

Registered number: 08936511 (England & Wales)

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

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THE MCAULEY CATHOLIC HIGH SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, GOVERNORS AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Members

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

Governors

Dr P J Hurley, Chair²
Mr R A Prior, Vice Chair^{1,2}
Mrs C M Brown, Headteacher (resigned 31 May 2016)¹
Mr G Long, Acting Headteacher (appointed 1 June 2016)¹
Mr S P Barrett (resigned 21 September 2015)^{1,2}
Mr C Bradbury (appointed 12 March 2016)¹
Mrs E E Butterfield¹
Mrs M Clausen²
Mr J Duffield^{1,2}
Miss R C Hammond-Jones²
Mrs M Hepworth¹
Mr P Jackson (appointed 1 March 2016)
Rev J McNamee²
Mrs A Nielson (resigned 1 March 2016)
Rev P F O'Connor (resigned 31 August 2016)²
Mr J Olusola (appointed 3 February 2016)
Mr M J S Taylor¹
Mr A Whittaker¹

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
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, GOVERNORS AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Accounting Officer

Mr G Long

Senior management team

Mrs C Brown, Headteacher (resigned 31 May 2016)
Mr G Long, Acting Headteacher
Mrs F Newsome, Deputy Headteacher
Mr P Cleary, Deputy Headteacher
Mr D Allison, Assistant Headteacher
Mr M Allison, Assistant Headteacher
Miss J Allport, Assistant Headteacher
Miss E Shakespeare, Assistant Headteacher
Mr R Shenton, Assistant Headteacher
Mr M Horrocks, Director of Finance and Resources

Independent auditors

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

Bankers

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

Solicitors

Taylor & Emmett LLP
20 Arundel Gate
Sheffield
S1 2PP

THE MCAULEY CATHOLIC HIGH SCHOOL
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The academy trust operates a Catholic Voluntary Academy, which was established as an academy on 1 May 2014, for pupils aged 11-18 serving a catchment area in the Diocese of Hallam, South Yorkshire. It has a pupil capacity of 1,730 and had a roll of 1,672 in the school census on 8 January 2016.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the academy trust is the operation of The McAuley Catholic High School to provide education for students of different abilities between the ages of 11 and 18. 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 trust during the period ended 31 August 2016 are summarised below and are taken from the School Improvement Plan for 2015 - 2016:

1. **Ethos:** To build a caring community in which Gospel values are fully embedded.
2. **Achievement:** All students are challenged to make good or better progress.
3. **Teaching & Learning:** 1. Ensure that all learners are challenged and actively engaged in their learning.
4. **Behaviour:** To improve behaviour for learning and ensure students demonstrate a sense of pride in their work.
5. **Leadership & Management:** All levels of leadership to set and model high expectations and use monitoring to hold others to account.

Objectives, strategies and activities

The academy trust's main objectives are encompassed in its mission statement which is that "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. The values of compassion, aspiration, reconciliation, equality and stewardship (McAuley CARES) are at the heart of all that we do.

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.

THE MCAULEY CATHOLIC HIGH SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objectives, strategies and activities (continued)

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.'

A summary of what we have achieved this year and our areas for further development in the main Ofsted areas are:

1) Ethos:

Areas developed this year

- Students able to explain and exemplify McAuley CARES
- More students involved in Liturgies including planning
- Greater access to Lay Chaplain
- Student voice feeding into policies and procedures
- Greater links with other Faith communities and denominations

Areas for further development

- Embed 'McAuley CARES ' as way of remembering ethos
- Further embed Church Social Teaching of the Common Good
- Increase student participation in liturgical life of the school
- Monitor and evaluate provision for Spiritual formation
- Development of McAuley voice through sub groups
- Further develop links with other faiths and denominations
- Further develop religious literacy across all key stages
- Ensure ethos underpins all aspects of the school life

2) Outcomes:

Areas developed this year

- Secured improvement in English outcomes, particularly disadvantaged.
- Secured improvement in the % of disadvantaged pupils achieving then Ebacc, diminishing the difference with other students nationally.
- Attainment in English is above national.
- Ebacc entry and outcomes are significantly above national.
- Progress in most subject areas is above average or improving.
- The progress of disadvantaged learners and those with SEND is above average or improving across most subject areas.
- Based up the improvements seen in English, both overall and for disadvantaged pupils, there is clear evidence that Leadership & Management will address 2016 outcome issues in Maths.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objectives, strategies and activities (continued)

Areas for further development

- Improve overall P8 score for the school and disadvantaged pupils in particular.
- Increase P8 in Maths from all starting points for both disadvantaged and non-disadvantaged pupils and return attainment to the previously high levels via an SLT recovery plan.
- Continue SLT recovery plans in Science and Technology and put a plan in place for Business.

3) Teaching & Learning:

Areas developed this year

- A range of external partners (including a range of SLEs from various schools) have verified that the action being taken to secure rapid improvement in Teaching, Learning and Assessment is all encompassing. Monitoring and evaluation show that clear systems and procedures to improve the quality of teaching and learning are having an impact. Teaching results in outcomes that are above average across most subject areas, including for disadvantaged pupils and those with SEND.

Areas for further development

- Consistently effective challenge (particularly differentiation by task) and active engagement (particularly questioning and group work) in order to secure good/outstanding progress for all pupils and to improve behavior for learning.
- The use of formative assessment needs to become more consistent to ensure learners make good progress in all lessons. Equally, teacher and peer/self feedback need to be consistently based on success criteria and dedicated improvement and reflection time always given so that feedback always impacts on learning.
- Embed the new summative assessment system so that (1) pupils' progress can be monitored more robustly (2) the data is used more effectively to adapt planning and intervention to meet individual needs and (3) parents get more information to support their child's progress.
- Eliminate teaching that is less than good/fails to meet the Teaching, Learning and Assessment requirements through a needs-based CPD programme and rigorous use of the accountability and appraisal procedures (particularly in Maths, Science, Technology and Business).

4) Behaviour:

Areas developed this year

- There is an extremely positive atmosphere in the school and the quality of relationships is underpinned by respect and good humour. Pupils show great personal qualities, including an impressive degree of maturity. They are polite, considerate and well mannered. The school's strong ethos, modelling of best practice from all staff and development of pupils' spiritual, moral, social and cultural understanding fortify this. Pupils have an appropriate understanding of how to keep safe when using modern technology through regular assemblies and targeted lessons on Internet and mobile phone safety.

Areas for further development

- Further improve attitude to learning by (1) improving lesson planning in order to ensure all learners are actively engaged and (2) implementing the new behaviour for learning policy, procedures and reporting system.
- Improve the PSHEE enrichment day curriculum to cover some elements such as homophobia earlier and ensure that provision for each element is mapped across form time, assemblies and subject areas to ensure that absence does not prevent access.
- Implement the new behaviour system in order to achieve a consistent approach to misbehaviour at all levels that can be tackled first within subject areas.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objectives, strategies and activities (continued)

5) Leadership & Management:

Areas developed this year

- Rapid progress is being made since the Acting Head Teacher took up his post. As outlined in the Head Teacher's position statement, leaders now have an accurate understanding of the school and the actions that need to be taken to secure improvement in all areas. Clear impact can be seen across a wide range of areas, demonstrating that leaders are holding staff to account and can rapidly secure improvement.

Areas for further development

- Rapidly improve teaching that falls short of the minimum 'good' expectations.
- Continue to implement the reviewed accountability system so that Governors, senior leaders and middle leaders hold staff stringently to account for all aspects of the school's performance. Develop and monitor the impact of a best practice formal coaching team to support this.
- Improvement in overall progress 8, particularly for disadvantaged pupils
- Recovery of maths progress and attainment outcomes.
- Implement the new internal data and target setting systems, so that assessment more effectively supports targeted intervention and increases progress.
- Implement the new Governor training and restructure actions.
- Develop a P8 curriculum offer.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 19.

Public benefit

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

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

ACHIEVEMENTS AND PERFORMANCE

Key performance indicators

<u>Headline measures</u>	2016	National Avg.	2015	National Avg.
Progress 8	-0.06	0	0.22	0
Upper confidence interval	0.07	-	0.34	-
Lower confidence interval	-0.19	-	0.08	-
DFE judgement	Average			
Attainment 8	51.50	49.34	52.53	47.78
Upper confidence interval	-	-	-	-
Lower confidence interval	-	-	-	-
DFE judgement				
A* - C E&M	57	62	63	58
EBacc %	37	24	29	24
EBacc entry %	52	-	41	-
% in employment after 2 terms	96	94	97	92

Key Stage 5:

Areas developed this year

- AS level results are the best since 2013. AS level A/B grades have sharply improved from 30% to 42%, APS per entry = 39.31 and APS per pupil =133.10. ALPS grade '3' shows value added is in the top 25% nationally. A number of initiatives introduced in response to 2015 outcomes have been highly effective eg the introduction of more appropriate/stringent course entry requirements, adjustments to timetables for underperforming pupils and extensions to the 'Study Skills' Program.
- Learners without GCSE grades A* - C in maths and/or English follow appropriately tailored courses. The considerable majority make substantial and sustained progress towards, and many secure, grade C or above. Value added for the 29 Y12/13 pupils who required maths and/or English in 2015/16 is 0.93 overall. 90% (18/20) pupils requiring English secured C or above; VA = 1.35. 30% (3/10) pupils requiring maths secured grade C; VA = 0.1.
- Retention rates are high; Y12 into Y13 = 90% (of the 143 who completed AS levels, 128 continue to Y13. 5 of the 15 not continuing choosing alternative pathways).
- The high retention level of 0.992 (Nat ave 0.97) results from highly individualised, quality IAG that includes parents. eg 1:1 SLT meetings with Y11 and external applicants, 'course change' process, Y12 into 13 meetings and ongoing support through learning mentor and academic mentor programme.
- Provisional L3VA report by Oxford Analytics shows that overall A level performance is at the national average; 0.00; 14 out of 29 subjects added value.
- APS per entry was 196.05; overall average grade of D- one of the key priorities in the Sixth form development plan for 2016. The three year T score is now '4' – still considered to be 'very Good' and in the top 40% nationally.

Areas requiring further development

- Improving level 3 value added through maintaining the high levels of progress achieved at AS through to A Level.
- Improve outcomes so that progress in level 3 qualifications in terms of value added is above average across 'nearly all subjects'; A* - B grades return to at least the national average; all pupils resitting GCSE maths are successful.
- In terms of teaching, learning and assessment, further embed independent learning strategies within and between lessons, implement the new target, assessment reporting and recording system and further develop subject-specific development/recovery plans (science, MFL, maths, Art, Product Design, History and RE).
- Introduce a formal three stage plan/course review process to address attendance, meeting deadlines and behaviour for learning issues.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

ACHEIVEMENTS AND PERFORMANCE (CONTINUED)

Going concern

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

The financial review and financial statements for the period show that the trust operated with an excess of revenue expenditure on unrestricted funds for the period over revenue income for the period (a deficit) of £339,000. This deficit was funded from surplus reserves brought forward at the start of the period.

The academy still maintains an unrestricted reserve surplus of £258,000 however the Governors recognise that the level of revenue deficit in 2015/16 is not sustainable going forward. To this end the Governors and Leadership Team undertook an in depth review of cost structures during the period and have implemented significant structural change in order to ensure that annual revenue expenditure from 2016/17 onwards moves quickly towards being maintained within the level of annual revenue income.

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 2016/17 revenue budget has a deficit of £22,000, down from the revenue deficit of £339,000 posted in the 2015/16 accounts. The expectation is that the academy trust will move to a balanced budget from 2017/18 in addition to making contributions to increase the level of reserves.

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GOVERNORS' REPORT (continued)
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FINANCIAL REVIEW

Most of the academy trust's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/EFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' SORP(FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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 period ended 31 August 2016 total expenditure, excluding capital items (charged to the fixed assets fund) and pension gains/losses/deficits was £9,494,000. This total expenditure was more than the combination of recurrent grant funding from the DfE/EFA together and other incoming resources. The excess expenditure over income in the period (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £264,000.

During the period covered by the statements the academy spent £223,000 on capital investment in buildings, infrastructure and ICT. Of this capital expenditure £35,000 was funded by grant income with the balance of £188,000 being transferred to the restricted fixed assets fund from the revenue fund. Of this £223,000 the sum of £98,000 was spent on improving the security and access control to the school sites in order to meet safeguarding, health & safety and welfare responsibilities.

The balance on the unrestricted reserves at the end of the period (excluding pension fund deficit) stands at £258,000.

The land and buildings from which the academy operates are held on long term leases with Doncaster Metropolitan Borough Council and The Institute of Our Lady of Mercy and under licence from the Diocese of Hallam. No tangible benefit is transferred to the academy trust by virtue of the terms of these leases or licences and therefore only the value of improvements undertaken by the academy trust and funded from its revenue and capital income streams are included in the restricted fixed assets fund and on the balance sheet. At 31 August 2016 the net book value of fixed assets was £1,188,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard No.102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) have been applied in full, resulting in a deficit of £3,878,000 recognised on the balance sheet. As a result of the deficit in the pension fund the total academy trust fund balances at 31 August 2016 was a deficit of £2,432,000 comprising a deficit of £2,690,000 on restricted funds and surplus £258,000 on unrestricted funds.

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

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

FINANCIAL REVIEW (CONTINUED)

Principal risks and uncertainties

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

The Governors have assessed the major risks, to which the academy trust 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 trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

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

Reserves policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to cover ongoing costs in relation non-core elements of the academy trust's operations 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 trust 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 but excluding pension deficit) no more than 5% of the general annual grant income, which is circa £450,000. This is considered sufficient to meet changes to operational needs and contingencies for unexpected expenditure.

The academy trust's current level of free reserves are in surplus by £258,000 and are considered to be below the level of reserves required.

Investments policy

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

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Governors of The McAuley Catholic High School (the academy trust) 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 period 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 trust 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 11 of the Financial Statements.

Method of recruitment and appointment or election of Governors

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

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

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GOVERNORS' REPORT (continued)
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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Method of recruitment and appointment or election of Governors (continued)

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

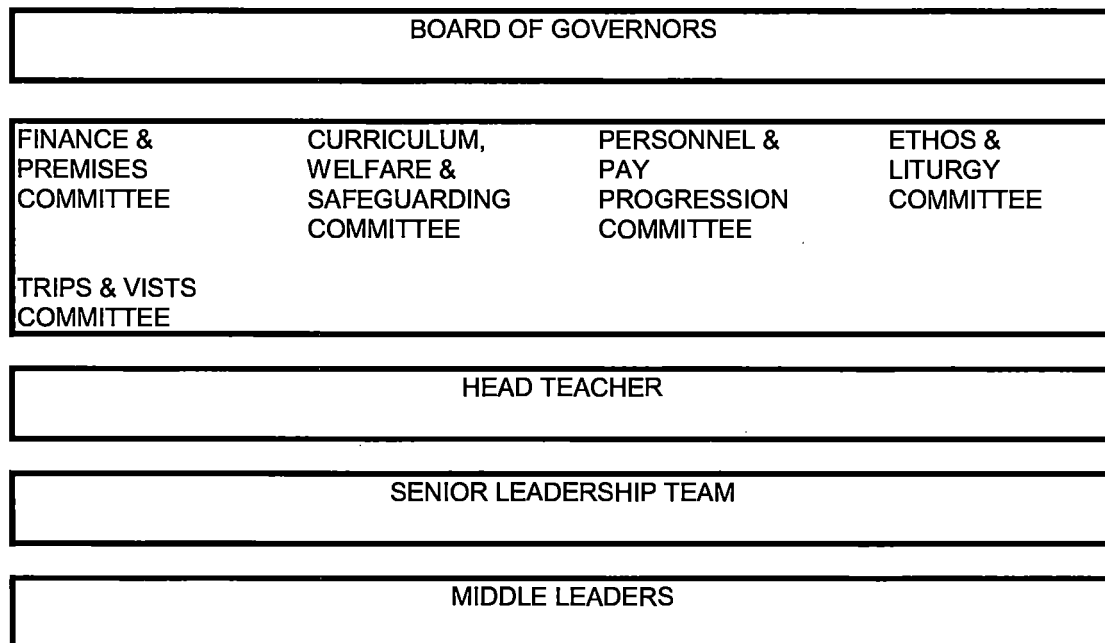
Policies and procedures adopted for the induction and training of Governors

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. Doncaster Metropolitan Borough Council offers Governor forums and training opportunities.

Pay policy for key management personnel

Pay for all employees of the academy trust, including senior management and employees who also serve as Governors, is determined by the academy trust's Pay and Progression Committee in accordance with the academy trust's Pay Policy. The academy trust currently follows the national pay & conditions for teachers (the Burgundy Book) and support staff (NJC Green Book), taking into consideration affordability. Pay progression within an employee's pay range is linked to the performance management process.

Organisational structure



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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Ogranisational structure (continued)

During the year the academy trust 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
 - o Company Law & Regulations
 - o Charity Law & Regulation
 - o Statutes and Regulations issued by National Government via the DfE, EFA 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

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

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

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

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

- Two Deputy Headteachers,
- Five Assistant Headteachers
- The Director of Finance and Facilities.

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

Connected organisations, including related party relationships

The McAuley Catholic High School is part of the Our Lady of Doncaster Umbrella Trust. As at 31 August 2016 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 McAuley Catholic High School is part of the Catholic Diocese of Hallam. The Diocesan relationship with the school operates in a number of ways including the provision of the advice and support of the Schools Department.

- 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 Lower 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 22 to the Financial Statements.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

PLANS FOR FUTURE DEVELOPMENT

Future developments

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

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

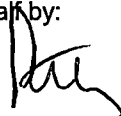
Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by order of the Board of Governors as the company directors, on 7 December 2016 and signed on its behalf by:

Dr P J Hurley
Chair



THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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
- Curriculum, Welfare and Safeguarding Committee
- Pay and Progression Committee
- Personnel Committee
- Ethos & Liturgy Committee
- Trips and Visits Committee

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 Board of Governors has formally met 5 times during the period. Attendance during the period at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Dr P Hurley, Chair	5	5
Mr S P Barrett, (Resigned 21 September 2015)	0	1
Mr R A Prior, Vice Chair	4	5
Mrs C M Brown, Headteacher (Resigned 31 May 2016)	1	4
Mr G Long, Acting Headteacher (Appointed 1 June 2016)	1	1
Mrs E E Butterfield	4	5
Mrs M Clausen	4	5
Mr J Duffield	5	5
Miss R C Hammond-Jones	3	5
Mrs M Hepworth	5	5
Mr P Jackson	1	1
Rev J McNamee	5	5
Mrs A Nielson (Resigned 1 March 2016)	3	3
Mr C Bradbury (Appointed 12 March 2016)	1	1
Rev P F O'Connor (Resigned 31 August 2016)	4	5
Mr J Olusola	2	2
Mr M J S Taylor	4	5
Mr A Whittaker	4	5

The Finance and Premises Committee is a sub-committee of the main Board of Governors. Its purpose is to approve the academy 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.

During the period the Finance and Premises Committee was chaired by Mr R A Prior, FCCA.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Mr S P Barrett, (Resigned 21 September 2015)	0	1
Mr R A Prior, Committee Chair	5	5
Mrs C M Brown, Headteacher (Resigned 31 May 2016)	2	4
Mr G Long, Acting Headteacher (Appointed 1 June 2016)	1	1
Mrs E E Butterfield	5	5
Mr J Duffield	3	3
Mrs M Hepworth	3	3
Mr C Bradbury	1	1
Mr M J S Taylor	3	5
Mr A Whittaker	5	5

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy trust 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 trust 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 academy trust 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 and Cleaning services at the academy trust. The Catering Contract was awarded in July 2015 and commenced on 1 August 2015. The Cleaning contract was awarded in July 2015 and is planned to commence in stages: December 2015 & February 2016.
- Made significant capital investment including increasing site security and access control in order to deliver improved safety and safeguarding for students, staff and visitors.
- Made use of the Kreston UK National Academies Benchmarking report to review cost structures against national statistics.
- 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 PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The McAuley Catholic High School for the period 1 September 2015 to 31 August 2016 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 trust 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 trust's significant risks, that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

THE RISK AND CONTROL FRAMEWORK

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

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

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

- 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 to perform an internal assurance role:

This role includes giving advice on financial matters and performing a range of checks on the academy trust'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

This role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The schedule of work has been delivered as planned and no material control issues have arisen as a result of their work.

REVIEW OF EFFECTIVENESS

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

- the work of the internal assurance;
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 7 December 2016 and signed on their behalf, by:


Dr P J Hurley
Chair


Mr G Long
Accounting Officer

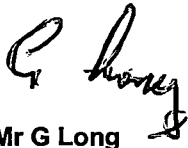
THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The McAuley Catholic High School I have considered my responsibility to notify the academy trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust Board of Governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no 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 Governors and EFA.



Mr G Long
Accounting Officer

Date: 7 December 2016

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016

The Governors (who act as trustees of The McAuley Catholic High School and 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/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 7 December 2016 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**

We have audited the financial statements of The McAuley Catholic High School for the period ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP(FRS102) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

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**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Christopher Beaumont BA (Hons) FCA DChA (Senior statutory auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants
Statutory Auditors

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
7 December 2016

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 14 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 period 1 September 2015 to 31 August 2016 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 EFA 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The McAuley Catholic High School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE MCAULEY CATHOLIC HIGH SCHOOL'S AND THE
REPORTING ACCOUNTANTS'**

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 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
MCAULEY CATHOLIC HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

APPROACH (continued)

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;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- 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; and
- Review an instance of gifts/hospitality to ensure in line with policy.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP

Reporting Accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

7 December 2016

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2016**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds Year 2016 £000	<i>Total funds 16 Months 2015 £000</i>
Note					
INCOME FROM:					
Donations & capital grants:					
Transfer from local authority on conversion	2	-	-	-	(962)
Other donations and capital grants	2	19	-	35	572
Charitable activities	3	-	8,988	-	12,298
Other trading activities	4	219	-	-	486
Investments	5	4	-	-	3
		<u>242</u>	<u>8,988</u>	<u>35</u>	<u>12,397</u>
TOTAL INCOME					
EXPENDITURE ON:					
Charitable activities		581	8,913	99	12,711
		<u>581</u>	<u>8,913</u>	<u>99</u>	<u>12,711</u>
TOTAL EXPENDITURE					
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	15	(339)	75	(64)	(314)
		<u>-</u>	<u>(188)</u>	<u>188</u>	<u>-</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES					
Actuarial losses on defined benefit pension schemes	19	-	(1,478)	-	(312)
		<u>(339)</u>	<u>(113)</u>	<u>124</u>	<u>(314)</u>
NET MOVEMENT IN FUNDS					
		<u>(339)</u>	<u>(1,591)</u>	<u>124</u>	<u>(626)</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		597	(2,287)	1,064	(626)
		<u>258</u>	<u>(3,878)</u>	<u>1,188</u>	<u>(626)</u>
TOTAL FUNDS CARRIED FORWARD					

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08936511

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Tangible assets	12		1,188		1,064
CURRENT ASSETS					
Debtors	13	287		280	
Cash at bank and in hand		650		831	
		<u>937</u>		<u>1,111</u>	
CREDITORS: amounts falling due within one year	14	<u>(679)</u>		<u>(514)</u>	
NET CURRENT ASSETS			<u>258</u>		<u>597</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	19		<u>(3,878)</u>		<u>(2,287)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u><u>(2,432)</u></u>		<u><u>(626)</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds excluding pension liability		1,188		1,064	
Pension reserve		<u>(3,878)</u>		<u>(2,287)</u>	
Total restricted funds			<u>(2,690)</u>		<u>(1,223)</u>
Unrestricted funds	15		<u>258</u>		<u>597</u>
TOTAL DEFICIT			<u><u>(2,432)</u></u>		<u><u>(626)</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:


Dr P J Hurley
Chair

The notes on pages 28 to 48 form part of these financial statements.

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Cash flows from operating activities			
Net cash provided by operating activities	17	3	445
Cash flows from investing activities:			
Dividends, interest and rents from investments		4	3
Purchase of tangible fixed assets		(223)	(1,136)
Capital grants from DfE/EFA		35	561
Cash inherited on conversion		-	958
Net cash (used in)/provided by investing activities		(184)	386
Change in cash and cash equivalents in the period		(181)	831
Cash and cash equivalents brought forward		831	-
Cash and cash equivalents carried forward		650	831

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 historical 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The McAuley Catholic High School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The McAuley Catholic High School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The McAuley Catholic High School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

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 Department for Education 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 and include grants from the Department for Education.

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period 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.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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 are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy apportioned 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE MCAULEY CATHOLIC HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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 trust; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Taxation

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

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

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

1.13 Financial instruments

The academy trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 incorporating income and expenditure account 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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 23.

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Critical areas of judgement:

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 the depreciation charge during the year was £99,000.

Land and buildings - With the exception of some of the playing fields, which are held under a 125 year lease from Doncaster Metropolitan Borough Council, all of the academy premises consist of land (and buildings) owned by, or leased by, the Diocese of Hallam. The Trustees of the Diocese of Hallam are the 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) to the academy trust company. The Diocese of Hallam has given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds Year 2016 £000	Total funds 16 Months 2015 £000
Transfer from local authority on conversion	-	-	-	(962)
Donations	19	-	19	31
Capital Grants	-	35	35	541
Subtotal	19	35	54	572
Total donations and capital grants	19	35	54	(390)

In 2015, of the total income from donations and capital grants, £989,000 was to unrestricted funds and £(1,379,000) was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds Year 2016 £000	Total funds 16 Months 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	8,578	8,578	11,789
Pupil Premium	-	307	307	380
Other DfE/EFA Grants	-	19	19	-
	-	8,904	8,904	12,169
Other government grants				
SEN	-	72	72	99
Other Government Grants	-	12	12	30
	-	84	84	129
	-	8,988	8,988	12,298

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £12,298,000 was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds Year 2016 £000	Total funds 16 Months 2015 £000
Uniform income	21	-	21	15
Trip income	182	-	182	115
Catering income	-	-	-	327
Other income	16	-	16	29
	<u>219</u>	<u>-</u>	<u>219</u>	<u>486</u>

In 2015, of the total income from other trading activities, £486,000 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds Year 2016 £000	Total funds 16 Months 2015 £000
Bank interest	4	-	4	3

In 2015, of the total investment income, £3,000 was to unrestricted funds and £ NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total Year 2016 £000	Total 16 Months 2015 £000
Educational operations:					
Direct costs	6,047	-	890	6,937	8,885
Support costs	1,455	714	487	2,656	3,826
	<u>7,502</u>	<u>714</u>	<u>1,377</u>	<u>9,593</u>	<u>12,711</u>

In 2016, of the total expenditure, £581,000 (2015 - £881,000) was to unrestricted funds and £9,012,000 (2015 - £11,830,000) was to restricted funds.

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

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Cash losses
- Unrecoverable debts

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

7. CHARITABLE ACTIVITIES

	2016	2015
	Year	16 Months
	£000	£000
DIRECT COSTS		
Wages and salaries	4,869	6,448
National insurance	431	491
Pension cost	747	786
Educational supplies	413	497
Examination fees	176	195
Staff development	19	52
Technology costs	74	127
Educational consultancy	17	19
Travel and subsistence	12	31
Other direct costs	179	239
	<hr/>	<hr/>
	6,937	8,885
	<hr/>	<hr/>
SUPPORT COSTS		
Wages and salaries	1,136	1,614
National insurance	67	79
Pension costs	252	337
Depreciation	99	72
Net interest cost on pension scheme	88	104
Technology costs	80	98
Recruitment and support	53	67
Maintenance of premises and equipment	145	212
Cleaning	255	196
Rates	51	61
Energy	138	192
Insurance	54	75
Security	14	7
Catering	140	540
Occupancy costs	12	12
Other support costs	49	122
Governance costs	23	38
	<hr/>	<hr/>
	2,656	3,826
	<hr/>	<hr/>
	9,593	12,711
	<hr/> <hr/>	<hr/> <hr/>

THE MCAULEY CATHOLIC HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	99	72
Fees payable to auditor for audit	11	8
Fees payable to auditor for other services	6	6
Operating lease rentals	11	8
	<hr/> <hr/>	<hr/> <hr/>

THE MCAULEY CATHOLIC HIGH SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Wages and salaries	5,723	7,828
Social security costs	498	570
Operating costs of defined benefit pension schemes	999	1,123
	<hr/>	<hr/>
	7,220	9,521
Supply teacher costs	237	234
Staff restructuring costs	45	-
	<hr/>	<hr/>
	7,502	9,755

Included in pension costs is £25,000 (2015: £64,000) in respect of movements in the LGPS pension deficit.

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

	Year ended 31 August 2016 No.	<i>Period ended 31 August 2015 No.</i>
Teachers	115	119
Administration and support	79	88
Management	10	12
	<hr/>	<hr/>
	204	219

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

	Year ended 31 August 2016 No.	<i>Period ended 31 August 2015 No.</i>
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	0	1
In the band £120,001 - £130,000	1	0

All the employees above participated in the Teachers' Pension Scheme.

Included in staff restructuring costs is a non-contractual payment of £45,000 (2015: £nil).

The key management personnel of the academy trust comprise the Head Teacher, Deputy Head Teachers and the Director of Finance and Resources. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £443,000 (2015: £475,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

10. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		Year ended	<i>Period ended</i>
		31 August	<i>31 August 12</i>
		2016	<i>month pro rata</i>
		£000	<i>2015</i>
			<i>£000</i>
G Long (Head Teacher and Governor)	Remuneration	15-20	
	Pension contributions paid	0-5	
C M Brown (Head Teacher and Governor)	Remuneration	120-125	<i>100-105</i>
	Pension contributions paid	10-15	<i>10-15</i>
C Bradbury (staff Governor)	Remuneration	5-10	<i>15-20</i>
	Pension contributions paid	0-5	<i>0-5</i>
M Hepworth (staff Governor)	Remuneration	40-45	<i>35-40</i>
	Pension contributions paid	5-10	<i>5-10</i>
A Nielson (staff Governor)	Remuneration	10-15	<i>10-15</i>
	Pension contributions paid	0-5	<i>0-5</i>
M J Taylor (staff Governor)	Remuneration	40-45	<i>40-45</i>
	Pension contributions paid	5-10	<i>5-10</i>

During the period, no Governors received any reimbursement of expenses (2015 - £NIL).

11. 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 period ended 31 August 2016 was not separately identifiable from the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

12. TANGIBLE FIXED ASSETS

	Long-term leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2015	875	131	130	1,136
Additions	162	29	32	223
At 31 August 2016	<u>1,037</u>	<u>160</u>	<u>162</u>	<u>1,359</u>
Depreciation				
At 1 September 2015	20	16	36	72
Charge for the period	32	21	46	99
At 31 August 2016	<u>52</u>	<u>37</u>	<u>82</u>	<u>171</u>
Net book value				
At 31 August 2016	<u>985</u>	<u>123</u>	<u>80</u>	<u>1,188</u>
<i>At 31 August 2015</i>	<u>855</u>	<u>115</u>	<u>94</u>	<u>1,064</u>

13. DEBTORS

	2016 £000	2015 £000
Trade debtors	26	37
VAT debtor	56	87
Prepayments and accrued income	205	156
	<u>287</u>	<u>280</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

14. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	142	91
Other taxation and social security	232	223
Other creditors	9	3
Accruals and deferred income	296	197
	679	514
	679	514
	2016	2015
	£000	£000
Deferred income		
Deferred income at 1 September 2015	116	-
Resources deferred during the year	68	116
Amounts released from previous years	(116)	-
	68	116
	68	116

At the balance sheet date the academy trust was holding funds received in advance for devolved formula capital, rates relief and trip income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

15. STATEMENT OF FUNDS

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General funds	62	242	(183)	-	-	121
Inherited on conversion	535	-	(398)	-	-	137
	<u>597</u>	<u>242</u>	<u>(581)</u>	<u>-</u>	<u>-</u>	<u>258</u>
Restricted funds						
General Annual Grant (GAG)	-	8,579	(8,391)	(188)	-	-
Pupil premium	-	306	(306)	-	-	-
SEN	-	72	(72)	-	-	-
Other EFA grants	-	19	(19)	-	-	-
Other government grants	-	12	(12)	-	-	-
Pension reserve	(2,287)	-	(113)	-	(1,478)	(3,878)
	<u>(2,287)</u>	<u>8,988</u>	<u>(8,913)</u>	<u>(188)</u>	<u>(1,478)</u>	<u>(3,878)</u>
Restricted fixed asset funds						
Devolved Formula Capital	51	35	(3)	-	-	83
Academies Capital Maintenance Fund	481	-	(16)	-	-	465
Capital expenditure from GAG	532	-	(80)	188	-	640
	<u>1,064</u>	<u>35</u>	<u>(99)</u>	<u>188</u>	<u>-</u>	<u>1,188</u>
Total restricted funds	<u>(1,223)</u>	<u>9,023</u>	<u>(9,012)</u>	<u>-</u>	<u>(1,478)</u>	<u>(2,690)</u>
Total of funds	<u>(626)</u>	<u>9,265</u>	<u>(9,593)</u>	<u>-</u>	<u>(1,478)</u>	<u>(2,432)</u>

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

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

Pupil premium was provided to deliver additional learning support to deprived children as the academy sees fit.

SEN funding was provided to cover the costs of supporting students with additional learning requirements.

Other government grants relates to Local Authority grants for professional development.

Other EFA grants relates to rates relief.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

15. STATEMENT OF FUNDS (continued)

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

A transfer of £188,000 has been made to restricted fixed asset funds from GAG funding to reflect those items included within fixed assets which have been purchased from GAG.

Unrestricted funds include the income from school trips, uniform and other sundry income.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds Year 2016 £000	Total funds 16 Months 2015 £000
Tangible fixed assets	-	-	1,188	1,188	1,064
Current assets	258	679	-	937	1,111
Creditors due within one year	-	(679)	-	(679)	(514)
Provisions for liabilities and charges	-	(3,878)	-	(3,878)	(2,287)
	<u>258</u>	<u>(3,878)</u>	<u>1,188</u>	<u>(2,432)</u>	<u>(626)</u>

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 August 2016 £000	Period ended 31 August 2015 £000
Net expenditure for the year (as per Statement of financial activities)	(328)	(314)
Adjustment for:		
Depreciation charges	99	72
Dividends, interest and rents from investments	(4)	(3)
Increase in debtors	(7)	(280)
Increase in creditors	165	514
Capital grants from DfE and other capital income	(35)	(561)
Defined benefit pension scheme obligation inherited	-	1,920
Defined benefit pension scheme cost less contributions payable	25	(49)
Defined benefit pension scheme finance cost	88	104
Cash inherited on conversion	-	(958)
Net cash provided by operating activities	<u>3</u>	<u>445</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Cash in hand	650	831
Total	650	831

19. PENSION COMMITMENTS

The academy trust's employees belong to two principal pension schemes: the Teacher's 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 Doncaster Metropolitan Borough Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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

Not less than every four years 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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19. PENSION COMMITMENTS (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £721,000 (2015 - £827,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £263,000 (2015 - £435,000), of which employer's contributions totalled £209,000 (2015 - £345,000) and employees' contributions totalled £54,000 (2015 - £90,000). The agreed contribution rates for future years are 14.1% for employers and 6.7% 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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	4.00 %
Rate of increase in salaries	3.55 %	4.05 %
Rate of increase for pensions in payment / inflation	1.90 %	2.30 %
Inflation assumption (CPI)	1.80 %	2.30 %

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

	2016	2015
Retiring today		
Males	23.0	23.0
Females	25.7	25.6
Retiring in 20 years		
Males	25.4	25.3
Females	28.5	28.4

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19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £000	<i>Fair value at 31 August 2015 £000</i>
Equities	1,150	840
Government bonds	295	203
Property	216	163
Cash	33	26
Other	151	101
Other bonds	122	84
	<hr/>	<hr/>
Total market value of assets	1,967	1,417
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £306,000 (2015 - £96,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Current service cost (net of employee contributions)	(230)	(290)
Net interest cost	(88)	(104)
Administration expenses	(4)	(6)
	<hr/>	<hr/>
Total	(322)	(400)
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of the defined benefit obligation were as follows:

	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Opening defined benefit obligation	3,704	-
Current service cost	230	290
Interest cost	150	172
Member contributions	54	90
Actuarial losses	1,722	340
Liabilities assumed on conversion	-	2,875
Benefits paid	(15)	(63)
	<hr/>	<hr/>
Closing defined benefit obligation	5,845	3,704
	<hr/> <hr/>	<hr/> <hr/>

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19. PENSION COMMITMENTS (continued)

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

	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Opening fair value of scheme assets	1,417	-
Return on plan assets (excluding net interest on the net defined pension liability)	62	68
Actuarial gains and (losses)	244	28
Administration expenses	(4)	(6)
Contributions by employer	209	345
Contributions by employees	54	90
Assets acquired on conversion	-	955
Benefits paid	(15)	(63)
	<u>1,967</u>	<u>1,417</u>
Closing fair value of scheme assets	<u>1,967</u>	<u>1,417</u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	<i>2015 £000</i>
Amounts payable:		
Within 1 year	11	8
Between 1 and 5 years	20	24
	<u>31</u>	<u>32</u>
Total	<u>31</u>	<u>32</u>

21. NET INTEREST COST ON PENSION SCHEME

	Year ended 31 August 2016 £000	<i>Period ended 31 August 2015 £000</i>
Expected return on pension scheme assets	62	68
Interest on pension scheme liabilities	(150)	(172)
	<u>(88)</u>	<u>(104)</u>
	<u>(88)</u>	<u>(104)</u>

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22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations 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 has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

The Diocese of Hallam - a member of the academy trust.

The academy trust paid for subscriptions to the Diocese of Hallam Schools' Partnership to provide a fund for Diocesan Schools totalling £10,086 (2015: £25,740).

The academy trust contributed to the Diocese's Education Service totalling £25,785 (2015: £43,324).

The academy trust paid for other sundry services totalling £1,787 (2015: £nil).

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

23. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £26,000 and disbursed £17,000 from the fund. An amount of £9,000 is included in other creditors relating to undistributed funds that is repayable to EFA.

24. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

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25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the academy trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 12 March 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	<i>12 March 2014</i> <i>£000</i>	<i>31 August 2015</i> <i>£000</i>
Total funds under previous UK GAAP		-	(626)
Total funds reported under FRS 102		<u>-</u>	<u>(626)</u>

Reconciliation of net (expenditure)	Notes	<i>Period ended</i> <i>31 August 2015</i> <i>£000</i>
Net (expenditure) previously reported under UK GAAP		(289)
Change in recognition of LGPS interest cost	A	(25)
Actuarial gains/(losses) brought above the line	B	(312)
Net movement in funds reported under FRS 102		<u>(626)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 12 March 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £25,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

B Actuarial gains/(losses) brought above the line

Under SORP 2005 actuarial gains and losses did not form part of the net expenditure for the year. Under SORP (FRS102) these gains form part of the net movements in funds for the year.