

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

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THE MCAULEY CATHOLIC HIGH SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Rt Reverend R Heskett Bishop of Hallam
Dr P J Hurley
Diocese of Hallam Trustee (corporate trustee)

Governors

Dr P J Hurley, Chair²
R A Prior, Vice Chair^{1,2}
C J Bradbury (resigned 20 September 2019)¹
D George^{1,2}
P Giannini
V Hailes²
R C Hammond-Jones²
V Joseph²
O J Olusola (resigned 27 February 2020)
J J G Rooney, Headteacher and Accounting Officer¹
M J Sansom²
M Twitchell, Staff Governor (appointed 27 November 2019)¹
A Whittaker¹
P Witter, Staff Governor (appointed 27 November 2019)¹
N Woodward (appointed 11 March 2020)²

¹ Denotes Member of the Finance and Premises Committee which incorporates the function of the Audit Committee

² Foundation Governors are appointed by the Bishop of Hallam

Company registered number

08936511

Company name

The McAuley Catholic High School

Principal and registered office

The McAuley Catholic High School
A Catholic Voluntary Academy
Cantley Lane
Doncaster
South Yorkshire
DN3 3QF

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Senior leadership team

J J G Rooney, Headteacher
G Long (resigned 31 August 2020), Deputy Headteacher
P Cleary, Deputy Headteacher
M Allison, Assistant Headteacher
J Allport, Assistant Headteacher
E Shakespeare (resigned 31 December 2019), Assistant Headteacher
R Shenton, Assistant Headteacher
A Driver, Assistant Headteacher Practitioner *
N Henderson, Assistant Headteacher Practitioner *
M Howse, Assistant Headteacher Practitioner *
N Jefferies, Assistant Headteacher Practitioner *
K Ratcliffe, Assistant Headteacher Practitioner *
J Tucker, Assistant Headteacher Practitioner *
* Not included within key management in note 10

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Barclays Bank PLC
Sheffield City (2) Branch
2 Arena Court
Sheffield
S9 2LF

Solicitors

Taylor & Emmett LLP
20 Arundel Gate
Sheffield
S1 2PP

THE MCAULEY CATHOLIC HIGH SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The academy operates a Catholic Voluntary Academy for pupils aged 11-18 serving a catchment area in the Diocese of Hallam, South Yorkshire. It has a pupil capacity of 1730 and had a roll of 1583 in the school census in February 2020

Structure, governance and management

Constitution

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

The charitable company's Articles of Association is the primary governing document of the academy.

The Governors of The McAuley Catholic High School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The McAuley Catholic High School.

Details of the Governors who served during the year, and to the date these accounts are approved 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.

Governors' indemnities

The academy has purchased insurance to protect governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 12 of the Financial Statements.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Method of recruitment and appointment or election of Governors

The Articles of Association and Funding Agreement are the Primary Documents that govern the appointment of Governors. These allow:

- The Members may directly appoint 1 Governor
- Up to 3 Governors elected by parents, eligible by virtue of being a parent of pupil at the time of the election
- Up to 3 Governors elected by staff at the school
- A minimum of 11 Foundation Governors appointed by the Bishop of Hallam
- Up to 1 Governor appointed by the existing Governors to represent the community
- Up to 1 Governor appointed by the Our Lady of Doncaster Umbrella Trust
- The Headteacher shall be an Ex Officio Governor
- At all times the number of Foundation Governors must exceed the total number of Governors of any other category by two
- The Board of Governors may also appoint up to 3 Co-opted Governors provided that
 - The number of Foundation governors is increased proportionately to ensure it exceeds the total of other governors
 - Co-opted Governors do not take part in the appointment of further Co-opted Governors
 - The number of Co-opted Governors who are also employees of the school does not exceed one third of the total number of Governors

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected in accordance with the Articles.

Policies adopted for the induction and training of Governors

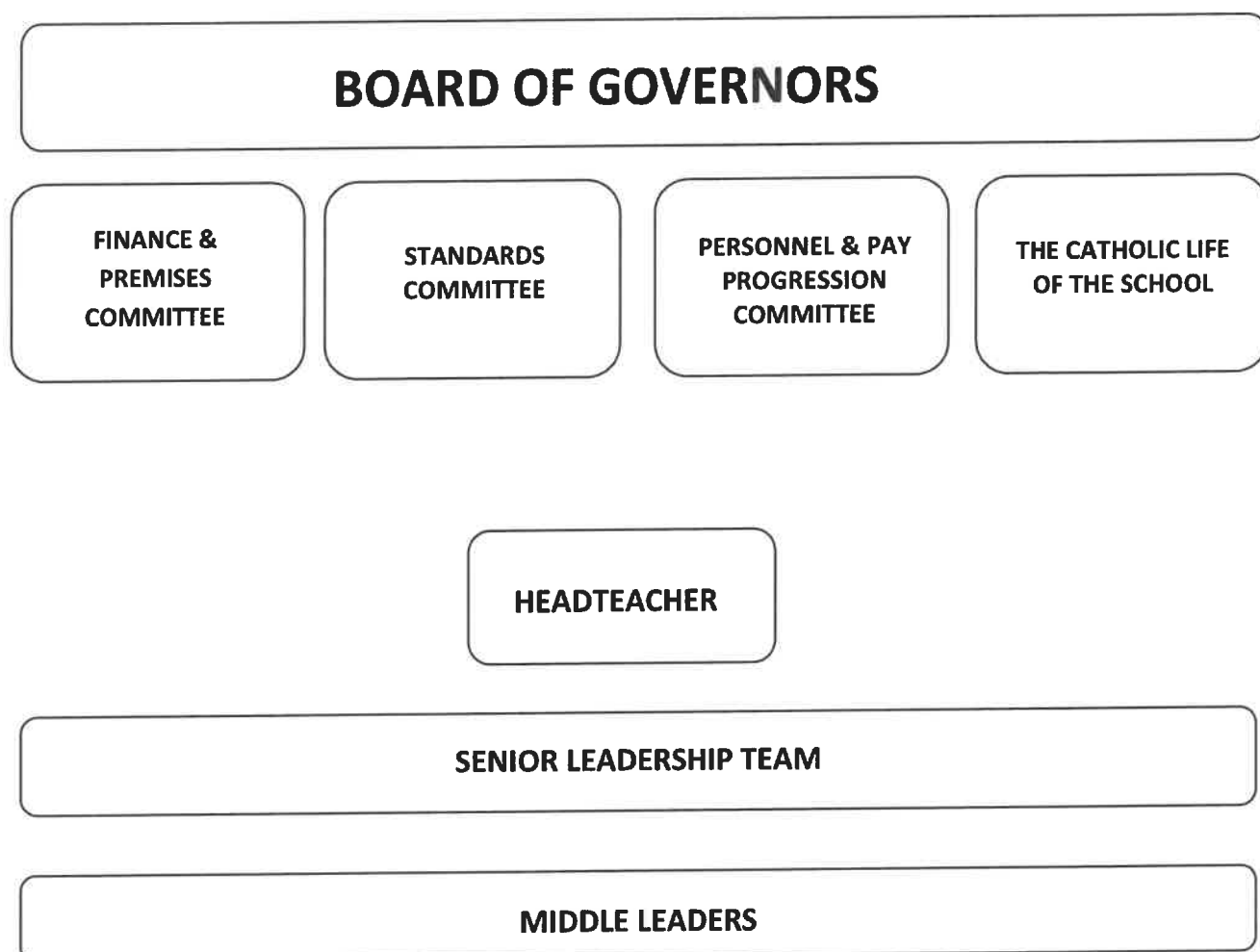
The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given the opportunity to see the school facilities and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. All Governors are given access to the relevant areas of the school IT system where they can gather information, in addition to being made aware of external agencies and websites that provide information relevant to their role. As governor appointments within any one year may be few in number induction tends to be done informally and is tailored specifically to the individual. A formal induction is undertaken by the Headteacher and Chair of Governors when more than one governor is appointed at any one time. Doncaster Metropolitan Borough Council offers Governor forums and training opportunities for new and existing Governors.

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**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Structure, governance and management (continued)

Organisational structure



During the year the academy continued to operate a unified management structure. The structure consists of 5 levels: the Full Board of Governors, Subcommittees of the Board of Governors, the Headteacher, the Senior Leadership Team and the Middle Leaders Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors:-

- Are responsible for the overall strategic direction of the school
- Are required to ensure the trust complies with
 - Company Law & Regulations
 - Charity Law & Regulation
 - Statutes and Regulations issued by National Government via the DfE, ESFA and other relevant agencies
- Ensure the school operates in a manner that delivers an appropriate and effective stewardship of public funds
- Must appoint an Accounting Officer

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Organisation Structure (continued)

This is achieved via the development of appropriate policies, procedures and practices which are implemented by the Executive of the school i.e. the Headteacher and Senior Leadership Team.

The Board of Governors monitors the performance of the school and its compliance with relevant laws and regulations through:

- A series of sub-committees focussed on specific areas of operations
- The engagement of external third parties to undertake independent review and verification (e.g. external audit; external consultant)

The Senior Leadership Team is led by the Headteacher and, in addition to the Headteacher comprises:

- Two Deputy Headteachers,
- Five Assistant Headteachers
- Six Assistant Headteacher Practitioners

The Middle Management of the academy is centred on subject leaders, pastoral leaders and leaders of key support services.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for staff including the Headteacher, Deputy Headteacher and Senior teaching staff are set out in the schools pay policy which is reviewed each year in line with STPCD.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£000	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Related parties and other connected charities and organisations

The McAuley Catholic High School is part of the Our Lady of Doncaster Umbrella Trust. As at 31 August 2020 this trust had two other member school - Holy Family Catholic Primary School, Stainforth and St Joseph's Catholic Primary School, Retford. The purpose of Our Lady of Doncaster Umbrella Trust is to provide the overarching structure to which all Catholic feeder primary schools can join upon academy conversion; and is to support and further the provision of Catholic education in Doncaster.

The majority of Governors on the Board of the school must be appointed by the Bishop of Hallam. The Diocese own the land and building on Acacia Road School site and the 6th form block. The school works closely with its Catholic primary feeder schools who are also part of the Diocese of Hallam, including 9 of the Catholic Primary schools within the Doncaster Deanery and 2 Catholic Primary schools in the Basselflaw Deanery as well as working closely with other High Schools in the Diocese. The school pays in contribution towards the work of the School Department in the diocese and pays a subscription to the Diocese of Hallam Schools' Partnership as a Support Fund.

Further details are stated in Note 26 to the financial statements.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of The McAuley Catholic High School to provide education for students of different abilities between the ages of 11 and 19. The operation of the academy shall be conducted in accordance with the principles, practices and tenets of the Catholic Church.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum, whilst upholding the principles and ethos of the Catholic Church. Religious Education is taught to all pupils.

The main objectives of the academy during the year ending 31 August 2020 are summarised below and are taken from the Five Year 10 Strategic Objectives determined by the Senior Leadership Team and the Governors in September 2018:

1. McAuley the first choice for Catholic families.
2. Fully staffed school with high retention levels and curriculum / role delivery by specialists.
3. Sustainable servant leadership at all levels.
4. Avoid a deficit as a result of funding changes.
5. Ongoing review and full implementation of curriculum and assessment changes.
6. Effective evidence for accountability and headline measures.
7. Improve achievement across all key stages.
8. Students and staff able to use digital communications and technology effectively to support learning and reduce workload.
9. Maintain our distinctive mission alongside the changing national agenda
10. Maximise opportunities to develop McAuley as an outward facing self-improving system

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Objectives, strategies and activities

The academy's main objectives are encompassed in its mission statement which is:

"Each individual is challenged and nurtured to be the best person they can be in a Christian atmosphere of peace, justice and reconciliation".

Our aim is very simple we want to be the very best school that we can be for the benefit of the young people who choose to study here. At The McAuley Catholic High School, we are passionate about teaching and learning. The academy provides a high quality of teaching that excites, motivates and challenges all our young people. We truly believe that all members of our community are made "in the image and likeness of God" and are loved by Him. We want each of our students to recognise God in their daily lives. Our academy supports families to educate their children in accordance with the principles and teachings of the Catholic Church. We endeavour to inspire each individual to grow and develop through the love and teaching of Christ and through nurturing their gifts and talents, into responsible citizens able to make a positive contribution to society. Our school community strives to be Christ-centred through opportunities to celebrate the Eucharist and through the practice of our Faith. We want everyone at McAuley to experience the joy of the Gospel in their journey through academy and beyond whatever their denomination or faith. We offer a broad and balanced curriculum, where each student is equally valued, the uniqueness of each student is acknowledged and their abilities, aptitude and gifts are developed to the full. We encourage our students to demonstrate high levels of commitment and co-operation while all members of staff endeavour to provide maximum opportunities for learning and progression within a secure and safe environment. Our educational philosophy is based strongly on a partnership where home, school, parish and the wider community work closely together to provide maximum support for the educational process and for the young people in our care. We try to live each day by our school motto John 10:10: 'I have come that they may have life, and have it to the full.'

A review of the year 2019-20 is summarised below:

Someone once said "We must look backwards to determine which direction we take moving forwards". This is the third time I have written a review of the previous academic year and I must say it has been quite a challenging one.

The Norovirus visited us from October to Christmas and wreaked havoc with attendance amongst staff and students so we bought hand gels so that we could 'sanitise' hands as students queued for lunch.

Amidst this, the floods caused untold damage and distress to thousands including some in academy. One day around 100 students were called by their parents to return home because they were being evacuated. We rallied around to provide school essentials for many and the very basics for one distressed parent.

Nothing could have prepared us for the pandemic. The most significant stresses to our school community have been caused by students missing out on their education and their contact with their friends. However, we established a School Critical Incident Team (SCIT) two weeks before all schools were closed. This group, made up of Governors and key school decision makers in education and business continuity met every week during lockdown. We produced a plan for re-opening and shared it widely two weeks before the end of term. An extensive amount of mitigation was put in place to allow for the full re-opening of the academy in September 2020. This includes the creation of 'bubbles' on separate parts of the school sites, hygiene and handwashing stations, separate isolation rooms in the first aid areas, training and PPE for our first aiders, enhanced hygiene in classrooms, staggered breaks and lunches, clearly sign posted one way systems, restricted seating in dining rooms, all seating re-arranged to face the front, no requirement to change for PE, staff travelling to teach students to minimise crossing, staff covering for absent colleagues rather than getting outside supply, lanyards to avoid using the biometric system, an explanation of our COVID 19 contingency plan with a new dedicated email address to report confirmed cases.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

A review of the year 2019-20 (continued)

The little equation designed by OFQUAL caused massive damage. It initially damaged students plans for their future and has dented confidence in the exam system. We still await some answers about performance tables and the Summer 2021 exams.

Outside of these challenges we had the visit of OFSTED.

I have been 'OFSTEDed' 10 times in 32 years; 4 times as Headteacher. I have always felt that, whilst I might, on occasion, have liked a different outcome that they were always 'fair'. In February it was different. So much so that we submitted some alterations to the first draft (which were mostly accepted) and then an 11 page appeal which was rejected.

We are left with a 'Requires Improvement' judgement despite the report acknowledging that 'The progress made since the last inspection should be celebrated'.

These are some of our observations about the OFSTED Inspection and subsequent judgement.

There is no doubt that a grading of 'Requires Improvement' is hard to take. However, we were never suggesting that we had everything working perfectly. A read of the first paragraph of the latest Ofsted report is really encouraging for those with a vested interest in McAuley.

'Older pupils have seen the school improve in the last few years.'

'..behaviour is improving. Parents and staff speak positively about the caring ethos and consideration given to teachers' workload. We agree.'

'The progress made since the last inspection is to be celebrated.'

(Ofsted Feb 2020)

The inspection looked at around 30 lessons across 5 curriculum areas. They didn't see any; RE, Business Studies, Geography, PE, Music, Drama, Performing Arts, D&T, Food Tech, Photography, Health & Social Care, Tourism, Government and Politics, imedia, Film Studies, Computer Science, Sociology, Criminology, Psychology, Sport Studies or Performance tech lessons. They saw 1 maths lesson which they actually said was really good! It does feel odd to make comment on the **'full range of subjects'** but not have a single conversation or observe the vast majority of them!

'Behaviour is improving!' However, it does get a bit of a negative mention on a couple of times in the report. It is interesting that there was no poor behaviour noted in any of the 30 lessons observed, inspectors gave verbal feedback to senior leaders that behaviour, and attitudes at break and lunchtime was polite and cordial. Exclusions continue to be reduced; attendance and punctuality are improving with over 96% of students on time!

Student Voice. The new inspection framework makes use of Student Voice a great deal. The report is littered with comments about what students have said. Ofsted spoke to 3.6% of the student population!

The report does show though that we are moving in the right direction and there are improvements being made. Ofsted came for 10 hours wrote a report and are now gone again. There are NO EXCUSES but we submitted a formal 16 page complaint about the process and judgements made.

Some changes were made to the initial draft but none were upheld after this.

Rest assured we are continuing with our ongoing improvements and have the development plans, teachers and distinctive ethos in place to continue our journey forwards. When we are able to meet safely, we will share these plans in detail with you. Thank you for the many positive comments our supportive parents give to all the staff in school. It really does make a difference.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

A review of the 2019-20 (continued)

For the record I have never worked in a school that does not require some improvement. It is the nature of a 'restless school' that they are always looking to do things better.

In other developments this year the new school day, after some initial scepticism, had a profoundly positive impact on both staff and students. Student engagement improved both in class, around the school site and in our after school offer. We have seen a third rise in pupil numbers being recruited into the sixth form following a further expansion in our offer. In September 2019 after a thorough review of likely student numbers in our Catholic feeder schools and following a period of statutory consultation, Governors made the strategic decision to reduce the PAN to 240 from September 2021.

We continue to be able to recruit high quality staff to McAuley and staff retention has never been better. Those staff who left all left either for promotion or to retire. Staff and student well-being continued to be a major focus for us.

In developing our distinctive ethos and to increase a sense of belonging we introduced students to 'Mansions'; a bigger version of the House system. Each Mansion has a feast day and patron and all staff and governors are members too.

We put greater emphasis on better communication with parents. A senior member of staff worked to develop the social media platforms as well as extending the email contact via the website. Electronic communication will continue to be a major platform in supporting learning from now on and staff training at the end of the year focussed on this.

So it has been a year of significant challenge. Each challenge has required some solution and no small amount of resolve. With your on-going support and prayers we will continue to do our very best for your sons and daughters.

John Rooney

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under Section 4 of the Charities act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the academy should undertake.

Strategic report

Achievements and performance

Key performance indicators

Students' outcomes in both KS4 and KS5 this year were based on Centre assessed grades (CAGs). These were initially allocated by teaching staff following the principle, "the grade the students were most likely to achieve" and based on evidence such as 'stepped' assessments, coursework, class work, practice examinations, externally moderated practical work etc. Moderation then took place at departmental level (especially relevant for large departments with multiple groups). This was to ensure there was parity across groups with different combinations of teachers. At this point, all grades were then subject to moderation at SLT level. The instruction from OFQUAL was, "results should follow a pattern consistent with previous years". This meant that a tiny number of grades were raised and a small minority were reduced to bring departments largely

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

in line with previous year.

Key performance indicators

Student outcomes – KS4

Following the use of the Government algorithm, 8% of the grades we submitted were raised (none were reduced). The estimated headline measures generated were as follows (2019 results in brackets).

Progress 8 0.03 (-0.16)
Attainment 8 47.54 (45.54)
EBacc average point score 4.22 (4.11)

Percentage of students achieving a grade 5 or above in English and Maths 45.9% (39.9%)
Percentage of students entering the English Baccalaureate 47% (68.7%)

In summary, most of the key measures (other than the percentage of students entered for the EBacc) have increased by a small percentage. Nationally, it is fair to say that there has been a significant degree of grade inflation. This has occurred largely as a result of some institutions ignoring the "results should follow a pattern consistent with previous years" statement. The Government u-turn on the use of their algorithm means that some schools (McAuley included) have been unfairly penalised as a result of following the instructions to the letter of the law. This has caused a significant outcry nationally, results therefore may be subject to change. Feedback from students has been overwhelmingly positive. A tiny number of students are re-sitting exams in the Autumn to try to improve grades.

Results for both GCSE and A level were awarded in line with centre assessed grades generated by teachers in school. Unlike many other institutions, McAuley carried out an extremely rigorous process exactly in line with the approach suggested by the Government. Namely, grades should initially be awarded with teachers bearing in mind "The grade students are most likely to achieve". These results were then moderated by curriculum leaders before being submitted to SLT. SLT then carried out a second moderation exercise concentrating on the Government's second proviso. Namely, "grades for each subject area should be in line with results over the last three years". As a result, the grades submitted as centre assessed grades were in all instances close to previous year's results and were a fair reflection on the results students were likely to achieve. Headline figures for 2020 and 2019 are below. It was interesting to note that the P8 (progress 8) figure submitted was 0. Suggesting students made exactly the progress expected. The final score of 0.03 is as a result of the Government's algorithm moving up approximately 3% of grades. Other things to note are that each headline measure has risen slightly, with the exception of the % of students entered for the EBACC. However, despite the fall in entries, the percentage of students passing it has risen.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

KS4	2020	2019
Average Total Attainment 8	47.36	45.54
Average Total Progress 8	0.03	-0.2
	%	%
Students Achieving 9-7 in English and Maths	13.4	10.1
Students Achieving 9-5 in English and Maths	45.9	39.9
Students Achieving 9-4 in English and Maths	67.9	66.0
Students Entered for the EBacc	47.0	68.7
Students in COHORT Achieving the EBacc (Standard Pass)	34.0	26.5
Students in COHORT Achieving the EBacc (Strong Pass)	19.4	14.9

Student outcomes - KS5

11 results (3.24% of CAGs submitted by teachers) were raised, all by one grade and mainly in the Social Sciences. The provisional headline measures (2018 then 2019 in brackets) indicate:

Level 3 Value Added +0.17 (+0.15, +0.03)

Average grade B- (C+, B-)

Average points score 35.82 (35.58, 32.45)

The grades awarded represent a modest increase compared to last year and are broadly in line with the upper end of those anticipated through monitoring and tracking prior to lockdown. The results, being very similar to the high levels of performance in 2018 and widely accepted by students, shows that McAuley Sixth Form CAGs were a fair reflection of the grades that students were likely to achieve without being over inflated. The awarded grades, along with over 50 unconditional offers, allowed over 90% of university students to progress to their preferred courses or smooth passage to alternative courses; via clearing where necessary. The two Cambridge applicants secured straight A*s and successfully progressed to their preferred courses despite being downgraded initially by the algorithm.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy 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.

The academy, like most other academies, is experiencing significant financial pressures, particularly from rising staff costs as a result of national changes to pension and National Insurance contributions, nevertheless the Governors have taken effective steps to deal with these challenges. The approved 2020/21 revenue budget is showing a surplus of £91,000.

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement Of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, the financial statements show income for such items as school trips, school dinners, uniforms etc. This income is treated as "unrestricted funds."

During the year ended 31 August 2020, total expenditure of £9,376,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension reserve movements and restricted fixed asset fund) was £2,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2020 net book value of fixed assets was £2,023,000 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 students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a pension deficit of £4,871,000 recognised on the Balance Sheet.

The academy held fund balances as at 31 August 2020 of (£2,390,000) comprising of £2,023,000 of restricted fixed asset fund, a pension deficit of £4,871,000 and £458,000 of unrestricted funds. The balance of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2020 was £458,000.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to:

- Provide funds which can be designated to specific areas and to cover ongoing costs in relation to the running of the academy including catering provisions, school trips, uniform costs and fundraising for good causes.

The level of reserves is reviewed by the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors therefore consider it prudent to hold restricted and unrestricted reserves (total funds less the amount held in fixed assets) of £400,000.

This is considered sufficient to cover additional planned during year expenditure to meet changes to operational needs and contingencies for unexpected expenditure.

The academy's current level of restricted and unrestricted reserves are in surplus by £458,000 and are considered to be above the level of reserves required for the ongoing needs of the academy. The Governors continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied.

Investment policy

The academy invests surplus funds through interest bearing current accounts. This policy maximises investment return whilst minimising risks to the principal sum.

Principal risks and uncertainties

The principal risks and uncertainties are centered on changes in the level of funding from the DfE/ESFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy Balance Sheet.

The Governors have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy, and its finances. The Governors have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safer Recruitment procedures and relevant staff have received training in this area in addition all staff receiving training on Child Protection/Safeguarding.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

Fundraising

The academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Governors.

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The academy wishes to maintain a broad and balanced curriculum which is fully inclusive and appropriate to the needs of students of all abilities. The academy wishes to ensure equality of opportunity for all staff and students and is focussed on promoting the needs of disadvantaged students.

To this end comprehensive strategic reviews of the curriculum and staffing structure are taking place to ensure the academy can continue to offer the appropriate curriculum. The age of the buildings are a concern and as such a comprehensive programme of maintenance and bid applications, for example to the Academy Condition Improvement Fund will continue.

Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 16 December 2020 and signed on its behalf by:



R A Prior
Vice Chair

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The McAuley Catholic High School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors 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 The McAuley Catholic High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Subject to the mandates imposed by the Companies Act 2006, the Articles of Association and the Supplemental Agreement with the Governors of the Diocese of Hallam, all activities of The McAuley Catholic High School are managed by the Governors as Directors who exercise all the powers of the academy.

The Board of Governors (Directors) use a scheme of delegation which provides for the process of decision making to be undertaken at the most appropriate level within the academy. This is done through a clearly defined committee structure. In turn this works in tandem with the management structure of the school. This supports the strategic direction of the academy set by the Headteacher and the Board of Governors.

The following committee structure operates:

- Finance and Premises Committee
- Standards Committee
- Personnel/Pay and Progression Committee
- The Catholic Life of the School

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 4 times during the year out of the planned 6 times. Postponement of the February meeting was due to OFSTED Inspection on the same day and remaining meetings postponed due to the Coronavirus pandemic.

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

Governor	Meetings attended	Out of a possible
Dr P J Hurley, Chair	4	4
R A Prior, Vice Chair	4	4
C J Bradbury (resigned 20 September 2019)	1	1
D George	0	4
P Giannini	3	4
V Hailes	4	4
R C Hammond-Jones	4	4
V Joseph	3	4
O J Olusola (resigned 27 February 2020)	2	2
J J G Rooney, Headteacher and Accounting Officer	4	4
M J Sansom	4	4
M Twitchell, Staff Governor (appointed 27 November 2019)	3	3
A Whittaker	3	4
P Witter, Staff Governor (appointed 27 November 2019)	3	3
N Woodward (appointed 11 March 2020)	2	2

THE MCAULEY CATHOLIC HIGH SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Due to the Coronavirus pandemic when schools were closed by central Government to all students except vulnerable children and children of key workers, during this time, the Headteacher, Chair of Governors and Vice Chair of Governors met on a weekly basis to maintain an overview of the running of the school. The financial function of the academy continued with staff working and communicating from home. Management Accounts and Cash Flow forecasts continued to be distributed in a timely manner and discussed to ensure costs were being managed. These weekly executive meetings also fed into the meetings of the Academy's Critical Incident Team who met regularly and weekly at the height of the pandemic to ensure that a continual overview of the academy was maintained. This tight management of the academy funds reflects in this year's accounts with the school on track to balance income and expenditure in line with the academy budget.

The Finance and Premises Committee is a sub-committee of the main Board of Governors. Its purpose is to approve the academy revenue budget, receive periodic management reports showing performance against the agreed budget, set accounting policies, ensure compliance with Academies Accounts Direction appoint external auditors, and receive the annual audit report prior to presentation to the full Board of Governors.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
R Prior (Chair)	4	4
C Bradbury (resigned 17 September 2019)	0	0
D George	3	4
J J G Rooney, Headteacher & Accounting Officer	4	4
A Whittaker	2	4
M Twitchell (appointed 27 November 2019)	2	3
P Witter (appointed 27 November 2019)	1	3

Review of value for money

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

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

- Deploying resources and grant income in order to further improve student levels of achievement and attainment. The success of this deployment can be seen on in the Strategic Report — Achievement, Performance and KPIs.
- Invited tenders from and overseen the appointment of external contractors to deliver the catering services at the academy. The catering contract was awarded in June 2019 and the service continued to be delivered.
- Implemented the use of Cover Supervisors as a means of covering for short term staff absences in a cost-effective manner.
- Remodelled the curriculum and reviewed staffing structures in order to significantly reduce the staff costs element of the annual budget.

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 The McAuley Catholic High School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

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

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

The Board of Governors has decided not to appoint an internal auditor. However, the Governors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

The academy has sought tenders for the provision for a specific internal audit services for the financial year 2020/21 to separate the role in line with revised FRC Ethical Standard (15 March 2020).

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of petty cash/ expenses procedures
- Testing of income
- Testing of the accounting systems and management information produced
- Review of Governor appointments/resignations and declarations of interest
- Review of gifts and hospitality & honorarium/ex gratia payments
- Review of information technology strategy
- Review of fixed assets
- Review of VAT and Corporation tax position

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a termly basis, the external auditors report to the Board of Governors through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities

The external auditors or reviewer have delivered their schedule of work as planned, and no material control issues have arisen as a result of their work.

Review of effectiveness

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

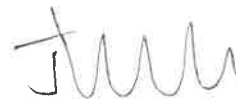
- on discharge of the Board of Governors financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 16 December 2020 and signed on their behalf by:



R A Prior
Vice Chair



J J G Rooney
Accounting Officer



THE MCAULEY CATHOLIC HIGH SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The McAuley Catholic High School I have considered my responsibility to notify the academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy Board of Governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2019.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance have been discovered to date have been notified to the Board of Governors and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.

During the year The McAuley Catholic High School purchased £27,572 of services from the Diocese of Hallam.

The 2019 Academies Financial Handbook (AFH) states that all of these transactions should have been notified to the ESFA prior to them occurring. The amount of £2,960 out of the £27,572 purchased from the Diocese of Hallam during the year was not notified to the ESFA prior to them occurring. The trust has now put in place new systems and procedures to ensure that related party transactions are identified before they occur to ensure the ESFA are notified of them in accordance with the AFH.


J J G Rooney
Accounting Officer
Date: 16 December 2020

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 16 December 2020 and signed on its behalf by:



Dr P J Hurley
Chair

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MCAULEY CATHOLIC HIGH SCHOOL**

Opinion

We have audited the financial statements of The McAuley Catholic High School (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MCAULEY CATHOLIC HIGH SCHOOL (CONTINUED)**

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Governors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MCAULEY CATHOLIC HIGH SCHOOL (CONTINUED)**

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Christopher Beaumont BA (Hons) BFP FCA DChA (Senior Statutory Auditor)

for and on behalf of
Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

16 December 2020

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
MCAULEY CATHOLIC HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The McAuley Catholic High School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The McAuley Catholic High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The McAuley Catholic High School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The McAuley Catholic High School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The McAuley Catholic High School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The McAuley Catholic High School's funding agreement with the Secretary of State for Education dated 19 September 2019 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governor and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
MCAULEY CATHOLIC HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

Conclusion

In the course of our work other than detailed below, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year The McAuley Catholic High School purchased £27,572 of services from the Diocese of Hallam.

The 2019 Academies Financial Handbook (AFH) states that all of these transactions should have been notified to the ESFA prior to them occurring. The amount of £2,960 out of the £27,572 purchased from the Diocese of Hallam during the year was not notified to the ESFA prior to them occurring. The trust has now put in place new systems and procedures to ensure that related party transactions are identified before they occur to ensure the ESFA are notified of them in accordance with the AFH.

Clive Owen LLP

Reporting Accountant
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 16 December 2020

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	4	-	32	36	130
Charitable activities		123	8,901	-	9,024	8,793
Other trading activities		55	-	-	55	54
Investments	6	3	-	-	3	4
Total income		185	8,901	32	9,118	8,981
Expenditure on:						
Raising funds		-	-	-	-	5
Charitable activities		187	9,063	126	9,376	9,153
Total expenditure		187	9,063	126	9,376	9,158
Net (expenditure)/ income		(2)	(162)	(94)	(258)	(177)
Transfers between funds	16	-	(58)	58	-	-
Net movement in funds before other recognised gains/(losses)		(2)	(220)	(36)	(258)	(177)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(316)	-	(316)	(1,270)
Net movement in funds		(2)	(536)	(36)	(574)	(1,447)
Reconciliation of funds:						
Total funds brought forward		460	(4,335)	2,059	(1,816)	(369)
Net movement in funds		(2)	(536)	(36)	(574)	(1,447)
Total funds carried forward		458	(4,871)	2,023	(2,390)	(1,816)

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08936511

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	13	2,023	1,935
		2,023	1,935
Current assets			
Debtors	14	213	192
Cash at bank and in hand		778	997
		991	1,189
Creditors: amounts falling due within one year	15	(533)	(605)
		458	584
Net current assets		458	584
Total assets less current liabilities		2,481	2,519
Net assets excluding pension liability		2,481	2,519
Defined benefit pension scheme liability	23	(4,871)	(4,335)
Net Liabilities including pension scheme liabilities		(2,390)	(1,816)

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08936511

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note		2020 £000	2019 £000
Funds of the academy				
Restricted funds:				
Fixed asset funds	16	2,023	2,059	
Restricted funds excluding pension asset	16	2,023	2,059	
Pension reserve	16	(4,871)	(4,335)	
Total restricted funds	16		(2,848)	(2,276)
Unrestricted income funds	16		458	460
Total funds			(2,390)	(1,816)

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 27 to 57 were approved by the Governors, and authorised for issue on and are signed on their behalf, by:



Dr P J Hurley
Chair

The notes on pages 31 to 57 form part of these financial statements.

THE MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(40)	252
Cash flows from investing activities	19	(179)	96
Change in cash and cash equivalents in the year		(219)	348
Cash and cash equivalents at the beginning of the year		997	649
Cash and cash equivalents at the end of the year	20, 21	778	997

The notes on pages 31 to 57 form part of these financial statements

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

The McAuley Catholic High School meets the definition of a public benefit entity under FRS 102.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

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

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

• **Other income**

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Expenditure on raising funds**

This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

Expenditure on charitable activities are costs incurred on the academy educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at the rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following basis:

Long-term leasehold improvements	- 25 years
Fixtures and fittings	- 7 years
Computer equipment	- 3 years

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

1.7 Operating leases

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

1.8 Interest receivable

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

1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

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

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Agency arrangements

The academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Critical areas of judgment:

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £126,000.

Land – With the exception of some of the playing fields, which are held under a 125 year lease from Doncaster Metropolitan Borough Council, all of the academy premises consist of land (and buildings) owned by, or leased by, The Institute of Our Lady of Mercy, and under licence from the Diocese of Hallam. The Trustees of the Diocese of Hallam are providers of the academy on the same basis as when the academy was a maintained school. The academy occupies the land (and buildings) under a mere licence. This continuing permission of the Diocese of Hallam is pursuant to, and subject to, the Diocese's charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings). Having considered the factual matrix under which the academy is occupying the land (and building) the Governors have concluded that the value of the land and buildings occupied by the academy will not be recognised on the Balance Sheet of the academy.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	4	-	4	13
Capital Grants	-	32	32	117
	4	32	36	130
	13	117	130	
Total 2019	13	117	130	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,013	8,013	8,043
Pupil Premium	-	304	304	322
Rates	-	11	11	30
Year 7 Catch Up	-	18	18	21
Teachers' pay grant	-	109	109	73
Other DfE Group grants	-	323	323	7
	<u>-</u>	<u>8,778</u>	<u>8,778</u>	<u>8,496</u>
Other Government grants				
SEN	-	55	55	48
Local Authority grants	-	19	19	-
Other Government grants	-	-	-	52
	<u>-</u>	<u>74</u>	<u>74</u>	<u>100</u>
Exceptional Government Funding				
Other Coronavirus funding	-	8	8	-
	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Income from academies	-	-	-	4
Non Government non grant income	-	41	41	-
Student Trips	123	-	123	193
	<u>123</u>	<u>8,901</u>	<u>9,024</u>	<u>8,793</u>
Total 2019	<u>197</u>	<u>8,596</u>	<u>8,793</u>	

The academy has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'exceptional government funding'.

The funding received for coronavirus exceptional support covers £4k of premises costs and £4k of Free school meals. These costs are included in note 7 and 8 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from facilities and services	48	48	42
Rental and lettings income	7	7	12
	55	55	54
	54	54	
Total 2019			

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Bank Interest	3	3	4
	4	4	
	4	4	
Total 2019			

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	5
Academy's educational operations:					
Direct costs	6,966	-	599	7,565	7,323
Allocated support costs	709	661	447	1,817	1,830
	<u>7,675</u>	<u>661</u>	<u>1,046</u>	<u>9,382</u>	<u>9,158</u>
Total 2019	<u>7,282</u>	<u>647</u>	<u>1,229</u>	<u>9,158</u>	

In 2020, of the total expenditure, £187,000 (2019 - £120,000) was to unrestricted funds and £9,189,000 (2019 - £9,038,000) was to restricted funds.

There were no individual transactions over £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Cash losses
- Unrecoverable debts

There were no ex-gratia payments in the year.

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy's educational operations	<u>7,565</u>	<u>1,817</u>	<u>9,382</u>	<u>9,153</u>
Total 2019	<u>7,323</u>	<u>1,830</u>	<u>9,153</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	6,966	6,966	6,591
Educational supplies	240	240	401
Examination fees	121	121	159
Technology costs	103	103	41
Educational consultancy	72	72	90
Staff expenses	1	1	-
Transport	58	58	10
Other costs	4	4	31
	<u>7,565</u>	<u>7,565</u>	<u>7,323</u>
	<u>7,323</u>	<u>7,323</u>	
Total 2019			

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Pension finance costs	80	80	78
Staff costs	709	709	691
Depreciation	126	126	124
Staff development	13	13	26
Technology costs	111	111	112
Staff expenses	5	5	9
Maintenance of premises	72	72	40
Cleaning	183	183	233
Other premises costs	78	78	64
Energy	137	137	147
Rent & rates	28	28	26
Insurance	41	41	44
Catering	97	97	131
Security	9	9	9
Other costs	109	109	24
Governance costs	19	19	72
	<u>1,817</u>	<u>1,817</u>	<u>1,830</u>
Total 2019	<u>1,830</u>	<u>1,830</u>	

9. Net expenditure

Net expenditure for the year includes:

	2020 £000	2019 £000
Operating lease rentals	71	8
Depreciation of tangible fixed assets	126	124
Fees paid to auditors for:		
- audit	9	10
- other services	6	3
	<u>202</u>	<u>245</u>

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	5,531	5,357
Social security costs	575	549
Pension costs	1,474	1,200
	7,580	7,106
Supply staff costs	95	161
Staff restructuring costs	-	15
	7,675	7,282

Staff restructuring costs comprise:

	2020 £000	2019 £000
Severance payments	-	15
	-	15

Included in operating costs of defined benefit pension schemes is £146,000 (2019: £240,000) in respect of movements in the LGPS pension deficit.

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

Included in staff restructuring costs are non statutory/non-contractual severance payments totalling £Nil (2019: £2,000).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	94	98
Administration and support	67	74
Management	12	13
	173	185

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	1	-

e. Key management personnel

The key management personnel of the academy comprise the Governors and the Senior Leadership Team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £688,000 (2019: £588,000).

11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2020 £000	2019 £000
J J G Rooney, Headteacher and Accounting Officer	Remuneration	100 - 105	95-100
	Pension contributions paid	20 - 25	20 - 25
C J Bradbury (resigned 20 September 2019)	Remuneration	25 - 30	25 - 30
	Pension contributions paid	0 - 5	0 - 5
P Giannini (staff governor)	Remuneration	45 - 50	45 - 50
	Pension contributions paid	10 - 15	0 - 5
M Twitchell, Staff Governor (appointed 27 November 2019)	Remuneration	30 - 35	-
	Pension contributions paid	5 - 10	-
P Witter, Staff Governor (appointed 27 November 2019)	Remuneration	20 - 25	-
	Pension contributions paid	0 - 5	-

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

12. Governors' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was not separately identifiable from the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Tangible fixed assets

	Long-term leasehold improve- ments £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2019	2,081	175	68	2,324
Additions	140	65	9	214
At 31 August 2020	2,221	240	77	2,538
Depreciation				
At 1 September 2019	241	108	40	389
Charge for the year	84	29	13	126
At 31 August 2020	325	137	53	515
Net book value				
At 31 August 2020	1,896	103	24	2,023
At 31 August 2019	1,840	67	28	1,935

14. Debtors

	2020 £000	2019 £000
Trade debtors	19	21
Other Debtors	11	-
Prepayments and accrued income	134	155
VAT recoverable	49	16
	213	192

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	135	229
Other taxation and social security	285	229
Other creditors	21	15
Accruals and deferred income	92	132
	533	605
	533	605
	2020	2019
	£000	£000
Deferred income		
Deferred income at 1 September 2019	88	34
Resources deferred during the year	17	88
Amounts released from previous periods	(88)	(34)
	17	88
Deferred income at 31 August 2020	17	88

At the Balance Sheet date the academy trust was holding funds received in advance for trip income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	329	185	(187)	-	-	327
Inherited on conversion	131	-	-	-	-	131
	<u>460</u>	<u>185</u>	<u>(187)</u>	<u>-</u>	<u>-</u>	<u>458</u>
Restricted general funds						
General Annual Grant (GAG)	-	8,013	(7,955)	(58)	-	-
Pupil premium	-	304	(304)	-	-	-
SEN	-	55	(55)	-	-	-
Other LA Revenue Grants	-	19	(19)	-	-	-
Other DfE/ESFA grants	-	461	(461)	-	-	-
Other income	-	41	(41)	-	-	-
Coronavirus exceptional support	-	8	(8)	-	-	-
Pension reserve	(4,335)	-	(220)	-	(316)	(4,871)
	<u>(4,335)</u>	<u>8,901</u>	<u>(9,063)</u>	<u>(58)</u>	<u>(316)</u>	<u>(4,871)</u>
Restricted fixed asset funds						
Devolved Formula Capital	269	32	(8)	-	-	293
Academies Capital Maintenance Fund	407	-	(19)	-	-	388
Capital expenditure from GAG	431	-	(58)	33	-	406

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Condition Improvement Fund	952	-	(39)	-	-	913
Local Authority	-	-	(2)	25	-	23
	<u>2,059</u>	<u>32</u>	<u>(126)</u>	<u>58</u>	<u>-</u>	<u>2,023</u>
Total Restricted funds	<u>(2,276)</u>	<u>8,933</u>	<u>(9,189)</u>	<u>-</u>	<u>(316)</u>	<u>(2,848)</u>
Total funds	<u><u>(1,816)</u></u>	<u><u>9,118</u></u>	<u><u>(9,376)</u></u>	<u><u>-</u></u>	<u><u>(316)</u></u>	<u><u>(2,390)</u></u>

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the academy sees fit to support deprived students.

Other DfE/ESFA grants relate to the Teachers' Pension Grant and FSM Supplementary Grant. The Teacher's Pension Grant is relating to the increase in employers contributions and is used to offset the increase cost incurred by the academy. The FSM Supplementary Grant is to be used to provide school meals to the students that are entitled to them.

Other LA Revenue Grants and SEN are received from the local councils to cover Special Educational Needs and Pupil Premium to be spent as the academy sees fit to support deprived students.

Other income is monies received from universities to help support the costs the academy incurs when student teachers' are placed in the academy.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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16. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General Funds	181	268	(120)	-	329
Inherited on conversion	131	-	-	-	131
	<u>312</u>	<u>268</u>	<u>(120)</u>	<u>-</u>	<u>460</u>
Restricted general funds					
General Annual Grant (GAG)	-	8,043	(8,043)	-	-
Rates relief	-	30	(30)	-	-
Pupil premium	-	322	(322)	-	-
SEN	-	48	(48)	-	-
Other DfE/ESFA grants	-	101	(101)	-	-
Other income	-	52	(52)	-	-
Pension reserve	(2,747)	-	(318)	(1,270)	(4,335)
	<u>(2,747)</u>	<u>8,596</u>	<u>(8,914)</u>	<u>(1,270)</u>	<u>(4,335)</u>
Restricted fixed asset funds					
Devolved Formula Capital	160	117	(8)	-	269
Academies Capital Maintenance Fund	427	-	(20)	-	407
Capital expenditure from GAG	485	-	(54)	-	431
Condition Improvement Fund	994	-	(42)	-	952
	<u>2,066</u>	<u>117</u>	<u>(124)</u>	<u>-</u>	<u>2,059</u>
Total Restricted funds	<u>(681)</u>	<u>8,713</u>	<u>(9,038)</u>	<u>(1,270)</u>	<u>(2,276)</u>
Total funds	<u>(369)</u>	<u>8,981</u>	<u>(9,158)</u>	<u>(1,270)</u>	<u>(1,816)</u>

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17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	2,023	2,023
Current assets	458	533	-	991
Creditors due within one year	-	(533)	-	(533)
Provisions for liabilities and charges	-	(4,871)	-	(4,871)
Total	458	(4,871)	2,023	(2,390)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	1,935	1,935
Current assets	490	575	124	1,189
Creditors due within one year	(30)	(575)	-	(605)
Provisions for liabilities and charges	-	(4,335)	-	(4,335)
Total	460	(4,335)	2,059	(1,816)

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18. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net expenditure for the period (as per Statement of Financial Activities)	(258)	(177)
Adjustments for:		
Depreciation	126	124
Capital grants from DfE and other capital income	(32)	(168)
Defined benefit pension scheme cost less contributions payable	146	240
Defined benefit pension scheme finance cost	74	78
(Increase)/decrease in debtors	(21)	77
(Decrease)/increase in creditors	(72)	82
Dividends, interest and rents from investments	(3)	(4)
Net cash (used in)/provided by operating activities	(40)	252

19. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	3	4
Purchase of tangible fixed assets	(214)	(76)
Capital grants from DfE Group	32	168
Net cash (used in)/provided by investing activities	(179)	96

20. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	778	997
Total cash and cash equivalents	778	997

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21. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	997	(219)	778
	997	(219)	778

22. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to property	20	-
	20	-

23. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £145,000 were payable to the schemes at 31 August 2020 (2019 - £92,000) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,027,000 (2019 - £681,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £368,000 (2019 - £345,000), of which employer's contributions totalled £300,000 (2019 - £279,000) and employees' contributions totalled £ 68,000 (2019 - £66,000). The agreed contribution rates for future years are 15.2% - 15.4 % for employers and 5.5% - 12.5% for employees.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.65	3.25
Rate of increase for pensions in payment/inflation	2.50	2.10
Discount rate for scheme liabilities	1.80	1.80
Inflation assumption (CPI)	2.40	2.00

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

	2020 Years	2019 Years
Retiring today		
Males	22.4	23.1
Females	25.2	25.9
Retiring in 20 years		
Males	23.9	25.3
Females	27.1	28.3

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(179)	176
Mortality assumption - 1 year increase	(253)	136
CPI rate +0.1%	(183)	180

Share of scheme assets

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

	2020 £000	2019 £000
Equities	1,828	1,718
Government bonds	567	470
Property	324	286
Cash and other liquid assets	139	105
Other	659	466
Other bonds	339	240
Total market value of assets	3,856	3,285

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23. Pension commitments (continued)

The actual return on scheme assets was £(6,000) (2019 - £225,000).

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

	2020 £000	2019 £000
Current service cost	(435)	(326)
Past service cost	(5)	(193)
Interest income	62	83
Interest cost	(136)	(157)
Administrative expenses	(6)	(4)
Total amount recognised in the Statement of Financial Activities	<u>(520)</u>	<u>(597)</u>

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

	2020 £000	2019 £000
Opening defined benefit obligation	7,620	5,646
Current service cost	435	326
Interest cost	136	157
Employee contributions	68	66
Actuarial losses	514	1,412
Benefits paid	(51)	(180)
Past service costs	5	193
Closing defined benefit obligation	<u>8,727</u>	<u>7,620</u>

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

	2020 £000	2019 £000
Opening fair value of scheme assets	3,285	2,899
Interest income	62	83
Actuarial gains	198	142
Employer contributions	294	279
Employee contributions	68	66
Benefits paid	(51)	(180)
Administration expenses	(6)	(4)
Closing fair value of scheme assets	<u>3,850</u>	<u>3,285</u>

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24. Operating lease commitments

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

	2020 £000	2019 £000
Amounts payable:		
Within 1 year	74	10
Later than 1 year and not later than 5 years	89	38
Total	163	48

25. Net interest cost on pension scheme

	2020 £000	2019 £000
Interest income on pension scheme assets	79	62
Interest on pension scheme liabilities	(157)	(140)
	(78)	(78)

26. Related party transactions

Owing to the nature of the academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

Expenditure related party transaction

The Diocese of Hallam - a member of the academy.

The academy contributed to the Diocese's Education Service totalling £28,000 (2019: £23,000). There were no amounts outstanding at 31 August 2020 (2019: £Nil).

In entering into the transactions the academy trust has complied with the requirements of ESFA's Academies Financial Handbook. No statement of assurance is required as services that can only be delivered by the diocese, which provide essential functions fundamental to the religious character and ethos of the academy, are deemed as meeting the "at cost" requirement.

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27. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy received £19,000 (2019: £19,000) and disbursed £12,000 (2019 : £15,000) from the fund. An amount of £21,000 (2019 : £14,000) is included in other creditors relating to undistributed funds that is repayable to ESFA.

