

Company Registration Number: 08936511 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 15
Governance Statement	16 - 21
Statement on Regularity, Propriety and Compliance	22
Statement of Governors' Responsibilities	23
Independent Auditors' Report on the Financial Statements	24 - 26
Independent Reporting Accountant's Report on Regularity	27 - 29
Statement of Financial Activities Incorporating Income and Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes to the Financial Statements	33 - 58

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members

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

Trustees

Dr P J Hurley, Chair²
R A Prior, Vice Chair^{1,2}
C J Bradbury¹
E E Butterfield (resigned 6 September 2018)¹
M Clausen (resigned 3 September 2018)²
J L Duffield (resigned 10 June 2019)^{1,2}
D George (appointed 6 February 2019)^{1,2}
P Giannini
V Hailes (appointed 5 December 2018)²
R C Hammond-Jones²
M Hepworth (resigned 12 September 2018)
P A Jackson (resigned 19 November 2018)¹
V Joseph (appointed 6 February 2019)²
Rev J McNamee (resigned 3 September 2018)²
O J Olusola
J J G Rooney, Headteacher & Accounting Officer¹
M J Sansom²
M Twitchell, Staff Governor (appointed 27 November 2019)
A Whittaker¹
P Witter, Staff Governor (appointed 27 November 2019)

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

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Senior leadership team

J J G Rooney, Headteacher
G Long, Deputy Headteacher
P Cleary, Deputy Headteacher
M Allison, Assistant Headteacher
J Allport, Assistant Headteacher
E Shakespeare, 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
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a Directors' report under company law.

The trust 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 1596 in the school census in January 2019.

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.

Method of recruitment and appointment or election of Governors

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

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

**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Structure, governance and management (continued)

Policies adopted for the induction and training of Governors

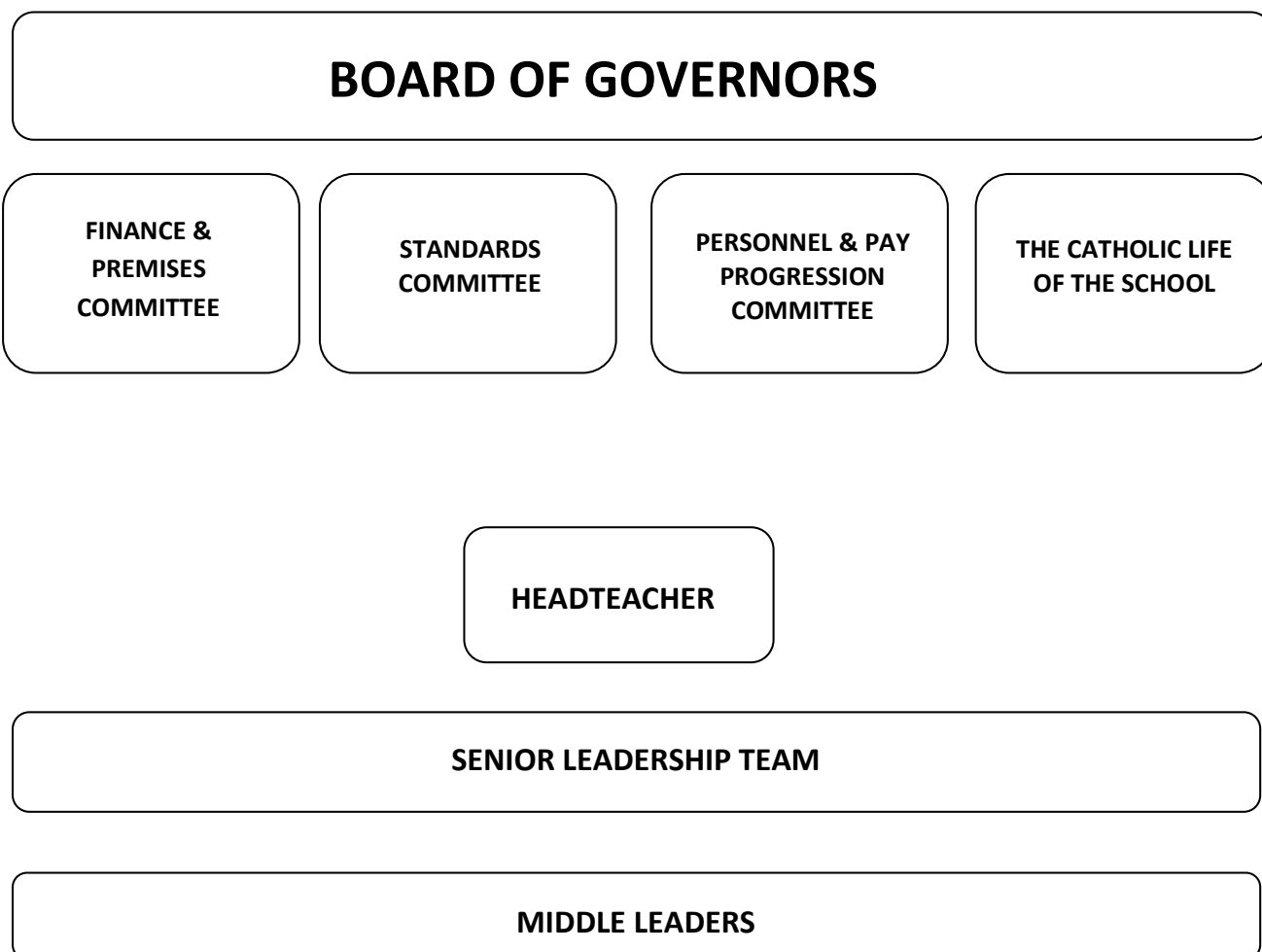
The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given the opportunity to see the school facilities and the chance to meet with staff 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.

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

**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (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,
- Four 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	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
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	-	%
---	---	---

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019 this trust had two other member schools - Holy Family Catholic Primary School, Stainforth and St Joseph's Catholic Primary School, Retford. The purpose of the 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 owns the land and buildings on the 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 Bassetlaw Deanery as well as working closely with other High Schools in the Diocese
- The school also works in partnership with the parishes in the Doncaster Deanery and two of the parishes in the Bassetlaw Deanery
- 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 24 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 school 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 Governance' approved by the Secretary of State for Education. The Scheme of Governance 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 2019 are summarised below. The 10 Strategic Objectives are taken from the Five Year plan determined by the Senior Leadership Team and the Governors in September 2018 are:

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

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

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 school 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 school 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 school 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 pupils 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.'

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Strategic report

Achievements and performance

Key performance indicators

GCSE RESULTS 2019

Year 11 Performance Data	2019 (provisional)	2018 Validated	National average 2019
Progress 8 (progress made between the end of primary school and the end of secondary school)	-0.16	-0.18	-0.03
Attainment 8 (how well students have performed in up to 8 qualifications)	45.95	46.2	46.5
% achieving grade 5 or above in English and math's GCSEs	40.4	38	43
% achieving grade 4 or above in English and math's GCSEs	66.8	64	64.4
Ebacc average point score	4.07	3.89	4.06
		4.12	
% achieving the English Baccalaureate at grade 5 or above (strong pass)	15.1	6.2	17
		24	
% achieving the English Baccalaureate at grade 4 or above (standard pass)	26.8	11.3	24.8
		35	
% of cohort entered for the English Baccalaureate	69.1	30.4	40
		64.2	
Student destinations: % of students staying in education or employment for at least two terms after key stage 4	97	97	94

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

A LEVEL RESULTS 2019 – No Rollback Included (cohort 112)

Year 13 Performance Data	2019 (provisional)	2018 validated	National average (2018)
L3VA (progress made between the end KS4 and the end of KS5)	0.04	0.0	
L3VA (progress made between the end KS4 and the end of KS5 academic only)	-0.04	0.15	
Academic Qualifications Average Result	C+	B-	
Applied General Qualifications Average Result	Dist	Dist	
Tech Certificate (Level 2) Qualifications Average Result	Pass	Merit	
% of grade A* achieved	5.62	6.8	

A summary of our achievements in 2018-19 are summarised below.

Last August John Rooney, Head teacher, provided a summary of the progress that we had made in the first year and what we planned for the future. The progress we have made on these is as follows:

The key elements of improving McAuley, shared in April 2017, using a **jigsaw** metaphor were **Core values Structures, Learning, Leadership, Collaboration, Culture and Celebration.**

Core Values The Vision statement established in October 2017 has always been our touchstone for improving what we do. In October 2018 we had, for the first time, a joint celebration of Catholic education with all our Catholic partner primaries held at the CAST Theatre. We explored what it means to work in a Catholic school, being 'Called to Serve.' This year we have worked even more closely with our partner primaries and have been developing a common approach to attendance as well as producing the Catholic school offer document for the Deanery.

The Catholic life of the school is massively important to us with very many of the key areas of development being led by Polly Witter our lay chaplain. We have had retreats, pilgrimages, Masses both in school and in our local parish, students have raised funds and taken part in liturgical services. We had a major commemoration of the centenary of the end of World War One with an incredible poppy installation as well as observing 2 minute's silence on Armistice day. The school marked itself out to be different when thirty students attended and took part in Fr Mac's Funeral service, the whole school lining Cantley Lane as the cortege passed. The work that the school does in this area was recognised in a Diocesan review which took place last November praising the Catholic life of our school.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Our new school badge reflects the symbol of the Holy Spirit, the dove, in a kaleidoscope of colour pouring graces down on the Yorkshire rose with XP, Greek for Christ, at the centre of everything we do. We have been further developing our unique identity with 'Mansions' not houses for each form group.

The structures established in 2017 to promote **Best Behaviour standards** began in September 2018. A new system that we started in February 2019 supported and developed by a staff group of 30, has had an enormous and positive impact.

In May we looked at the pastoral systems and structures again to see if they were embedded. This has given us the chance to re-iterate all roles in achieving further progress in this area. Attendance has improved bucking a three-year decline.

The form tutor will continue to be the first point of contact for parents. They will respond to email communication that same day with a fuller response within 24 hours of that contact. The new Pastoral Structure will include five dedicated full-time staff in each year group focussing on Behaviour and Attendance with Achievement Leaders overseeing progress too.

Learning is an on-going, lifelong activity. As teachers, support staff and Governors we are all committed to learning and being learners ourselves. This year we employed well-established research in developing our approach to providing the most stimulating, supportive and challenging learning environment. This also included further development in Extended learning, EXL, with lots of support materials on our website. We are, not only, fully staffed with subject specialists in all areas but we have recruited some spectacular teachers. The teaching staff are stronger now than two years ago. This is an incredible achievement the more so since they have been recruited by word of mouth saving thousands on recruitment costs and employing staff who have made McAuley their first choice.

Leadership. We, like every school in the country, continues to face severe budget challenges. It is no exaggeration to say that I have never known a time like it. We have to look at every line on our budget and make economies just to be solvent.

Along with some tough decisions we have also managed to be creative with the money we have. Significant investment in our IT infrastructure will be obvious from September.

Balancing the budget has been no mean feat and one which we would not have been able to achieve without the understanding of our staff and the support of governors. Staff well-being has been a major focus again this year and for the second year there has been a drop in staff absence.

Governance has made good progress in the vast majority of areas following the March 2018 review. Governors took part in an event last September determining our five-year vision which was shared with parents in February. We successfully recruited three foundation Governors and will be looking for a fourth as well a parent and staff Governor from September.

We reviewed all senior leadership roles with our six Assistant Headteacher Practitioners taking on substantive roles in Transition, post-16, teaching and learning and Curriculum. The **collaborative** approach to developing all aspects of our curriculum focussing on **Best teaching standards** established in 2017 will continue. We have also reviewed our curriculum taking the best part of a year. We are not going to rush this and all staff training and learning for next year will focus on Curriculum 2020. This is the most significant piece of work in this area that I have ever been involved in. The leadership of learning and how all staff are involved in this is super important.

We have continued to be **collaborative** and outward facing in the last 12 months. McAuley staff have been heavily involved in other areas of work around Partners in Learning including taken part in Doncaster Peer reviews of science (which has drawn down extra funding) and an exciting initiative called Reciprocal Reading. 12 staff embarked upon extra leadership qualifications. We continue to also work closely with the Catholic

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Diocesan Head teachers; this will only continue to grow in the next few years.

Student vision and student leadership The student vision became a closer reality when the Student Leadership team was established. This important group have done some great work (see i26) not least of all playing an instrumental role in determining the catering contract for the next three years. They have also presented to parents and have taken part in the selection process for new staff.

Culture The massive emphasis on rewards – Rewards assemblies, Green achievement points, McAuley Stars, Rewards and Recognition evening, Rewards day and Graduation Assemblies - continued this year. It is a fundamental change in **culture** to catch children being good rather than catching them out. It is the most basic way that we have of seeing the beauty and potential in every boy and girl. The second Rewards and Recognition evening was a spectacular event (Newsletter i30). **Celebrating** success on the sports field has also been notable this year too.

Jigsaw In 2017 I used the metaphor of a jigsaw to show how all the elements of improving a school need to come together. These elements only provide the foundation for improving our school further. The foundations are strong.

Parental involvement is essential if we are now able to build on the work of the last two years. There will continue to be three Parent Forums next year, one per term led by myself supported by other members of the senior leadership team.

Public benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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 2019/20 revenue budget is balanced.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review

Most of the academies 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 2019 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 2019, total expenditure of £9,158,000 was exceeded by recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset fund) was £148,000.

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

At 31 August 2019 net book value of fixed assets was £1,935,000 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 trust.

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 £4,335,000 recognised on the balance sheet.

The academy trust held fund balances as at 31 August 2019 of (£1,816,000) comprising of £2,059,000 of restricted fixed asset funds, a pension deficit of £4,335,000 and £460,000 of unrestricted funds.

Reserves policy

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

- Provide funds which can be designated to specific areas and to cover ongoing costs in relation to the running of the academy trust 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 unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) 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 free reserves are in surplus by £417,000 and are considered to be above the level of reserves required for the ongoing needs of the academy trust. The governors continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

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

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 is 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 27 November 2019 and signed on its behalf by:

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

**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Dr P J Hurley
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 Trust.

The Governing Body (Directors) use a scheme of delegation which provides for the process of decision making to be undertaken at the most appropriate level within the school. 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 school set by the Headteacher and the Governing Body.

The following committee structure operates:

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

Leadership and Management of the School

This is undertaken on a day to day basis by the Senior Leadership Group which is named earlier in this document. The Senior Leadership Group determines the strategic direction of the school which are identified through the School Improvement Priorities and through policy recommendations to the Governing Body.

There is a comprehensive quality assurance process within the school which ensures that leadership and management, teaching and learning, the support for students and the outcomes for students are analysed, adjusted and that the budget of the school is used to address the identified priorities.

The role of school staff

Middle Leaders and all staff contribute to the processes involving identifying priorities. They are involved in the development of policies, and the implementation and review processes. This is kept under review. Different cohorts of staff meet through various groups to ensure that the school's improvement priorities are identified, and appropriate continuous professional development is supported.

There is a clear line management structure which is linked to a rigorous appraisal process. There is accountability for performance and resources at all levels. Teachers are subject to annual appraisal which conforms to the policy of the Governing Body. Individual objectives are linked into the wider school improvement agenda.

Constitution

The school is a Company limited by guarantee and is an exempt charity under the School's Standards and Frameworks Act.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Full Board of Governors formally met 6 times during the period.

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	6	6
R A Prior, Vice Chair	4	6
C J Bradbury	6	6
E E Butterfield	0	0
M Clausen	0	0
J L Duffield	3	4
D George	3	3
P Giannini	5	6
V Hailes	4	4
R C Hammond-Jones	5	6
M Hepworth	0	0
P A Jackson	1	1
V Joseph	3	3
Rev J McNamee	0	0
O J Olusola	3	6
J J G Rooney, Headteacher & Accounting Officer	6	6
M J Sansom	5	6
M Twitchell, Staff Governor	0	0
A Whittaker	5	6
P Witter, Staff Governor	0	0

There has been a significant turn over in governance personnel in the last two years. This has been the result of bereavement, retirement, change in jobs, term not being renewed as either staff or parent governor. The challenge of recruitment has been effectively met. We successfully recruited three Foundation Governors from five interested parties. Two staff Governors have been elected.

The work of the board provides comprehensive support and challenge for the Headteacher and the School's leadership Team but on a day to day basis (link governance) and at a strategic level (setting the vision). The Board provide successful leadership and management of the school's resources including financial resources and human resources (conducting exit interviews).

The board receives regular updates regarding a variety of key performance indicators, for example, financial (monthly management accounts), personnel (staff absence, recruitment), attendance and behaviour, performance data. Data is also made available regarding pupil numbers and is able to confidently anticipate and plan more effectively for the future.

An external review of Governance took place in March 2018. This is used as an on-going benchmark as to the effectiveness of the Board.

The evaluation highlighted a number of areas, overarching the need for the board to work more closely with Senior Leaders in order to frame a longer strategic plan. We have addressed this by initially undertaking a leadership residential to establish a five-year plan with a 'strategy on a page' (SOAP) to highlight key issues and inform discussion.

Link Governor meetings have been established which feed in to the Standards subcommittee meetings whereby the Governor with that area of responsibility leads the discussions. The aim is for Governor Link meetings to make full use of the 'SOAP's' which are intended to demonstrate impact and feed back into the strategic plan within the evaluation cycle.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Data training has been undertaken by Governors to support their understanding of school trends and to triangulate data against external sources, which has increased the depth of the conversation between governors and senior staff. Governors also meet regularly with school staff to increase communication and gauge the impact of the objectives on employees and school life.

In addition, the board gauges the opinions of staff via regular survey questionnaire whereby a majority of staff feel relationships between the governing body and staff are open and honest. In addition a majority of staff feel that governors monitor and evaluate the schools performance and are actively engaged in setting priorities and robustly monitor and evaluate the impact of improvement plans.

The board intends to schedule another review in March 2020 so that progress can be externally verified.

The Finance and Premises Committee is a sub-committee of the main board of Governors. Its purpose is to approve the trust 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)	6	6
C Bradbury	5	6
J Duffield	3	5
D George	3	4
P Jackson	0	1
J J G Rooney, Headteacher & Accounting Officer	6	6

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 further to 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 significantly to reduce 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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 MCAULEY CATHOLIC HIGH SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Governors has considered the need for a specific internal audit function and has decided to appoint Clive Owen LLP as internal auditor.

The internal auditor's role includes giving advice on financial 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

On termly basis, the internal auditor reports to the board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the 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:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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 general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Governors on 27 November 2019 and signed on their behalf by:

P J Hurley
Chair of Trustees

J J G Rooney
Accounting Officer

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

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 & 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 2018.

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 2018.

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

- **Financial issues**

The trust has entered into a catering contract which has an embedded finance contract within it contrary to the Academies Financial Handbook. It is expected that the contract will run the full term with no implications for the embedded finance contract. The school will ensure that there will be no embedded finance contract in future contracts.

- **Non-financial issues**

Alcohol was purchased contrary to the Academies Financial Handbook. The school purchased alcohol, to the value of £91, on behalf of the PTA who were organising and funding an event for student rewards. The PTA agreed to repay the school the equivalent amount. However for occasions in the future where events/fundraising takes place the school will ensure that there will be no future direct purchases of alcohol.

J J G Rooney
Accounting Officer
Date: 27 November 2019

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 27 November 2019 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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. 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.

Responsibilities of trustees

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.

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)**

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

Christopher Beaumont BA (Hons) FCA DChA (Senior Statutory Auditor)
for and on behalf of

Reporting accountant

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

27 November 2019

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**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 30 April 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- 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;
- 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

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)**

Conclusion

In the course of our work, nothing, other than that detailed below, has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- Financial issues

The trust has entered into a catering contract which has an embedded finance contract within it contrary to the Academies Financial Hand book. It is expected that the contract will run the full term with no implications for the embedded finance contract. The school will ensure that there will be no embedded finance contract in future contracts.

- Non-financial issues

Alcohol was purchased contrary to the Academies Financial Handbook. The school purchased alcohol on behalf of the PTA who were organising and funding an event for student rewards. The PTA agreed to repay the school the equivalent amount. However for occasions in the future where events/fundraising takes place the school will ensure that there will be no future direct purchases of alcohol

Clive Owen LLP

Reporting accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 27 November 2019

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
Income from:					
Donations and capital grants	3	13	-	117	130
Charitable activities	4	197	8,596	-	8,793
Other trading activities	5	54	-	-	54
Investments	6	4	-	-	4
		268	8,596	117	8,981
Total income					
Expenditure on:					
Raising funds		-	5	-	5
Charitable activities	7	120	8,909	124	9,153
		120	8,914	124	9,158
Total expenditure					
Net movement in funds before other recognised gains/(losses)					
		148	(318)	(7)	(177)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	21	-	(1,270)	-	(1,270)
		148	(1,588)	(7)	(1,447)
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		312	(2,747)	2,066	(369)
Net movement in funds		148	(1,588)	(7)	(1,447)
Total funds carried forward		460	(4,335)	2,059	(1,816)

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	1,935	1,983
		1,935	1,983
Current assets			
Debtors	14	192	269
Cash at bank and in hand		997	649
		1,189	918
Creditors: amounts falling due within one year	15	(605)	(523)
Net current assets		2,519	2,378
Total assets less current liabilities		2,519	2,378
Defined benefit pension scheme liability	21	(4,335)	(2,747)
Net Liabilities including pension scheme liabilities		(1,816)	(369)
 Funds of the academy			
Restricted funds:			
Fixed asset funds	16	2,059	2,066
Restricted funds excluding pension asset	16	2,059	2,066
Pension reserve	16	(4,335)	(2,747)
Total restricted funds	16	(2,276)	(681)
Unrestricted income funds	16	460	312
Total funds		(1,816)	(369)

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 30 to 58 were approved by the Governors, and authorised for issue on 27 November 2019 and are signed on their behalf, by:

Dr P J Hurley
Chair

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019	2018
		£000	£000
Cash flows from operating activities			
Net cash provided by operating activities	18	252	104
Cash flows from investing activities			
	19	96	(34)
Change in cash and cash equivalents in the year		348	70
Cash and cash equivalents at the beginning of the year		649	579
Cash and cash equivalents at the end of the year	20	997	649

The notes on pages 33 to 58 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 trust, 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 2018 to 2019 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.

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 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.

• **Donations**

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

• **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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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.

• **Charitable activities**

Expenditure on charitable activities are costs incurred on the academy trust's 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.

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 rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

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 incorporating Income and Expenditure Account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account 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 Bank.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 trust 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 trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £193,000 as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £23,000 which has been assessed to be immaterial to the financial statements.

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 £124,000.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment (continued)

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 trust premises consist of land (and buildings) owned by, or leased by, The Diocese of Hallam. This includes land leased by the Diocese of Gallam from the Institute of Our Lady of Mercy. 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 trust 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 trust company is occupying the land (and building) the Governors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	13	-	13	3
Capital Grants	-	117	117	973
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	13	117	130	976
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Total 2018	3	973	976	
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the academy's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,043	8,043	8,185
Pupil Premium	-	322	322	310
Rates	-	30	30	35
Other DfE Group grants	-	101	101	21
	-	8,496	8,496	8,551
Other government grants				
SEN	-	48	48	33
Other Government grants	-	52	52	16
	-	100	100	49
Other trading income				
Income from academies	4	-	4	-
Student trip	193	-	193	192
	197	8,596	8,793	8,792
Total 2018	192	8,600	8,792	

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Rental income	12	12	13
Other	42	42	53
	54	54	66

In 2018, of the total income from other trading activities, £66,000 was to unrestricted funds and £nil was to restricted funds

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Bank Interest	4	4	2
	4	4	2

In 2018, of the total income from Investment income, £2,000 was to unrestricted funds and £nil was to restricted funds.

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	5	5	2
Academy's educational operations:					
Direct costs	6,591	-	732	7,323	7,177
Allocated support costs	691	647	492	1,830	1,777
	7,282	647	1,229	9,158	8,956
Total 2018	6,969	672	1,315	8,956	

In 2019, of the total expenditure, £120,000 (2018 - £86,000) was to unrestricted funds and £9,038,000 (2018 - £8,870,000) 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	7,323	1,830	9,153	8,954
Total 2018	<u>7,177</u>	<u>1,777</u>	<u>8,954</u>	

Analysis of direct costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	6,591	6,371
Educational supplies	401	417
Examination fees	159	131
Technology costs	41	58
Educational consultancy	90	165
Transport	10	17
Other costs	31	18
	<u>7,323</u>	<u>7,177</u>

Analysis of support costs

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Total funds 2019 £000	Total funds 2018 £000
Pension income	78	78
Staff costs	691	598
Depreciation	124	102
Staff development	26	13
Technology costs	112	104
Staff expenses	9	10
Maintenance of premises	40	51
Cleaning	233	242
Other premises costs	64	82
Energy	147	141
Rent & rates	26	26
Catering	131	101
Other insurance premiums	44	57
Security	9	6
Other costs	24	92
Governance costs	72	74
	1,830	1,777

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£000	£000
Operating lease rentals	8	9
Depreciation of tangible fixed assets	124	102
Fees paid to auditors for:		
- audit	10	10
- other services	2	3
	=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£000	£000
Wages and salaries	5,372	5,278
Social security costs	549	530
Pension costs	1,200	1,009
	<hr/>	<hr/>
	7,121	6,817
Supply staff costs	161	152
	<hr/>	<hr/>
	7,282	6,969
	<hr/> <hr/>	<hr/> <hr/>

Included in operating costs of defined benefit pension schemes is £240,000 (2018: £78,000) in respect of movements in the LGPS pension deficit.

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	98	110
Administration and support	74	70
Management	13	9
	<hr/>	<hr/>
	185	189
	<hr/> <hr/>	<hr/> <hr/>

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	1	1
	<hr/>	<hr/>

d. Key management personnel

The key management personnel of the academy trust comprise the Governors and senior leadership team as listed on page 1. The total amount of employee benefits (including employer national insurance

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

d. Key management personnel (continued)

and pension contributions) received by key management personnel for their services to the academy trust was £588,000 (2018: £711,000).

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 principal 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:

		2019	2018
		£000	£000
J Rooney (Headteacher and Governor)	Remuneration	95 - 100	95 - 100
	Pension contributions paid	15 - 20	15 - 20
C Bradbury (staff Governor)	Remuneration	25 - 30	20 - 25
	Pension contributions paid	0 - 5	0 - 5
M Hepworth (resigned 12 September 2018)	Remuneration		40 - 45
	Pension contributions paid		5 - 10
P Giannini (staff Governor)	Remuneration	45 - 50	45 - 50
	Pension contributions paid	0 - 5	5 - 10

During the period ended 31 August 2019, no Governors received any reimbursement of expenses (2018 : £nil).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Governors' and Officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was not separately identifiable from the total insurance cost.

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 2018	2,041	168	39	2,248
Additions	40	7	29	76
At 31 August 2019	2,081	175	68	2,324
Depreciation				
At 1 September 2018	156	84	25	265
Charge for the year	85	24	15	124
At 31 August 2019	241	108	40	389
Net book value				
At 31 August 2019	1,840	67	28	1,935
At 31 August 2018	1,885	84	14	1,983

14. Debtors

	2019 £000	2018 £000
Trade debtors	21	7
VAT debtor	16	43
Prepayments and accrued income	155	219
	192	269

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	229	219
Other taxation and social security	229	217
Other creditors	15	9
Accruals and deferred income	132	78
	605	523
	605	523
	2019	2018
	£000	£000
Deferred income		
Deferred income at 1 September 2018	34	69
Resources deferred during the year	88	34
Amounts released from previous periods	(34)	(69)
	88	34
Deferred income at 31 August 2019	88	34

At the balance sheet date the academy trust was holding funds received in advance for Devolved Formula Capital, Rates Relief and trip income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds

	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
	312	268	(120)	-	460
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 grant	-	101	(101)	-	-
Other income	-	52	(52)	-	-
Pension reserve	(2,747)	-	(318)	(1,270)	(4,335)
	(2,747)	8,596	(8,914)	(1,270)	(4,335)
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
	2,066	117	(124)	-	2,059
Total Restricted funds	(681)	8,713	(9,038)	(1,270)	(2,276)
Total funds	(369)	8,981	(9,158)	(1,270)	(1,816)

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 school sees fit to support deprived students.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 21.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds					
General Funds	-	263	(82)	-	181
Inherited on conversion	135	-	(4)	-	131
	<u>135</u>	<u>263</u>	<u>(86)</u>	<u>-</u>	<u>312</u>
Restricted general funds					
General Annual Grant (GAG)	-	8,185	(8,185)	-	-
Rates relief	-	35	(35)	-	-
Pupil premium	-	310	(310)	-	-
Year 7 Catch up	-	21	(21)	-	-
SEN	-	33	(33)	-	-
LAC Pupil Premium	-	16	(16)	-	-
Pension reserve	(3,130)	-	(156)	539	(2,747)
	<u>(3,130)</u>	<u>8,600</u>	<u>(8,756)</u>	<u>539</u>	<u>(2,747)</u>
Restricted fixed asset funds					
Devolved Formula Capital	113	53	(6)	-	160
Academies Capital Maintenance Fund	447	-	(20)	-	427
Capital expenditure from GAG	550	-	(65)	-	485
Condition Improvement Fund	97	920	(23)	-	994
	<u>1,207</u>	<u>973</u>	<u>(114)</u>	<u>-</u>	<u>2,066</u>
Total Restricted funds	<u>(1,923)</u>	<u>9,573</u>	<u>(8,870)</u>	<u>539</u>	<u>(681)</u>
Total funds	<u>(1,788)</u>	<u>9,836</u>	<u>(8,956)</u>	<u>539</u>	<u>(369)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	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	<u>460</u>	<u>(4,335)</u>	<u>2,059</u>	<u>(1,816)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	1,983	1,983
Current assets	331	504	83	918
Creditors due within one year	(19)	(504)	-	(523)
Provisions for liabilities and charges	-	(2,747)	-	(2,747)
Total	<u>312</u>	<u>(2,747)</u>	<u>2,066</u>	<u>(369)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019	2018
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(177)	880
Adjustments for:		
Depreciation	124	102
Capital grants from DfE and other capital income	(168)	(973)
Defined benefit pension scheme cost less contributions payable	240	78
Defined benefit pension scheme finance cost	78	78
Decrease/(increase) in debtors	77	(30)
Increase/(decrease) in creditors	82	(29)
Dividends, interest and rents from investments	(4)	(2)
Net cash provided by operating activities	252	104

19. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	4	2
Purchase of tangible fixed assets	(76)	(1,021)
Proceeds from the sale of tangible fixed assets	-	12
Capital grants from DfE Group	168	973
Net cash provided by/(used in) investing activities	96	(34)

20. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	997	649
Total cash and cash equivalents	997	649

21. Pension commitments

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared for 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% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £681,000 (2018 - £668,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

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 2019 was £345,000 (2018 - £326,000), of which employer's contributions totalled £279,000 (2018 - £263,000) and employees' contributions totalled £ 66,000 (2018 - £63,000). The agreed contribution rates for future years are 14.7% for employers and 2.9 - 10.9% for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.25	3.35
Rate of increase for pensions in payment/inflation	2.10	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.00	2.10

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	28.3	28.1

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	4,159	5,516
Mortality assumption - 1 year increase	4,471	5,682
CPI rate +0.1%	4,515	5,779

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	1,718	1,542
Government bonds	470	415
Property	286	281
Cash and other liquid assets	105	133
Other	466	316
Other bonds	240	212
Total market value of assets	3,285	2,899

The actual return on scheme assets was £225,000 (2018 - £126,000).

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

	2019 £000	2018 £000
Current service cost	(326)	(341)
Past service cost	(193)	-
Interest income	79	62
Interest cost	(157)	(140)
Total amount recognised in the Statement of Financial Activities	(597)	(419)

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

	2019 £000	2018 £000
Opening defined benefit obligation	5,646	5,611
Current service cost	326	341
Interest cost	157	140
Employee contributions	66	63
Actuarial losses/(gains)	1,412	(480)
Benefits paid	(180)	(29)
Past service costs	193	-
Closing defined benefit obligation	7,620	5,646

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

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

	2019	2018
	£000	£000
Opening fair value of scheme assets	2,899	2,481
Interest income	83	66
Actuarial gains	142	59
Employer contributions	279	263
Employee contributions	66	63
Benefits paid	(180)	(29)
Administration expenses	(4)	(4)
Closing fair value of scheme assets	3,285	2,899

22. Operating lease commitments

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£000	£000
Amounts payable:		
Within 1 year	10	4
Later than 1 year and not later than 5 years	38	-
Total	48	4

23. Net interest cost on pension scheme

	2019	2018
	£000	£000
Interest income on pension scheme assets	79	62
Interest on pension scheme liabilities	(157)	(140)
	(78)	(78)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Related party transactions

Owing to the nature of the academy trust 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 academy trust have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required and with the academy trust'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 trust.

The academy trust contributed to the Diocese's Education Service totalling £23,000 (2018: £24,000). The academy trust paid for other sundry services totaling £Nil (2018: £Nil).

In entering into the transactions the academy trust has complied with the requirements of ESFA's Academies Financial Handbook.

25. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £19,000 (2018 : £21,000) and disbursed £15,000 (2018 : £20,000) from the fund. An amount of £14,000 (2018 : £10,000) is included in other creditors relating to undistributed funds that is repayable to ESFA.