, 97% achieved 5 A-C grades and that the proportion achieving the English Baccalaureate was well above the national average.

Attendance

The overall attendance rate for 2011-12 was 94.6% equalling the highest ever attendance achieved in the previous academic year. This is well above the national average though is broadly in line with the Herefordshire average. Our target for 2012-13 is 95%.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

ACHIEVEMENTS AND PERFORMANCE – continued

School Development Plan

The School Development Plan has 4 key priority areas; creating outstanding teaching, enabling students to achieve very good progress, improving the curriculum and provision for students, and continuing to improve attendance, behaviour and the ethos of the school. A summary of the progress made during 2011-12 is summarised below:-

1. Quality of teaching

Our target is that by the summer of 2013, 90% of teaching will be good or better and 40% outstanding.

Action taken during 2011-12 included:-

- Over 500 learning walks or short lesson visits by senior staff to give students and teachers feedback on the quality of learning and teaching.
- Using some of our best teachers as coaches for teachers who were either teaching at a satisfactory level and need to improve this to a good standard or teachers currently teaching lessons to a good standard who wish to improve their teaching to outstanding.
- Redesigning the John Masefield High School learning and teaching standards to take into account the revision of Ofsted judgements and national teaching standards and providing high quality training for teachers so that they can achieve these standards in the areas of classroom management, explanation and questioning, activities and resources, pace, support and challenge, literacy and assessment.

Impact: Good progress was made towards the 2013 target with over 80% of lessons judged as at least good and 30% of lessons as outstanding. The average grade for each of the teaching standards is now between good and outstanding. Members of staff who received support from a coach to help improve their teaching made good progress.

2. Student Progress

Students achieve very good progress, measured by comparison to top quartile targets for value added.

Action taken during 2011-12 included:-

- Improvement of the quality of the English curriculum in Years 7 and 8 and giving specific feedback to students on the writing skills they need to improve.
- Provision of additional enhancement classes for students to help them improve their progress in maths in Year 8.
- Tracking of student progress and attitudes, analysing this data and taking action to help individual students and classes improve and developing the role of year group progress leader; a member of the Senior Leadership Team with responsibility to help students in each year group maximise their progress.
- Maximising progress in the new GCSE English, Maths and Science exams, using mentoring, particularly intensive mentoring, for students in danger of falling behind in Year 11 and the Sixth Form.
- The preparation of plans for individual students who need to improve their progress in A-Level classes and subject plans to maximise A-Level achievement.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

ACHIEVEMENTS AND PERFORMANCE - continued

Impact:

- a) Year 13 classes achieved their best ever results in the school but value added analysis indicates that their progress is not yet at top quartile level.
- b) Year 11 classes achieved very well in biology, chemistry, physics, maths, history, geography, French, German and Spanish and in the arts and practical subjects. Students achieved in line with expectations in core science. They achieved well in English Literature but below expectation in English Language. The re-grading of GCSEs by the exam board Edexcel and Ofqual played a significant part in the English results being below expectation however, we are determined to make further improvements in English regardless of these results or what they should have been.
- c) Students in Year 7 made very good progress in their first year. Overall students in Year 8 made slightly less progress than we would have hoped. Those in Year 9 made good progress.

3. **Improving the Curriculum**

Action taken during 2011-12 included:

- Introduction of a new curriculum model for Year 9, which offers students a choice of up to 3 subjects in addition to their core learning.
- Improvement for work experience and work related learning for selected students at KS4.
- Development of a whole school approach to literacy enabling all students to improve their quality of writing.
- Development of alternative curriculum pathways to enable students with considerable behavioural and learning difficulties to access the curriculum and succeed.

Impact:

The Year 9 optional curriculum has been successful in its first half term of operation with very good motivation for students in the subjects they have chosen. Students working on the alternative curriculum have made very good progress and opportunities for work-related learning have increased. There is scope for more students to be involved if suitable programmes can be found for these students.

Some progress was made with whole school literacy. There will be a major drive to achieve a substantial improvement in 2012-13.

4. **Further improving students' behaviour, attendance and the ethos of the school**

Action taken during 2011-12 included:-

- Identifying teachers who need additional help in improving their classroom management skills.
- House Leaders working with small targeted groups of students who need to improve their behaviour and in partnership with parents to set clear targets for improvement and helping students to achieve these improvements.
- Continuing to emphasise the importance of attendance and punctuality and taking a systematic approach to improving punctuality.
- Increasing participation in lunch time, house and after-school activities from all students in the school especially those with additional and special needs.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

REPORT OF THE GOVERNORS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

ACHIEVEMENTS AND PERFORMANCE – continued

4. Further improving students' behaviour, attendance and the ethos of the school - continued

- Improving systems for supporting those with SEN including greater involvement of parents in developing education plans for these students.
- Increasing leadership opportunities for all students across the school including further development of the Prefect system.
- Improving the rewards system at KS3 through the use of an Achievement Award
- Designing new House standards with specific links to the teaching and learning standards, Ofsted expectations of pupil behaviour and the success criteria focussed on student outcomes.
- Ensuring students transferring from Year 6 and their parents feel very well supported and guided through their induction and transition period.

Impact:

- a) Attendance remains high at 94.6% in the academic year 2011-12.
- b) Punctuality to school is much improved.
- c) Lesson observations indicated that behaviour is good in 90% of lessons and outstanding is close to 30% of lessons. Over 90% of students are graded as good or better for co-operation in their report however there are some classes and a small number of individuals who still need to improve their behaviour and a key feature of our work in 2012-13 will be working with teachers and classes where behaviour is sometimes not good and continuing to work with individual students to achieve improvement.
- d) Participation in extra-curricular activities improved so on an average students participate in 8 activities or events.
- e) The Achievement Award gave a holistic view of student achievement with foci on charity and participation, alongside attendance, punctuality, behaviour, uniform and student learning. The Achievement Award has also begun to connect students to the pathway for becoming a prefect.
- f) House Standards have enabled concise, targeted feedback to tutors, House Leaders and students to enable robust development plans to be created to effect improvement in the next academic year.
- g) Parents were given greater involvement in agreeing plans for students with SEN, however, it is recognised that further improvement is needed in these areas to give students with SEN the best chance to catch up.

The 2012-13 School Development Plan covers similar areas, a summary of the plan is available from the Headteacher.

Improvements to the School Site and Infrastructure

During the summer of 2011 we upgraded our science block by replacing the roof, improving the lighting, changing the windows and reducing the height of the ceilings. We have also replaced flooring in several areas of the school, improved steps and walkways and continued with our general maintenance programme. Our priorities are to ensure the health, safety and well-being of students and staff on our site and ensure they have appropriate spaces in which to teach and learn.

Work started on the upgrading of the ICT infrastructure, which involved a painstaking evaluation of options, visits to several schools and setting up of an on-site pilot. A specification was produced and the work offered in open tender. Procurement is now complete and the upgrade is due to be done over the winter of 2012/13. This will provide the school with an ICT system that will provide improved facilities for staff and students, improve systems availability and reduce costs in the long term.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****ACHIEVEMENTS AND PERFORMANCE – continued****Achievements in Sport**

The main achievements in Sport this year came through County success. The Year 10 boys completed the ‘grand slam’ becoming County Champions at both 15 a-side and 7 a-side rugby competitions along with football and cricket; 7 boys in the year group competed in all 4 teams. Our boys’ Year 9 football team and Year 8 rugby team enjoyed County success too as did our girls’ Year 9 football team who won in a county competition which was just reward for their hard work and commitment. Staff continued to give freely of their time to support students during afterschool practices and on fixtures, something that I believe has played a key role in our recent achievements. There seems to be a huge sense of pride around the school in sport following the various teams’ success, which is evident through more students attending after school practices. In basketball, Sixth Form students started their own team, bought their own kit and arranged their own fixtures. They practice regularly at lunch times and it is hoped that their hard work will pay off through winning many matches in the future. Unfortunately, Sports Day was postponed to the autumn term due to bad weather.

Achievements in the Arts

The Arts Faculty ended Olympic year on a high, celebrating with the whole school in song for ‘We are the Champions’ in the final assembly. This song summed up a year of tremendous hard work and change in the Faculty. We are very proud of our achievement of ArtsMark Gold and the wonderful comments which came from the Arts Council following our application. It was a crowning moment to have the dedication of the staff and students rewarded in such a way. The calendar of extra-curricular events was packed as usual and we had very successful performances of ‘Back to the 80s’ and ‘Our Country’s Good’ which was our first straight drama in recent years. Christmas Concert and The X Factor once again showcased our excellent musicians. The choir went on to perform at the Jubilee celebrations in front of Her Majesty the Queen and at the Olympic Torch relay which passed through Ledbury. A group of our Gifted and Talented dancers, who also performed at the relay, won the Glow Dance Festival with their own choreographed piece. The Sixth Form also impressed with their revue show ‘Fusion’ in April which featured a wide variety of entertainment. Arts Award moderation was very successful and we had excellent feedback about the variety of experiences we had enabled our students to undertake in the course. Drama worked to support low ability students in English in tackling their Shakespeare task. The finale of the year was again the Arts Festival in which the students got to experience a range of arts activities with professionals from the industry.

Numbers

Numbers on roll as of 21/11/12:-

Year 7-143

Year 8 -125

Year 9 - 163

Year 10 - 142

Year 11 -160

Sixth Form -158

Total - 891

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****ACHIEVEMENTS AND PERFORMANCE – continued****Student And Parent Surveys**

We survey students and parents each year to help us make improvements to the school and use student focus groups to identify where students feel they make best progress and how we can better support them and make lessons even more effective. The student survey is an anonymous online survey for all members of the school which is completed in the spring term. It covers their progress and enjoyment on individual subjects, questions about their learning and attitudes, their experiences of teaching, safety and behaviour. A few key figures from the 2012 student survey include;

Question	Average (Agree/Strongly Agree)
My concentration is good in lessons	93%
I take care with my work	89%
I co-operate and behave well in lessons	93%
I am committed to improving my learning	93%
Behaviour is good in lessons	88%
I feel safe in lessons	96%
I feel safe at brunch and lunch times	97%
Teachers expect me to work hard and make good progress	98%
Overall, teaching is good at JMHS	88%
I have enjoyed being part of my Tutor Group	86%
My Tutor or Mentor gives me good support	89%

The majority of these statistics, particularly on safety and concentration in class indicate a good improvement from the previous survey which was in 2010-11.

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 John Masefield's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31st August 2012 and the associated expenditure are shown as restricted (non-fixed assets) in the statement of financial activities.

John Masefield High School and Sixth Form Centre also receives grants for the fixed assets from the EFA. In accordance with the Academies Accounts Direction 2011/12, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****FINANCIAL REVIEW - continued****Financial Report for the Period - continued**

The Academy has received £205,000 from the Academies Capital Bid Fund in order to improve the roof of the library building. Work will commence on this project in December 2012.

During the period ended 31st August 2012, total expenditure of £6,247,427 was less than recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period was £17,626,553. The excess includes the gift in kind valuation attributed to the long leasehold buildings and other assets gifted on conversion of £18,391,471.

At 31st August 2012 the net book value of fixed assets was £17,956,691 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.

Pupil numbers continue to be positive. For the current year 7 there are 143 pupils on the roll (PAN is 150). As at January 2013 there are 148 first preference applications for the year 7 intake in September 2013, the PAN remains at 150. Previous financial modelling was based on a predictive year 7 intake of 120-125 due to smaller numbers in feeder primary schools.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The academy has completed a thorough review of its financial and risk management objectives in its risk register document.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme and under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, that is provided to support staff, to the restricted fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £1,037,000. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in the future, although this may not be achieved until stock market investment values start to recover.

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed and identified and implemented strategies for addressing these risks. Significant risks and the measures in place to reduce these risks have been formally documented in the Academy's Risk Register, which is subject to continuing review. The Governors have also completed an assessment of internal control for the EFA which enabled the risk assessment process. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Governors have an effective system of financial controls and this is explained in more detail on pages 20 to 22.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES – continued****Reserves Policy**

The Strategy & Finance committee, in conjunction with the full Governing Body, has established a Reserves Policy in line with the EFA guidelines. However the policy will aim to carry forward sufficient funds to meet John Masefield's long term aims and objectives, ensuring that this does not affect its current operational activities.

The Academy's 'free' reserves its funds after excluding any restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The Academy's policy is that the appropriate level of revenue reserves should be equivalent to one month's expenditure, currently estimated to be between £350,000 and £400,000. 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.

A capital reserve is required for longer term planning. The level of reserve will be determined by planned capital projects, normally completed within three years. The type of project would be: new IT projects or replacement, curriculum need and increased pupil numbers. In 2011/12 £59,212 of reserves have been carried forward for an IT project which will commence in the Autumn term to replace the Academy's IT servers.

Due to the accounting requirements for the Local Government Pension Scheme (LPGS), we are recognising a significant pension fund deficit. Whilst this creates a deficit in the restricted general fund this does not mean that an immediate liability for this amount crystallises. The deficit position of the pension scheme results in a cash flow effect for the Academy Trust in the form of an increase in employer's pension contributions over a period of 19 years.

Investment Policy

The Investment Policy is required to ensure that investments are protected rather than maximising interest.

Short term investments are restricted to transfers to the Academy deposit account.

The Academy's current account will hold enough funding to cover the monthly outgoings and any surplus funds will be transferred to the deposit account on a monthly basis.

The bank offer better returns on short term investments through the Money Market and should funds become available to invest the Finance Officer will liaise with the Headteacher and Strategy & Finance Committee to consider this.

Should the reserves increase sufficiently to consider longer term investment, the Academy would employ an agent to give advice on suitable investment opportunities.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****PLANS FOR FUTURE PERIODS AND THE ACADEMIC YEAR 2012-13**

Plans for the future include;

- Continuing to improve the quality of the sixth form teaching and supporting our sixth formers in making even better progress. In particular we are aiming for our Year 12 students to improve by up to a whole grade between their AS Level exams and their A2 exams at the end of Year 13.
- Building on and achieving even higher GCSE results especially in English and Maths in Year 11 and at Key Stage 3 (KS3) we are concentrating particularly on helping those students who have difficulty with core subjects improving their skills so that they have a good foundation when they start their GCSEs.
- Developing the curriculum to help more students achieve in the English Baccalaureate subjects while still providing a wide range of courses to help all succeed.
- Improving the quality of teaching continues to be a key focus. We will use visits to lessons from senior staff and high quality training will be provided by coaches (10 of our best teachers) working with our new teachers at the school and those teachers who need to develop specific skills. This will be supported by the introduction of a new Appraisal system with unannounced lesson observations for all teachers.
- Continuing to work to improve attendance and punctuality so that overall attendance moves to above 95%.
- Working in particular with every class where behavioural difficulties occur to support the teacher and the students in making sure that every member of class has an opportunity to make very good progress and the standard of behaviour improves.
- Continuing to develop our school site. We are replacing the library roof as this is currently leaking and aiming to attract increased funding for the school to make further improvements. A new computer system based on 'virtualisation' is being installed during the spring. This will mean that computers will work faster and more efficiently, the system will be less expensive to run and students will be able to access their school desktop including all of their documents via their home computers.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company'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.

Approved by order of the members of the Governing Body on 22nd January 2013 and signed on its behalf by:

.....
Frances Surridge
Chair

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31ST AUGUST 2012

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that the 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 John Masefield High School and Sixth Form Centre 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 Governor's Report and in the Statement of Governors' responsibilities. There were 6 Governors' meetings during the period 1st June 2011 to 31st August 2012. In addition to these meetings there was one further meeting for the Governors' that had lead John Masefield High School and Sixth Form Centre to academy status. Attendance during the period at meetings of the Governing Body was as follows:-

<u>Governor</u>	<u>Meetings Attended</u>	<u>Out of a Possible</u>
Spencer Lane (Chair) – (resigned 20/7/12)	7	7
Frances SurrIDGE (Chair)	5	6
John Daniels (Vice Chair) – (resigned 20/7/12)	5	7
Christopher Mapp – (resigned 28/11/11)	1	2
Emma Carr	5	6
Sandra Berry – (resigned 1/3/12)	0	4
Sarah Edwards – (resigned 27/2/12)	0	4
Karen Ennis	5	6
Sue Millington-Jones	4	6
Andrew Sims	4	7
Colin Myles	3	6
Keith Hough	6	7
Howard Mayell	4	6
Ros Graham	4	6
Steven Williams	6	6
Andy Evans	7	7
Nathan Lewis	3	4
Dr Debra Hiley	4	4
Ian Williams	4	4
Feya Recordon	4	4
Cllr Terry Widdows	2	2
Dylan Phillips	2	2
Valier Chadney	1	1

Some governors' were not entitled to attend all of the meetings, this will be due to the date they commenced or resigned from the role.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

GOVERNANCE – continued

The Chair and Vice Chair of the Governing Body resigned at the end of the summer term. A caretaker Chair, Frances Surridge was appointed. This appointment was made permanent in September 2012.

The Strategy and Finance Committee is a sub-committee of the main governing body.

The Strategy and Finance Committee has 2 main functions. Firstly to devise a budget and school development plan that will enable the school's key aims of excellent and enjoyable learning for all, enabling each individual to achieve his or her personal best and building a community where we are all supporting each other. The committee will consider the medium long term spending, formulation of the budget for the next academic year and monitoring of spending during the academic year to ensure priorities are met and excellent value for money is achieved. This process will include marketing and maximising the funding available to the school for both capital and revenue expenditure.

The second function is as an audit committee, this includes ensuring there are effective financial policies that meet statutory requirements and rigorous application of these policies so that Governors can be confident that all decision-making is made in order to benefit the students of the school and the expenditure of all funds can be fully accounted for.

There are 6 sub committees to the Governors' Meeting; they include Strategy and Finance, Student Progress, Pay Committee, Personnel and Welfare, Learning and Teaching and HSSS (Health, Safety, Site and Security).

Governors' are volunteers and give up their time freely.

During the period Louise Ronan, who is a qualified accountant, joined the committee in her role as the Academy's finance officer. Attendance at the Finance and Strategy Sub-Committee meetings was as follows:-

<u>Governor</u>	<u>Meetings Attended</u>	<u>Out of a Possible</u>
Spencer Lane (Chair) – (resigned 20/7/12)	2	4
John Daniels (Vice Chair) – (resigned 20/7/12)	3	4
Frances Surridge (Chair)	4	4
Sarah Edwards – (resigned 27/2/12)	0	2
Emma Carr	4	4
Ros Graham	4	4
Dr Ian Williams	2	2
Cllr Terry Widdows	2	2
Dylan Phillips	2	2
Dr Debra Hiley	2	2
Andy Evans	4	4
Valerie Chadney	0	1

Nathan Lewis (Responsible Officer) attends Strategy & Finance Committee meetings as Responsible Officer and is unable to vote. He attended 2 meetings out of a possible 2.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**GOVERNANCE STATEMENT****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 John Masfield High School and Sixth Form Centre for the period ended 31st August 2012 and up to the date of approval of the annual report and financial statements.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The 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 Nathan Lewis as responsible officer and receives support from HCSS Education Limited. The HCSS Education role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Two RO reports have been received by the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

We confirm that the RO function has been delivered in line with the EFA's requirements. There have been no material control issues arising from the RO reports thus far.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

THE RISK AND CONTROL FRAMEWORK – continued

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive 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 their review of the system of internal control by 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 22nd January 2013 and signed on its behalf by:

.....
Frances Surridge
Chair

.....
Andrew Evans
Accounting Officer

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31ST AUGUST 2012

As accounting officer of John Masefield High School and Sixth Form Centre I have considered my responsibility to notify the School Governing Body 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 School 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 School's Governing Body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School'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.

.....
Andrew Evans
Accounting Officer

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE PERIOD ENDED 31ST AUGUST 2012

The Governors (who act as trustees for charitable activities and are also the directors of John Masefield High School and Sixth Form Centre for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with 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. Under company law the Governors 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 School and of its incoming resources and application of resources, including its income and expenditure, for that period. 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School 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 School applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended.

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 22nd January 2013 and signed on its behalf by:

.....
Frances Surridge
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE
FOR THE PERIOD ENDED 31ST AUGUST 2012

We have audited the financial statements of John Masefield High School and Sixth Form Centre for the period ended 31st 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 School'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 School'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 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 Governors' Responsibilities Statement (set out on page 23), the Governors (who are also the directors of the School 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

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 School'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 Report of the Governors' 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 School's affairs as at 31st 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial period 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.

Nicola Smith

Senior Statutory Auditor

For and on behalf of

DAVIES MAYERS BARNETT LLP

Chartered Accountants

Statutory Auditors

Pillar House

113/115 Bath Road

Cheltenham

Gloucestershire

GL53 7LS

22nd January 2013

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE AND
THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31ST AUGUST 2012

In accordance with the terms of our engagement letter dated 5th 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 John Masefield High School and Sixth Form Centre during the period 1st June 2011 to 31st 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 John Masefield High School and Sixth Form Centre and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Masefield High School and Sixth Form Centre 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 John Masefield High School and Sixth Form Centre and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of John Masefield High School and Sixth Form Centre's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of John Masefield High School and Sixth Form Centre's funding agreement with the Secretary of State for Education dated 31st May 2011 and the Academies Financial Handbook as published by DfE 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 1st June 2011 to 31st 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE AND
THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

Approach (continued)

In this regard, we have carried out the following:

- specific testing of a sample of items of income and of expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the EFA regarding Academy governance matters during the period since conversion; and
- a general review and discussion of the Schools internal procedures for establishing and maintaining other systems of control and documentation regarding these matters.

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 1st June 2011 to 31st August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DAVIES MAYERS BARNETT LLP

Chartered Accountants
Reporting Accountants
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

22nd January 2013

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE PERIOD ENDED 31ST AUGUST 2012****(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	<u>Notes</u>	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	<u>Total £</u>
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	3	16,656	212,785	205,500	434,941
Transfer on conversion	28	154,415	-	18,391,471	18,545,886
Activities for generating funds	4	14,190	-	-	14,190
Investment income	5	1,611	-	-	1,611
Incoming resources from charitable activities					
Funding for educational operations	6	33,861	5,825,695	23,796	5,883,352
TOTAL INCOMING RESOURCES		220,733	6,038,480	18,620,767	24,879,980
RESOURCES EXPENDED					
Cost of generating funds					
Costs of generating voluntary income	7	(14,934)	(184,246)	-	(199,180)
Costs of generating funds	7	(567)	-	-	(567)
Other resources expended					
Transfer on conversion	28	-	(886,000)	-	(886,000)
Charitable activities					
Educational operations	8	(25,869)	(5,483,708)	(503,414)	(6,012,991)
Governance costs					
	9	-	(34,689)	-	(34,689)
TOTAL RESOURCES EXPENDED	7	(41,370)	(6,588,643)	(503,414)	(7,133,427)
Net incoming/(outgoing) resources before transfers		179,363	(550,163)	18,117,353	17,746,553
Gross transfers between funds	16	-	(44,828)	44,828	-
Net income/(expenditure) for the period		179,363	(594,991)	18,162,181	17,746,553
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	16,26	-	(120,000)	-	(120,000)
NET MOVEMENT OF FUNDS		179,363	(714,991)	18,162,181	17,626,553
Funds carried forward at 31st August 2012		179,363	(714,991)	18,162,181	17,626,553

All of the School'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 on pages 31 to 51 form part of these accounts.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**REGISTERED NUMBER : 07631985****BALANCE SHEET****AT 31ST AUGUST 2012**

	<u>Notes</u>	<u>2012</u>	
		£	£
FIXED ASSETS			
Tangible assets	13		17,956,691
CURRENT ASSETS			
Debtors	14	222,152	
Cash at bank and in hand		<u>970,648</u>	
			1,192,800
CURRENT LIABILITIES			
Creditors : Amounts falling due within one year	15	<u>(485,938)</u>	
			<u>(485,938)</u>
NET CURRENT ASSETS			<u>18,663,553</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			18,663,553
NET ASSETS EXCLUDING PENSION LIABILITY			18,663,553
Pension scheme liability	26		(1,037,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>17,626,553</u>
FUNDS			
Restricted Funds			
Fixed asset fund	17		18,162,181
General fund	17		322,009
Pension reserve	17		<u>(1,037,000)</u>
TOTAL RESTRICTED FUNDS			<u>17,447,190</u>
UNRESTRICTED FUNDS			
General fund	17		<u>179,363</u>
TOTAL UNRESTRICTED FUNDS			<u>179,363</u>
TOTAL FUNDS			<u>17,626,553</u>

The financial statements on pages 28 to 51 were approved by the Governors, and authorised for issue on 22nd January 2013 and are signed on their behalf by:-

.....
Frances Surridge
Chair

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**CASH FLOW STATEMENT****FOR THE PERIOD ENDED 31ST AUGUST 2012**

	<u>Notes</u>	2012 £
Net cash inflow from operating activities	20	677,756
Returns on investments and servicing of finance	21	1,611
Cash transferred on conversion to Academy Trust	28	154,415
Capital expenditure	22	<u>136,866</u>
Increase in cash in the period	23	<u>970,648</u>

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET FUNDS**

Net funds at 12th May 2011	<u>-</u>
Net funds at 31st August 2012	<u>970,648</u>

All of the cash flows are derived from acquisitions in the current financial period.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****1. STATEMENT OF ACCOUNTING POLICIES****Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable UK 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, are 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 cast significant doubt 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. On review, the Governors have concluded they are happy to adopt the going concern basis in preparing the annual financial statements.

Incoming Resources

All incoming resources are recognised when the School 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.

Sponsorship income

Sponsorship income provided to the School which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

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 on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School 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 the School’s policies.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****1. STATEMENT OF ACCOUNTING POLICIES (continued)****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.

Costs of generating funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the School's educational operations.

Governance costs

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

All resources expended are exclusive of recoverable VAT.

Long Leasehold Buildings

The Academy has a 125 year lease for the property it operates from. The terms and conditions attached to the lease have been considered by the Governors and they have concluded that the risk and rewards of ownership have substantially transferred to the Academy and therefore a Long Leasehold Buildings asset has been recognised within fixed assets and depreciated in line with the accounting policy. The valuation of the Long Leasehold Buildings has also been considered by the Governors and included at what they consider a reasonable and reliable estimate of the current market value (note 13 refers).

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 from Herefordshire Council and has been accounted for under the acquisition method.

The assets and liabilities transferred on conversion from John Masefield High School and Sixth Form Centre School 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 John Masefield High School and Sixth Form Centre. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income and other resources expended 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 28.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Computer Equipment and Fixtures & Fittings

Computer equipment and fixtures and fittings transferred from the predecessor school was transferred at depreciated cost.

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 the 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 School's depreciation policy.

Depreciation

Depreciation is provided on all purchased tangible fixed assets, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Leasehold property	2%
Leasehold improvements	10%
Fixtures and fittings	20%
Computer equipment	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Lease Commitments

Rentals under operating leases are charged on a straight line basis over the period of the lease.

Taxation

The School 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 School 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.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****1. STATEMENT OF ACCOUNTING POLICIES (continued)****Pensions Benefits**

Retirement benefits to employees of the School 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 School 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 26, the TPS is a multi-employer scheme and the School 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 School 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 School 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 and 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, School Standards Fund and School Fund accounts.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

(continued)

2. GENERAL ANNUAL GRANT (GAG)	2012 £		
Results and Carry Forward for the Period	-		
GAG allocation for current period	<u>5,568,342</u>		
	5,568,342		
Total GAG available to spend			
Recurrent expenditure from GAG	(5,273,369)		
Fixed assets purchased from GAG	<u>(44,828)</u>		
	250,145		
GAG carried forward to next year	250,145		
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	<u>(668,201)</u>		
	(418,056)		
GAG to surrender to DfE (12% rule breached if result is positive)	<u>(418,056)</u>		
	<u>(no breach)</u>		
 3. VOLUNTARY INCOME			
	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Capital grants	-	205,500	205,500
School funds	-	210,462	210,462
Other donations	<u>16,656</u>	<u>2,323</u>	<u>18,979</u>
	<u>16,656</u>	<u>418,285</u>	<u>434,941</u>
 4. ACTIVITIES FOR GENERATING FUNDS			
	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Hire of facilities	13,623	-	13,623
Other income	<u>567</u>	<u>-</u>	<u>567</u>
	<u>14,190</u>	<u>-</u>	<u>14,190</u>

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****5. INVESTMENT INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Short term deposits	1,611	-	1,611
	<u>1,611</u>	<u>-</u>	<u>1,611</u>

6. FUNDING FOR THE SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	5,568,342	5,568,342
Start up grants	-	25,000	25,000
Other DfE/EFA grants	-	166,420	166,420
	<u>-</u>	<u>5,759,762</u>	<u>5,759,762</u>
Other government grants			
Local authority grants	-	89,729	89,729
	<u>-</u>	<u>89,729</u>	<u>89,729</u>
Other income			
Catering services	8,000	-	8,000
Teaching services	15,567	-	15,567
Other income	10,294	-	10,294
	<u>33,861</u>	<u>-</u>	<u>33,861</u>
	<u>33,861</u>	<u>5,849,491</u>	<u>5,883,352</u>

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

(continued)

7. RESOURCES EXPENDED

	Staff Costs £	Non-Pay Expenditure		Total 2012 £
		Premises £	Other costs £	
Costs of generating voluntary income	-	-	199,180	199,180
Transfer from School's Local Authority on conversion	-	-	886,000	886,000
Costs of activities for generating funds	567	-	-	567
School's education operations:				
- Direct costs	4,002,181	-	310,004	4,312,185
- Allocated support costs	499,798	978,346	222,662	1,700,806
	<u>4,501,979</u>	<u>978,346</u>	<u>532,666</u>	<u>6,012,991</u>
Governance costs including allocated support costs	-	-	34,689	34,689
	<u>4,502,546</u>	<u>978,346</u>	<u>1,652,535</u>	<u>7,133,427</u>
				Total 2012 £
Incoming/Outgoing resources for the period include:				
Depreciation – owned assets				503,414
Fees payable to auditor:				
- Audit of financial statements				8,220
- Other services				4,350

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

(continued)

8. CHARITABLE ACTIVITIES – SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DIRECT COSTS			
Teaching and educational support staff costs	1,742	3,980,773	3,982,515
Educational supplies and services	1,086	174,687	175,773
Examination fees	-	113,906	113,906
Staff development	-	19,666	19,666
Other direct costs	-	20,325	20,325
	2,828	4,309,357	4,312,185
ALLOCATED SUPPORT COSTS			
Support staff costs	-	499,798	499,798
Depreciation	-	503,414	503,414
Maintenance of premises and equipment	8,289	151,096	159,385
General administration and reception	-	66,111	66,111
Cleaning	-	126,791	126,791
Rent and rates	-	19,155	19,155
Heat and light	14,752	97,567	112,319
Insurance	-	56,180	56,180
Security and transport	-	27,794	27,794
Catering	-	25,444	25,444
Other support costs	-	16,387	16,387
Bank interest and charges	-	32	32
Technology costs	-	87,996	87,996
	23,041	1,677,765	1,700,806
	25,869	5,987,122	6,012,991

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted General Funds £	Total 2012 £
Legal and professional fees	-	18,372	18,372
Auditors remuneration:-			
- Audit of financial statements	-	8,220	8,220
- Other services	-	4,350	4,350
Responsible Officer audit	-	3,300	3,300
Support costs	-	-	-
Governor meeting expenses	-	447	447
	-	34,689	34,689

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****10. STAFF COSTS**

Staff costs during the period were:

	2012
	£
Wages and salaries	3,656,750
Social security costs	269,898
Pension costs	526,236
Supply teacher costs	2,183
Compensation payments	3,603
	<u>4,458,670</u>

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

	2012
	No.
Charitable Activities	
Teachers	52
Administration and support	37
Management	9
	<u>9</u>

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

	2012
	No.
£70,001 - £80,000	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31st August 2012 pension contributions amounted to £13,800.

11. GOVERNORS' REMUNERATION AND EXPENSES

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 School in respect of their role as Governors. The value, for this 15 month period, of the Governors' remuneration and employer pension contributions fell within the following bands:-

A Evans - Headteacher	£110,001 - £115,000
S Williams – Staff Governor	£60,001 - £65,000
R Graham – Staff Governor	£30,001 - £35,000
V Chadney – Staff Governor	£5,001 - £10,000

During the period ended 31st August 2012, no travel and subsistence expenses were reimbursed to Governors.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****11. GOVERNORS' REMUNERATION AND EXPENSES - continued**

The Headteacher's annual salary is £78,297. This salary is based on the national leadership pay spines for L25-L31, which was agreed by governors in 2003.

S Williams' annual salary is £44,459, which is the upper payscale for post threshold teachers plus a teaching and learning responsibility allowance in line with the school staffing structure. This salary is based on the national school teachers pay and conditions.

R Graham's annual salary is £25,472, which is based upon John Masefield High School's support staff salary scale of JM07.

V Chadney commenced the staff governor post from 27th March 2012. V Chadney's annual salary is £17,802, which is based upon John Masefield High School's support staff salary scale of JM05.

Related party transactions involving the Governors are set out in note 27.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31st August 2012 was £1,355.

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

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****13. TANGIBLE FIXED ASSETS**

	Long Leasehold Property £	Leasehold Improvements £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost					
Transfer on conversion	18,231,654	-	52,963	106,854	18,391,471
Additions	-	36,392	9,052	23,190	68,634
At 31st August 2012	18,231,654	36,392	62,015	130,044	18,460,105
Depreciation					
Charged in period	455,791	2,862	14,626	30,135	503,414
At 31st August 2012	455,791	2,862	14,626	30,135	503,414
Net book value					
At 31st August 2012	17,775,863	33,530	47,389	99,909	17,956,691

The Academy lease land and buildings from Herefordshire Council. On conversion the Governor's agreed to base their valuation of leasehold land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation was considered to be out of proportion to the additional benefit to be derived by the users of the accounts.

Due to the School buildings being deemed specialist in nature and therefore not traded in an open market, insurance valuation was deemed to be a reasonable estimate of depreciated replacement cost for recognition purposes.

14. DEBTORS

	2012
	£
Trade debtors	2,449
Other debtors	16,746
Prepayments and accrued income	202,957
	222,152

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

(continued)

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£
Trade creditors	87,948
Other creditors	293,480
Accruals and deferred income	104,510
	<hr/> 485,938 <hr/>

Deferred Income

Income received during the period ended 31st August 2012 specific to funding for future periods has been deferred accordingly.

16. FUNDS

The income funds of the School comprise the following balances of grants to be applied for specific purposes:-

	Balance at 12.05.11 £	Incoming Resources £	Resources Expended £	Gains, losses & transfers £	Balance at 31.08.12 £
Restricted general funds					
General Annual Grant (GAG)	-	5,568,342	(5,304,369)	(13,828)	250,145
Start up Grant	-	25,000	(25,000)	-	-
Other DfE/EFA Grants	-	142,624	(99,299)	-	43,325
Other Government Grants	-	89,729	(89,729)	-	-
School Fund Account	-	210,462	(181,923)	-	28,539
Other Income	-	2,323	(2,323)	-	-
Pension reserve	-	-	(886,000)	(151,000)	(1,037,000)
	<hr/> -	<hr/> 6,038,480	<hr/> (6,588,643)	<hr/> (164,828)	<hr/> (714,991) <hr/>

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****16. FUNDS - continued**

	Balance at 12.05.11 £	Incoming Resources £	Resources Expended £	Gains, losses & transfers £	Balance at 31.08.12 £
Restricted fixed asset funds					
Donations - capital	-	18,391,471	(495,745)	-	17,895,726
DfE/EFA Capital Grants	-	229,296	(2,738)	-	226,558
Capital expenditure from GAG	-	-	(4,931)	44,828	39,897
	-	18,620,767	(503,414)	44,828	18,162,181
Total restricted funds	-	24,659,247	(7,092,057)	(120,000)	17,447,190
Unrestricted funds					
Unrestricted funds	-	220,733	(41,370)	-	179,363
Total unrestricted funds	-	220,733	(41,370)	-	179,363
Total Funds	-	24,879,980	(7,133,427)	(120,000)	17,626,553

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

The Restricted General Fund includes GAG and other grants receivable from the EFA and Local Authority towards the School's educational activities. School funds held in respect of education visits and events are also included in the Restricted General Fund.

The Restricted Fixed Asset Fund includes amounts receivable from the EFA in respect of tangible fixed assets held for Academy use. Transfer between the GAG Fund and Restricted Fixed Asset Fund relate to purchases from this fund.

The Pension Reserve relates to the School's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	17,956,691	17,956,691
Current assets	179,363	796,667	216,770	1,192,800
Current liabilities	-	(474,658)	(11,280)	(485,938)
Pension scheme liability	-	(1,037,000)	-	(1,037,000)
Total net assets	179,363	(714,991)	18,162,181	17,626,553

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

(continued)

18. CAPITAL COMMITMENTS

As at 31st August 2012, the School had no capital commitments.

19. FINANCIAL COMMITMENTS**Operating leases**

At 31st August 2012 the School had annual commitments under non-cancellable operating leases as follows:

	2012 £
Other	
Expiring within two and five years inclusive	19,866

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

	2012 £
Net income	17,746,553
Depreciation (note 13)	503,414
Capital grants from DfE and other capital income	(205,500)
Net transfers on conversion (non-cash)	(17,505,471)
Net transfers on conversion (cash)	(154,415)
Interest receivable (note 5)	(1,611)
FRS17 pension cost less contributions payable (note 26)	(26,000)
FRS 17 pension finance cost (note 26)	57,000
Increase in debtors	(222,152)
Increase in creditors	485,938
Net cash inflow from operating activities	677,756

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £
Interest received	1,611
Net cash inflow from returns on investment and servicing of finance	1,611

22. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012 £
Purchase of tangible fixed assets	(18,460,105)
Transfer of assets from local authority on conversion	18,391,471
Capital grants from DfE and other capital income	205,500
Net cash inflow from capital expenditure and financial investment	136,866

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****23. ANALYSIS OF CHANGES IN NET FUNDS**

	At 12th May 2011 £	Cash Flows £	At 31st August 2012 £
Cash in hand and at bank	-	970,648	970,648
	<u>-</u>	<u>970,648</u>	<u>970,648</u>

24. CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State 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 company serving notice, the company shall repay to the Secretary of State sums determined by reference to

- a. the value at that time of the School's site and premises and other assets held for the purposes of the company; 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.

25 MEMBERS' LIABILITY

Each member of the Academy Trust 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.

26 PENSION AND SIMILAR OBLIGATIONS

The School'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. 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 31st March 2004 and of the LGPS 31st March 2010.

Costs incurred in the period relating to TPS were £382,864 and relating to LGPS were £143,372.

Contributions amounting to £34,666 were payable to the schemes at 31st August 2012 and are included within other creditors (£25,315 TPS, £9,351 LGPS).

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****26 PENSION AND SIMILAR OBLIGATIONS - continued****Teachers' Pension Scheme (TPS)**

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.

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 1st 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 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 1st April 2001 – 31st 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%.

As from 1st 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 1st April 2012 to 31st 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.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

26 PENSION AND SIMILAR OBLIGATIONS –(continued)

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 (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme and the implications for the School 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 1st June 2011 to 31st August 2012 was £183,761, of which employer's contributions totalled £143,903 and employees' contributions totalled £39,858. The agreed contribution rates for future years are 21.6% for employers and for employees will vary according to salary banding and will be between 5.5% and 7.5%.

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the 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.

Initial Funding Position of the New Scheduled Body

As John Masefield High School and Sixth Form Centre gained academy status with effect from 1st June 2011 and has become a scheduled body, the manager of the LGPS has made allowance for a proportionate transfer of deficit within the Fund from Herefordshire Council to the School.

As a result of which the initial deficit allocation for the School is the capitalised value of the deficit contributions which it had been due to make over the recovery period for Herefordshire Council at the 2011 valuation, i.e. 20 years.

This approach gives a deficit allocated to the School at commencement of approximately £886,000.

Employer Contributions

The contribution rate payable is made up of a normal rate for future service plus additional amounts in relation to the deficit taken on. On this basis the contribution rate which applies from 1st June 2011 is a normal future service contribution rate of 12.3% of pensionable pay per annum plus additional contributions in relation to the deficit.

An allowance is included within the above future service contribution rate for the expected costs associated with ill health early retirements and also for the administrative costs of running the Fund. The cost of any non-ill health early retirements, however, should be payable via additional contributions.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

(continued)

26 PENSION AND SIMILAR OBLIGATIONS (continued)**Employer Contributions - continued**

To recover the above deficit of £886,000 via additional contributions, based on a recovery period of 20 years, the additional contribution rate required is 9.3% of pensionable pay per annum (above the rate identified for Herefordshire Council at the 2010 valuation), leading to an overall employer contribution rate applicable from 1st June 2011 of 21.6% of pensionable pay.

Principal Actuarial Assumptions

	At 31st August 2012
Rate of increase in salaries	3.7%
Rate of increase for pensions in payment/inflation	2.2%
Discount rate for scheme liabilities	4.3%
Inflation assumption (CPI)	2.2%
Commutation of pensions to lump sum	50.0%

Sensitivity Analysis

Disclosure Item	Central £'000	Sensitivity 1 + 0.1% p.a. discount rate as at 31.08.12 £'000	Sensitivity 2 + 0.1% p.a. inflation as at 31.08.12 £'000	Sensitivity 3 1 year increase in life expectancy as at 31.08.12 £'000
Liabilities as at 31st August 2012	1,250	1,226	1,274	1,272
Assets as at 31st August 2012	(213)	(213)	(213)	(213)
Deficit/(Surplus) as at 31st August 2012	1,037	1,013	1,061	1,059
Projected Current Service Cost for year commencing 1st September 2012	109	106	112	111
Projected Expected Return on Assets for year commencing 1st September 2012	(20)	(20)	(20)	(20)
Projected Interest Cost for year commencing 1st September 2012	58	58	59	59

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

	At 31st August 2012
Retiring today	
Males	22.4
Females	24.9
Retiring in 20 years	
Males	24.2
Females	26.9

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****26. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	Expected Return at 31st August 2012	Fair Value at 31st August 2012 £'000
Equities	7.0%	193
Other Bonds	3.4%	9
Cash/liquidity	0.5%	4
Other	7.0%	7
Total market value of assets		213
Present value of scheme liabilities:		
- Funded		<u>(1,250)</u>
Deficit in the scheme		<u>(1,037)</u>

The expected return on assets is based on the long term future expected investment return for each asset class described above as at the beginning of the period.

The actual return on scheme assets was £4,000.

Amounts recognised in the Statement of Financial Activities

	2012 £'000
Current service cost (net of employee contributions)	117
Past service cost	<u>-</u>
Total operating charge	<u>117</u>
Analysis of pension finance costs	
Expected return on pension scheme assets	(9)
Interest on pension liabilities	<u>66</u>
Pension finance costs	<u>57</u>

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 £120,000 loss.

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****26. PENSION AND SIMILAR OBLIGATIONS (continued)****Movements in the present value of defined benefit obligations were as follows:**

	2012
	£'000
At 1st June 2011	-
Current service cost	117
Interest cost	66
Employee contributions	40
Actuarial loss	108
Benefits paid	33
Past Service cost	-
Business combinations	886
	<hr/>
At 31st August 2012	1,250

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

	2012
	£'000
At 1st June 2011	-
Expected return on assets	9
Actuarial loss	(12)
Employer contributions	143
Employee contributions	40
Business combinations	-
Benefits paid	33
	<hr/>
At 31st August 2012	213

The estimated value of employer contributions for the year ended 31st August 2013 is £115,000.

A summary of experience adjustments for this period is as follows:-

	2012
	£'000
Present value of defined benefit obligations	(1,250)
Fair value of share of scheme assets	213
	<hr/>
Deficit in the scheme	<u>(1,037)</u>
Experience adjustments on share of scheme assets	
Amount £'000	(12)
	<hr/>
Experience adjustments on scheme liabilities	
Amount £'000	-
	<hr/> <hr/>

JOHN MASEFIELD HIGH SCHOOL AND SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST AUGUST 2012

(continued)

27. RELATED PARTY TRANSACTIONS

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 likely 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.

During this period no relevant transactions were identified.

28. CONVERSION TO AN ACADEMY TRUST

On 1st June 2011 John Masefield High School and Sixth Form Centre converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to John Masefield High School and Sixth Form Centre from the Herefordshire Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition 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 amount recognised as income and resources expended in the Statement of Financial Activities as voluntary income and other resources expended.

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

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
- Long leasehold property	-	-	18,231,654	18,231,654
- Other tangible fixed assets	-	-	159,817	159,817
Budget surplus on LA funds	154,415	-	-	154,415
LGPS pension deficit	-	<u>(886,000)</u>	-	<u>(886,000)</u>
Net assets/liabilities	<u>154,415</u>	<u>(886,000)</u>	<u>18,391,471</u>	<u>17,659,886</u>

The above net assets include £154,415 that was transferred as cash.