

Company Registration No. 07767222 (England and Wales)

MAGHULL HIGH SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019



MAGHULL HIGH SCHOOL

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MAGHULL HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr G Howe
Mrs D M Rigby
Mrs K A Rowlands
Mrs D Thorne
Mr A Robertson

Governors

Mr G Howe (Chairman)
Mrs J M Aspinall (Staff Governor) (Resigned 17 September 2018)
Mr C R Hurst (Staff Governor)
Mrs C Mawdsley (Parent Governor) (Resigned 31 August 2019)
Ms W Michaels (Parent Governor) (Resigned 20 December 2018)
Mrs D M Rigby (Community Governor)
Mrs K A Rowlands (Members Governor)
Mrs D M Thorne (Community Governor)
Mrs V Garside (Parent Governor)
Mrs J McDowall (Parent Governor)
Mrs J Bailey (Staff Governor)
Mr P Reed (Co-opted) (Appointed 1 October 2018)
Mr L Barrow (Parent Governor) (Appointed 4 April 2019)
Miss N Murphy (Staff Governor) (Appointed 1 October 2018)
Mr K Hornblower (Co-opted) (Appointed 16 September 2019)
Mrs A Wooley (Co-opted) (Appointed 16 September 2019)

Senior management team

- Headteacher and Accounting Officer	Ms D Aspinall
- Deputy Headteacher	Mr M Kay
- Senior Assistant Headteacher	Mrs M Bennett
- Senior Assistant Headteacher	Mr G Banks
- Assistant Headteacher	Mrs L Lindley
- Assistant Headteacher	Mr D Hughes
- Business Director	Mrs V Leatherbarrow

Company secretary

Mrs V Leatherbarrow

Company registration number

07767222 (England and Wales)

Registered office

Ormonde Drive
Maghull
Liverpool
L31 7AW

Independent auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

MAGHULL HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

MAGHULL HIGH SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy operates an academy for pupils aged 11 to 18 serving a catchment area in Maghull and surrounding areas.

Structure, governance and management

Constitution

Maghull High School converted to an Academy ("The Academy") on 1 October 2011. The Academy 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.

The Academy was incorporated on 8 September 2011 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

The Governors are the trustees of Maghull High School and are also the directors of the Charitable Company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

The Academy has opted into the Government's Risk Protection Arrangement which includes cover for governors and officers from claims arising in connection with Academy business.

Principal activities

The principal object and activity of the Charitable Company is the operation of a school to provide education for pupils of mixed abilities between the ages of 11 and 18. In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Method of recruitment and appointment or election of Governors

Parent governors	Elected by parents of the students of the Academy
Staff governors	Elected by staff of the Academy
Local government representatives	Appointed by Local Authority
Other governors	Appointed by Trust/ Governing Body

Policies and procedures adopted for the induction and training of Governors

All trustees are provided with copies of 'A Guide to the Law for School Governors' and an information pack on appointment. Induction training is provided by the Chair and Headteacher and ongoing training is provided through various training providers.

MAGHULL HIGH SCHOOL

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

Organisational structure

The Academy is governed by its Governing Body, whose members are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of 4 levels: the Governing Body, the Headteacher, the Senior Leadership Team and the Extended Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school development plan and budget, monitoring the Academy's performance, making major policy decisions and appointing senior staff. Certain elements of these responsibilities are delegated to the following committees who make recommendations to the full Governing Body:

- Curriculum
- Finance and Audit Committee
- Scrutiny and Review
- Personnel

The Headteacher is also the Accounting Officer and has responsibility for the following core functions at a strategic and operational level in relation to the finances of the Academy:

- Leading and managing the creation of the School Improvement Plan, underpinned by sound resource planning and which identifies priorities and targets for ensuring that pupils achieve high standards and make progress, increasing teachers' effectiveness and securing school improvement.
- Ensuring that the relevant financial regulations/standing orders or DfES requirements are implemented by establishing sound internal financial controls, providing financial advice to the Governing Body.

The 2019 senior leadership team comprises:

Headteacher and Accounting officer	Ms Davina Aspinall
Deputy Headteacher	Mr Matthew Kay
Snr Assistant Headteacher	Mrs Marie Bennett
Snr Assistant Headteacher	Mr Gareth Banks
Assistant Headteacher	Mrs Laura Lindley
Assistant Headteacher	Mrs Claire Larkin
Assistant Headteacher	Miss Sally Cassidy
Business Director	Mrs Valerie Leatherbarrow

Arrangements for setting pay and remuneration of key management personnel

Maghull High School follows the national agreed pay policy which is endorsed by the governing body with regard to setting of key management personnel pay.

Following performance management meetings, with performance management governors, the School Improvement Partner (SIP) and key personnel, pay recommendations within the recommended national wage band are sent to members of the governing body along with evidence of targets met, with guidance from the SIP and performance management governors.

MAGHULL HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	2,400
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

There are currently no connected organisations.

Objectives and activities

Objects and aims

The Academy aims to increase achievements, promote social mobility and provide the highest possible standards of education. This sense is encapsulated in our Mission Statement:

"All to aspire, all to achieve, all to enjoy"

Objectives, strategies and activities

We believe that the continued success of the Academy has been enhanced by the Governors' adoption of academy status, which continues to enable us to realise our ambitious improvement plans more rapidly.

Academy status helps us to deliver a more bespoke way of working tailored to meeting the needs and aspirations of the students and staff of Maghull High School. The care and support we offer our school community has long been a strength of the school and academy status has allowed us to maintain investment whilst maintaining a direct relationship with the outside agencies who help sustain our total commitment to equality of opportunity and safeguarding.

The Academy continues to invest significantly in the technology available to both students and staff. Staff are finding increasingly greater ways of utilising this resource for teaching and learning. By making creative use of our funding we have significantly enhanced the quality of the internal teaching environment in our existing buildings not included in PSBP NW2. In addition to this a successful CIF bid is funding replacement roofing on our Sixth Form and O'Kane centre and Design Technology block.

MAGHULL HIGH SCHOOL

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

A sponsor application was submitted to the Regional Schools Commissioner (RSC) in November 2017. The RSC agreed for Range High School to be our sponsor school in the summer of 2018 with 1 January 2019 as the agreed date for re-brokerage.

Unfortunately due to the inspection outcome at Range High School in December 2018 the application was withdrawn.

The Academy continued to explore the opportunities of joining a small local Multi Academy Trust to rapidly improve pupil outcomes and further enhance the quality of leadership and management at all levels. We believe this would also generate economies of scale when purchasing centralised services.

Savings generated will be directed to support teaching and learning.

Public benefit

The Governors have considered the Charity Commission's guidance on Public Benefit.

The key public benefit delivered by Maghull High School is the maintenance and development of the high quality education provided by the Academy to the young people of Maghull and the surrounding district. In addition, a wide range of extra-curricular activities, educational trips, visits and foreign exchange programmes are offered and undertaken. In particular the Academy has developed links with China, Spain and South Africa through its expertise in the Performing Arts. The Academy has benefited for a number of years from the support of a Spanish Foreign Language Assistant.

The Academy has a tradition of working with other local schools and organisations through its memberships of the Maghull and District Community of Schools, Leadership in Multi Academies and Single Academies group and Sefton School Improvement Group to provide a wealth of opportunity for the young people in the local community. Collaborative working is also a strong feature of our links with other secondary schools across Sefton most especially in 2018 – 2019 through school-to-school support with Range High School and The Southport Learning Trust.

Strategic report

Achievements and performance

Looking back over 2018 – 2019; perhaps one of the most hectic and demanding years in the history of the school. Not only were staff and students challenged by preparing students for a wide raft of courses, with a far greater emphasis on the demands of the final examinations, preparing for (another) new Ofsted Inspection Framework, we also enjoyed watching our brand new main school building being built, packing up our belongings and then moving in mid-year over the Spring break.

Teaching and support staff worked tirelessly in preparing to move from one school to another, giving up time with their families to ensure classrooms were ready for students and that learning would not be disrupted on their return. The Site Team worked tirelessly in the build up to the big move, organizing over 1000 packing crates, countless filing cabinets, tables and chairs. In the midst of all this, staff still continued to deliver Year 11 revision sessions over in our Sixth Form in the Easter holidays. A herculean effort of commitment by all.

During this time students' behaviour, patience and conduct was exemplary and very much appreciated by all. They were an absolute credit to the school and we are all incredibly proud of them. We know they are enjoying learning in such lovely new classrooms and facilities.

Our new main school building is truly a state of the arts list of new facilities; new arts theatre, dining facilities and kitchen, entirely new inclusion and music suite, activity studio, library, 27 new classrooms, IT suites, science laboratories. For all our pupils their wonderful new school, we hope, will reflect dreams and aspirations for the future and will uplift their experience of Maghull High School, it is what they and our staff so richly deserve.

MAGHULL HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

This multi-million pound scheme has been funded by the Education and Skills Funding Agency, under Priority School Building Project for the North West, project managed by MACE, delivered by appointed contractor Wates Construction and designed by Sheppard Robson architects.

The build project has been an exciting experience, all because of the superb support and guidance we have had from the ESFA, MACE and Wates Construction.

Our long standing and dedicated Chair of Governors - Geoff Howe, who for over 20 years has championed Maghull High School, along with a superb team of Governors and our recently retired Headteacher, Mark Anderson, have relentlessly lobbied over many years for our crumbling old building to be rebuilt. Thanks to them we have been left with a legacy of excellence that many of us will continue to enjoy for years to come.

We are proud of the achievements our students secured over the summer. At Maghull High School we have a talented and committed team of staff that are resolutely dedicated to every pupil to reach his or her full potential.

Our Year 13 students again excelled in a variety of A level and vocational programmes, with the majority of subjects achieving 100% success rates. A high percentage of students securing their places at university.

GCSE Year 11 rose to the challenge of the demanding new specifications, we are pleased that the majority of students achieved five or more good GCSE qualifications in a variety of subjects, enabling them to move on to the next steps.

Staying on rates into the sixth form continue to remain strong with the majority of Year 11 staying with us into Year 12.

Yet again, results in Engineering, IT, PE, Art and Business Studies were outstanding. Miss Perry and her team should also be thanked for the improvements made in science. We were absolutely delighted for Mrs Velasco - Head of Modern Foreign Languages and her team with the big leap forward after much hard work in Spanish. Special thanks to the work led by Mr Abraham and Mrs Eborall, who helped to secure another amazingly positive set of results in Engineering and in Art. Some of the best results in the country.

Thanks to Mrs Brogden and all the staff who supported students through the Duke of Edinburgh award with our Year 9 pupils. Performing Arts celebrated another wonderful year on the stage with a variety of music, dance and drama performances over the year, benefiting from continued support from Sefton Music Service.

We said goodbye to several colleagues, Mr Hughes, Miss Guy, Mrs Smith, Mr McManus, Mr Fairhurst, Mrs Evans and Mr Devlin. We thank them for their invaluable contribution over the years and wish them all the very best and much happiness in the next steps in their careers.

The student council charities group did some excellent work last year and raised much needed funds for MacMillan, Children in Need and Alder Hey Hospital. It is sad that in 21st century Britain that the sixth form had to support the Trussell Trust foodbank but they did a brilliant job with the reverse Advent Calendar scheme for the second year running.

Maghull High School is proud of our commitments to promoting equality, tolerance and diversity and several aspects of this strand of character education stood out last year through a variety of activities promoted by the Phoenix Centre and across curriculum areas. Our pupils display outstanding attitudes of kindness, tolerance and respect for others. We are proud to be a Stonewall Champion school.

This academic year is shaping up to be a busy and exciting year for us all. The start of the year sees the arrival of new staff. A very warm welcome to the school to Miss Cassidy and Mrs Larkin new Assistant Headteachers, Mrs Brady and Miss Cahill in English, Mr Collins and Mr McIver in History, and Mrs Gore-Smith and Mrs Smith-Bunday in science. We also welcome several SCITT trainee teachers who will be with us for a year.

MAGHULL HIGH SCHOOL

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

Our school improvement objectives for 2019-20 are:

Objective 1 – Ofsted Key Action(s):

Build on the best practice within the school, continue to reduce variability in teaching quality, and improve outcomes for pupils by improving consistency

Objective 2 - Leadership and Management:

Uncompromising ambition for high quality education ensuring all students are successful, focus on high quality pedagogical professional development, managing staff workload and well-being, safeguarding students and staff

Objective 3 - The Quality of Education:

- Delivery of an ambitious and culturally rich curriculum, that is coherently planned and sequenced that meets the needs of **all** students, particularly DP/SEND;
- Effective support to ensure high quality teaching and assessment, vocabulary development, confidence and enjoyment in reading;
- All students achieve well (particularly core and EBacc subjects) and are ready for the next stage of education, employment or training.

Objective 4 - Behaviour & Attitudes:

Consistent high expectations of behaviour and conduct to maintain a safe, calm, orderly and positive learning environment, high attendance and punctuality

Objective 5 - Personal Development:

Instil a culture of aspiration, maximise personal development, potential and engagement, well-being, especially for DP beyond the academic, vocational or technical

Objective 6 – Sixth Form Provision:

Sixth form study is ambitious and prepares all students, particularly the most disadvantaged/SEND for an ambitious future

Key performance indicators

See Achievements and Performance section.

Going concern

In common with many schools, we are constantly facing financial challenges. Each year we are experiencing increased costs and lower levels of funding. However, there has been a significant increase in the number of pupils admitted into Year 7 in September which will result in a higher level of funding in September 2020. After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. The production of a 3 year budget forecast together with strict monthly budget and cash flow monitoring has placed the Academy on a firmer financial footing going forward and supports the Governing Body in its decision to adopt the going concern basis in preparing the accounts.

The Governors are currently in the process of actively pursuing sponsorship arrangements with a local Multi Academy Trust (MAT). Were this to take place within the next twelve month period from the date of the approval of these the assets and liabilities would be transferred to the MAT. There would be no impact of the carrying values of assets and liabilities, as reported in the accounts, and no adjustments would be required to be made in these accounts were they to be drawn up on the basis that the Academy was not a going concern, except for the reclassification of tangible assets and defined benefit pension liabilities as current assets and liabilities respectively. As the services provided by the Academy, and the assets and liabilities used in the provision of these services, will continue to be provided in the same form, either by a stand alone academy or as part of the MAT, the Governors consider that, in order to present a true and fair view, these accounts should be prepared on a going concern basis and therefore no transfers of tangible fixed assets or defined benefit pension liabilities to net current assets have been made.

MAGHULL HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

The Academy's total incoming resources during the year were £15,439,864 (2018: £4,997,022).

This year the ESFA built a new build school on the school land and then donated it to them. The building was valued at cost by the ESFA at £10,117,026. Another large proportion of the Academy's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants.

Total funding received for the Academy's educational operations in the year was £4,806,066 (2018: £4,962,692) and further details are provided in Note 4 to the accounts.

Total outgoing resources for the year were £5,303,005 (2018: £8,737,781) which related to the direct provision of educational operations. Last year there was an exceptional impairment of £3,587,825 on the old school building which was demolished during 18/19. The net incoming resources were £10,136,859 (2018: outgoing £3,740,759).

At the period end the Academy's total reserves were £11,039,677 (2018: £2,101,818), including unrestricted funds of £31,564 (2018: £12,403) and restricted funds of £11,008,113 (2018: £2,089,415). Restricted funds include fixed assets of £14,543,066 (2018: £4,263,355), less the LGPS pensions scheme deficit of £3,592,000 (2018: £2,255,000). The remaining balances on restricted funds relate to funding received in the period which is due to be spent in 2019/20 in accordance with the terms of funding. Further detail is provided in Note 16.

On conversion in 2011 the Academy inherited a deficit of £1,540,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had increased to £2,255,000 by 31 August 2018, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. Following the 2016 actuarial valuation the agreed deficit contribution for 2019/20 is approximately £90,200. This will be funded out of GAG. The result of the valuation and required level of payments are included in the Academy's annual budget. The Academy does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future.

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.

At 31 August 2019 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

MAGHULL HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

In common with many schools the Trust is facing financial challenges, which make it difficult to build reserves. However, the Governors are continuing to monitor the level of reserves which are currently running at 2.3% of income, in line with our investments and reserves policy of 2%.

Reserves are required to

- Ensure sustainability of the school in the event of reductions in funding, reductions in pupil numbers or unexpected increases in expenditure;
- Fund capital projects and the replacement of equipment;
- Enable the Trust to respond to opportunities and implement the longer term strategic plan.

Reserves held as at 31 August 2019 were as follows:

	2019	2018
Total reserves	11,039,677	2,101,818
Add back Pension reserve	3,592,000	2,255,000
Less reserves attributable to Fixed assets	(14,543,066)	(4,263,355)
Unrestricted and general restricted funds	88,611	93,463
Less restricted general funds	(57,047)	(81,060)
Free reserves	31,564	12,403

The Trust reviews the level of reserves throughout the year as part of management reporting.

Financial risks

As an academy funded directly by the Department for Education funding streams are currently considered to be reasonably safe and secure. However the Governors have identified the following as major risks to the Academy:

- Variations year on year in the numbers of students admitted at Years 7 and 12, with a resulting effect upon funding levels;
- Year on year reductions in the per capita funding of students in the Sixth Form as a result of changes in national Post-16 funding levels;
- The introduction of a National Funding Formula which could have a detrimental effect on funding;
- Deficit in the Local Authority Pension Scheme, resulting in an increase in employer's contribution rates;
- Further changes to the Teacher's Pension Scheme resulting in an increase in the employer's contribution rates and/or changes in grant funding to support any changes;
- Further changes to the employer's rates of National Insurance Contribution;
- Changes to staff in key business areas, which can affect the operation of the Academy.

The Governors have rigorous internal financial controls together with requirements for monthly monitoring and reporting, strategies which are managed and reviewed on a regular basis.

MAGHULL HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The academy has performed well in a number of subject areas at both GCSE and Level 3 in the Sixth Form.

GCSE/BTEC

- Outstanding results in vocational (BTEC) subjects: Business, Engineering, ICT, Sport;
- Exceptional outcomes in Art, including an increase in the no. of grade 9 awarded;
- An increase in the number of grade 9 awarded in maths compared to 2018. Including 67% of pupils taking further maths achieving A*/A;
- Progress of boys has improved compared to 2018;
- Improvement in English Literature, Spanish, Biology, History, Dance compared to 2018;
- Average grade for all pupils was 4 or above;
- Of the pupils entered for the English Baccalaureate, 79% achieved a standard pass and 50% secured a strong pass.

Sixth Form

- Outstanding results in vocational (BTEC) subjects: Applied Science, Business, Engineering, ICT, Sport;
- A levels with progress in line with national average: Film, Art, Dance, Physics, Chemistry, Maths, RE & Philosophy;
- Progress in vocational subjects was in the top 20% nationally in 2018 and we expect to compare well nationally this year too;
- Each year over 90% of our students go on to education or employment.

However, there are still a number of subjects that need to rapidly improve, particularly in the core and Ebacc elements. Our School Improvement Plan that clearly outlines our objectives for 2019-20, with identified success criteria and actions. We are resolutely determined to rapidly accelerate the rate of improvement in outcomes at GCSE/L2 and A level/L3 this academic year.

We recognise that in the current funding climate resources will remain tight for some time and that the more robust financial monitoring that we have now introduced will ensure monies are most carefully deployed to meet the needs of all pupils. We have been pleased by the quality of applications received for teacher vacancies and have continued to be able to appoint specialists to every area of the curriculum. The recruitment of students at 11 and 16 remains a priority for development given the context of falling student numbers in the area. We are pleased pupil admissions have increased significantly over our PAN of 186 for September 2019 to 203, accommodated by a seven form entry in our curriculum model. Over 60% of our outgoing Year 11 have been recruited to stay with us into Sixth Form.

The major risks identified through the comprehensive assessment of possible risks to the future of the Academy are outlined above in the Risk Management section of this report.

Investment policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The Governing Body has a Reserves and Investments Policy which is available on the website.

Principal risks and uncertainties

The Governors of Maghull High School undertake an annual comprehensive assessment of possible risks to the future of the Academy. The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

This risk assessment is in place, having been approved by the Governing Body. Systems and procedures are in place to manage and mitigate these risks. The risk assessment is reviewed and updated on an annual basis and timely reports will be presented to Governors.

MAGHULL HIGH SCHOOL

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

The Governors have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure the financial statements comply with the Companies Act. The Governors also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the Academy or for publication is reliable;
- The Academy complies with relevant laws and regulations.

The internal financial systems are based on the Academies Financial Handbook which are documented in the Maghull High School Financial Management Handbook. The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties where possible and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and twice termly financial reports which are reviewed and agreed by the Governing Body;
- Twice termly reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes; monthly management reports that are reviewed by the Chair of Governors and the Headteacher;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties, together with identification and management of risks.

Systems are based on a framework of segregation of duties and schemes of delegation which include authorisation and approval. Financial management information is provided to the Headteacher on a monthly basis and the Senior Leadership Team and the Governors Finance and Audit Committee and Full Governors on a termly basis.

MHA Moore and Smalley have carried out additional financial checks on systems and procedures and reports have been presented to the Governing Body. Recommendations for improvements to systems and procedures have either been implemented or are in the process of being implemented.

Fundraising

The school receives the majority of its income via a revenue grant from the ESFA. The trustees are aware that they have overall responsibility and accountability for all forms of fundraising. They make sure that it reflects the values of the academy, protects its reputation and encourages public trust and confidence.

Trustees ensure that any commercial or professional fundraisers it may work with follow the standards it sets for its own operation. They are mindful that any fundraising must conform to the standards recognised by the Charities Commission. All fundraising must conform to the monitoring regime applied to all other academy operations. At all times the public is protected from overly intrusive or persistent approach. Complaints should be addressed to the Headteacher or the Chair of Governors but there has been none during the year.

MAGHULL HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The School Improvement Plan for the Academy is available via Maghull High School's website. Priorities for the coming year are published in relation to: Ofsted key action, of building on best practice in the school; leadership and management, quality of education, behaviour and attitudes, personal development, and sixth form provision to ensure all pupils are well prepared for their next steps. Our principal objective will be to continue to accelerate the progress made by our students throughout their time at Maghull High School.

We are delighted that the rebuild of the main school building was completed on schedule with a successful move in April 2019, demolition of the old building due to be completed by November 2019. The new energy centre connects the new building with remaining legacy buildings. The projected energy use per square metre should be significantly lower in the new building and all facilities are protected under warranties. The new building has had a positive impact upon student recruitment. A successful CIF bid is funding replacement roofing on legacy buildings: Sixth Form Centre; O'Kane Centre and Design Technology block. Work commenced in July 2019 due to be completed by November 2019.

The Governors are currently actively pursuing sponsorship arrangements with a local Multi Academy Trust.

Auditor

In so far as the Governors are aware:

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

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 9/12/19 and signed on its behalf by:



Mr G Howe
Chairman

MAGHULL HIGH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Maghull High School I have considered my responsibility to notify the Academy Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy's Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

I confirm that 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 Governing Body and ESFA.



Accounting Officer

Mrs D Aspinall 9/12/19

MAGHULL HIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Maghull High School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. The Board has maintained effective oversight of funds during the year through a combination of full Board and Audit and Finance Committee meetings. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
Mr G Howe (Chairman)	4	4
Mrs J M Aspinall (Staff Governor) (Resigned 17 September 2018)	2	2
Mr C R Hurst (Staff Governor)	3	4
Mrs C Mawdsley (Parent Governor) (Resigned 31 August 2019)	0	4
Ms W Michaels (Parent Governor) (Resigned 20 December 2018)	0	2
Mrs D M Rigby (Community Governor)	3	4
Mrs K A Rowlands (Members Governor)	2	4
Mrs D M Thorne (Community Governor)	2	4
Mrs V Garside (Parent Governor)	4	4
Mrs J McDowall (Parent Governor)	4	4
Mrs J Bailey (Staff Governor)	4	4
Mr P Reed (Co-opted) (Appointed 1 October 2018)	3	3
Mr L Barrow (Parent Governor) (Appointed 4 April 2019)	0	2
Miss N Murphy (Staff Governor) (Appointed 1 October 2018)	3	3
Mr K Hornblower (Co-opted) (Appointed 16 September 2019)	0	0
Mrs A Wooley (Co-opted) (Appointed 16 September 2019)	0	0

A skills audit took place that identified the range of skills and experience of existing Governors and care is taken to ensure that new Governors have appropriate skills and experience to enhance the Governing Body.

The Finance and Audit Committee is a sub-committee of the main Governing Body.

Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues will be referred to the full governing body for ratification.

MAGHULL HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr G Howe (Chairman)	3	3
Mr C R Hurst (Staff Governor)	2	3
Mrs K A Rowlands (Members Governor)	3	3
Mrs V Garside (Parent Governor)	3	3
Mrs J Bailey (Staff Governor)	1	3
Mr P Reed (Co-opted) (Appointed 1 October 2018)	3	3
Miss N Murphy (Staff Governor) (Appointed 1 October 2018)	0	3

Review of value for money

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

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy has delivered improved value for money during the year by:

- Revisions to the curriculum model which increase the efficiency of teacher deployment.
- Continued monitoring and market testing of external contracts.
- Agreeing more frequent and forensic monitoring of expenditure.
- Use of external benchmarking tools

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Maghull High School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that the introduction of increased levels of monitoring, review and reporting which have been introduced will result in early identification of any significant risks facing the Academy.

MAGHULL HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed MHA Moore and Smalley, to carry out additional termly checks on financial systems and procedures.

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 system
- Testing of control account/bank reconciliations
- Testing of financial reporting mechanisms

The Independent scrutiny report is presented to the board of trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Independent Scrutiny reports were prepared for the Autumn, Spring and Summer terms of 2018/19. Management responses to the reports were prepared.

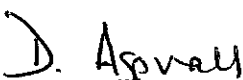
Review of effectiveness

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

- Policies and procedures developed and implemented in part, although there are concerns about the level of monitoring that has taken place during the year as a result of staffing complications;
- An Audit Committee which has been set up to consider the effectiveness of internal controls;
- The reports from MHA Moore and Smalley;
- The work of the External Auditor;
- 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 Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Governing Body on 9/12/19 and signed on its behalf by:



Ms D Aspinall
Headteacher and Accounting Officer

MAGHULL HIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who act as trustees for Maghull High School and are also the directors of Maghull High School for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law, the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 9/12/19 and signed on its behalf by:


Mr G Howe
Chairman

MAGHULL HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGHULL HIGH SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Maghull High School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes Reference and Administrative details, Trustees Report incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibility Statement. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MAGHULL HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGHULL HIGH SCHOOL (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MAGHULL HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGHULL HIGH SCHOOL (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



Tracey Johnson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

17 December 2019

MAGHULL HIGH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 16 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Maghull High School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Maghull High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Maghull High School's funding agreement with the Secretary of State for Education dated 29 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the School together with enquiry, analytical review, substantive testing of transactions and consideration of governance issues.

MAGHULL HIGH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore + Smalley

**Reporting Accountant
MHA Moore and Smalley**

17 December 2019

MAGHULL HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	-	3,961	10,621,900	10,625,861	24,824
Charitable activities:						
- Funding for educational operations	4	23,928	4,782,138	-	4,806,066	4,962,692
Other trading activities	5	7,744	-	-	7,744	9,335
Investments	6	193	-	-	193	171
Total income and endowments		31,865	4,786,099	10,621,900	15,439,864	4,997,022
Expenditure on:						
Charitable activities:						
- Educational operations	8	12,704	5,034,759	255,542	5,303,005	8,737,781
Total expenditure	7	12,704	5,034,759	255,542	5,303,005	8,737,781
Net income/(expenditure)		19,161	(248,660)	10,366,358	10,136,859	(3,740,759)
Transfers between funds		-	86,647	(86,647)	-	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(1,199,000)	-	(1,199,000)	584,000
Net movement in funds		19,161	(1,361,013)	10,279,711	8,937,859	(3,156,759)
Reconciliation of funds						
Total funds brought forward		12,403	(2,173,940)	4,263,355	2,101,818	5,258,577
Total funds carried forward	16	31,564	(3,534,953)	14,543,066	11,039,677	2,101,818

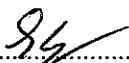
MAGHULL HIGH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		14,188,095		4,263,355
Current assets					
Debtors	13	494,410		104,475	
Cash at bank and in hand		178,085		143,258	
			672,495		247,733
Current liabilities					
Creditors: amounts falling due within one year	14	(228,913)		(154,270)	
Net current assets			443,582		93,463
Net assets excluding pension liability			14,631,677		4,356,818
Defined benefit pension scheme liability	18	(3,592,000)		(2,255,000)	
Total net assets			11,039,677		2,101,818
Funds of the Academy:					
Restricted funds	16				
- Fixed asset funds			14,543,066		4,263,355
- Restricted income funds			57,047		81,060
- Pension reserve			(3,592,000)		(2,255,000)
Total restricted funds			11,008,113		2,089,415
Unrestricted income funds	16		31,564		12,403
Total funds			11,039,677		2,101,818

The accounts on pages 24 to 47 were approved by the Governors and authorised for issue on 9/12/19 and are signed on their behalf by:



 Mr G Howe
 Chairman

Company Number 07767222

MAGHULL HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		(41,608)		65,058
Cash flows from investing activities					
Dividends, interest and rents from investments		193		171	
Capital grants from DfE and ESFA		139,498		20,656	
Capital funding from sponsors and others		-		3,750	
Payments to acquire tangible fixed assets		(63,256)		(3,750)	
			76,435		20,827
Change in cash and cash equivalents in the reporting period					
			34,827		85,885
Cash and cash equivalents at 1 September 2018					
			143,258		57,373
Cash and cash equivalents at 31 August 2019					
			178,085		143,258

MAGHULL HIGH SCHOOL

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

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Maghull High School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts.

The Governors are currently actively pursuing sponsorship arrangements with a local Multi Academy Trust (MAT). Were this to take place within the next twelve month period from the date of the approval of these accounts at which point the assets and liabilities would be transferred to the MAT. There would be no impact of the carrying values of assets and liabilities, as reported in the accounts, and no adjustments would be required to be made in these accounts were they to be drawn up on the basis that the Academy was not a going concern, except for the reclassification of tangible assets and defined benefit pension liabilities as current assets and liabilities respectively. As the services provided by the academy, and the assets and liabilities used in the provision of these services, will continue to be provided in the same form, either by a stand alone Academy or as part of the MAT, the Governors consider that, in order to present a true and fair view, these accounts should be prepared on a going concern basis and therefore no transfers of tangible fixed assets or defined benefit pension liabilities to net current assets have been made.

1.3 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

Bursary funds

The academy trust acts as agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 13.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Charitable activities

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

Assets costing £ 2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

On conversion on the 1 October 2011, the Academy acquired the land and buildings from which it operates under a 125 year lease. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 August 2012 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land and buildings	2% straight-line
Computer equipment	25% straight-line
Fixtures, fittings & equipment	10% - 20% straight-line
Motor vehicles	20% straight-line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.6 Liabilities

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.

1.7 Leased assets

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

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.11 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 Education and Skills Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

2 Critical accounting estimates and areas of judgement

Accounting 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 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.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 50 years is applied to leasehold land and buildings, 4 years for computer equipment, 5 to 10 years for fixtures and fittings and 5 years for motor vehicles.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy.

At the date of transition, the long leasehold land and buildings were measured at their fair value at 1 September 2014 which, upon transition, has been interpreted as deemed cost. Subsequent purchases of land and buildings are initially measured at cost.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donated fixed assets	-	10,117,026	10,117,026	-
Capital grants	-	504,874	504,874	20,656
Other donations	-	3,961	3,961	4,168
	-	10,625,861	10,625,861	24,824

The income from donations and capital grants was £10,625,861 (2018: £24,824) of which £3,961 was restricted (2018: £418) and £10,621,900 was restricted fixed assets (2018: £24,406).

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,369,993	4,369,993	4,619,388
Other DfE / ESFA grants	-	279,879	279,879	227,576
	<u>-</u>	<u>4,649,872</u>	<u>4,649,872</u>	<u>4,846,964</u>
Other government grants				
Local authority grants	-	63,110	63,110	77,236
	<u>-</u>	<u>63,110</u>	<u>63,110</u>	<u>77,236</u>
Other funds				
Other incoming resources	23,928	69,156	93,084	38,492
	<u>23,928</u>	<u>69,156</u>	<u>93,084</u>	<u>38,492</u>
Total funding	<u>23,928</u>	<u>4,782,138</u>	<u>4,806,066</u>	<u>4,962,692</u>

The income from funding for educational operations was £4,806,066 (2018: £4,962,692) of which £23,928 was unrestricted (2018: £5,514) and £4,782,138 was restricted (2018: £4,957,178).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	7,744	-	7,744	9,335
	<u>7,744</u>	<u>-</u>	<u>7,744</u>	<u>9,335</u>

The income from other trading activities was £7,744 (2018: £9,335) of which £7,744 was unrestricted (2018: £9,335).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	193	-	193	171
	<u>193</u>	<u>-</u>	<u>193</u>	<u>171</u>

The income from funding for investment income was £193 (2018: £171) of which £193 was unrestricted (2018: £171).

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Academy's educational operations					
- Direct costs	3,254,915	38,007	512,617	3,805,539	3,836,604
- Allocated support costs	637,685	711,987	147,794	1,497,466	4,901,177
	<u>3,892,600</u>	<u>749,994</u>	<u>660,411</u>	<u>5,303,005</u>	<u>8,737,781</u>

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	9,085	8,650
- Other services	3,435	3,980
- Internal control audit	2,160	1,600
Operating lease rentals	12,355	17,777
Depreciation of tangible fixed assets	255,542	249,268
Impairment of tangible fixed assets	-	3,587,825
Net interest on defined benefit pension liability	61,000	63,000
	<u>283,577</u>	<u>3,932,090</u>

8 Charitable activities

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2019	2018
	£	£	£	£
Direct costs				
Educational operations	12,704	3,792,835	3,805,539	3,836,604
Support costs				
Educational operations	-	1,497,466	1,497,466	4,901,177
	<u>12,704</u>	<u>5,290,301</u>	<u>5,303,005</u>	<u>8,737,781</u>

The expenditure on charitable activities was £5,303,005 (2018: £8,737,781) of which £12,704 was unrestricted (2018: £2,617), £5,034,759 was restricted (2018: £4,898,071) and £255,542 was restricted fixed assets (2018: £3,837,093).

	2019	2018
	£	£
Analysis of support costs		
Support staff costs	637,685	544,588
Depreciation	217,535	3,766,525
Premises costs	468,302	387,784
Other support costs	160,109	188,050
Governance costs	13,835	14,230
	<u>1,497,466</u>	<u>4,901,177</u>

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	2,850,238	2,866,815
Social security costs	282,010	281,372
Pension costs	632,364	653,847
Amounts paid to employees	3,764,612	3,802,034
Agency staff costs	116,632	46,903
Staff restructuring costs	11,356	11,078
	<u>3,892,600</u>	<u>3,860,015</u>

Staff restructuring costs comprise:

Other restructuring costs	<u>11,356</u>	<u>11,078</u>
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Staff numbers

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

	2019 Number	2018 Number
Teachers	47	47
Administration and support	38	30
Management	8	8
	<u>93</u>	<u>85</u>

Higher paid staff

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

	2019 Number	2018 Number
£90,001 - £100,000	-	1
£80,001 - £90,000	1	-
£70,001 - £80,000	-	1
£60,001 - £70,000	1	1
	<u>1</u>	<u>2</u>

All of the above employees participated in the Teacher's Pension Scheme. Pension contributions paid on behalf of these employees were £26,055 (2018: £38,978)

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £515,339 (2018: £621,481).

10 Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

J Bailey (Staff Governor):

Remuneration £20,000 - £25,000 (2018: £20,000 - £25,000)

Employer's pension contributions £nil - £5,000 (2018: £nil - £5,000)

C Hurst (Staff Governor):

Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

N Murphy (Staff Governor - Appointed 1 October 2018):

Pro rated remuneration £45,000 - £50,000

Pro rated employer's pension contributions £nil

J Aspinall (Staff Governor - Resigned 31 August 2018):

Remuneration £nil (2018: £45,000 - £50,000)

Employer's pension contributions £nil (2018: £5,000 - £10,000)

M Anderson (Headteacher - Resigned 31 August 2018):

Remuneration £nil (2018: £95,000 - £100,000)

Employer's pension contributions £nil (2018: £15,000 - £20,000)

During the year ended 31 August 2018 £nil travel and subsistence expenses were reimbursed or paid directly to the Governors (2018: £nil)

11 Governors and officers insurance

In accordance with normal commercial practice, the Academy has taken out insurance, however, this is under the Risk Protection Arrangement (RPA) from the ESFA. The Academy has been advised that this insurance provides unlimited cover for governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance cost relating to governors is not separately identifiable and is included within the total cost for the RPA.

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2018	8,853,000	416,205	108,259	3,750	9,381,214
Additions	9,762,737	63,256	354,289	-	10,180,282
Disposals	(4,237,588)	(353,022)	-	-	(4,590,610)
At 31 August 2019	14,378,149	126,439	462,548	3,750	14,970,886
Depreciation					
At 1 September 2018	4,688,618	372,419	56,633	189	5,117,859
On disposals	(4,237,588)	(353,022)	-	-	(4,590,610)
Charge for the year	183,524	38,007	33,255	756	255,542
At 31 August 2019	634,554	57,404	89,888	945	782,791
Net book value					
At 31 August 2019	13,743,595	69,035	372,660	2,805	14,188,095
At 31 August 2018	4,164,382	43,786	51,626	3,561	4,263,355

13 Debtors

	2019 £	2018 £
Trade debtors	14,237	13,085
VAT recoverable	6,198	15,797
Prepayments and accrued income	473,975	75,593
	494,410	104,475

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

14 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	-	864
Other taxation and social security	73,322	79,397
Other creditors	7,891	19,142
Accruals and deferred income	147,700	54,867
	<u>228,913</u>	<u>154,270</u>

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy received £17,432 (2018: £22,326) and disbursed £28,684 (2018: £28,886) from the fund. An amount of £7,891 (2018: £19,142) is included in other creditors relating to undistributed funds that is repayable to ESFA.

15 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	-	11,963
	<u>-</u>	<u>11,963</u>
Deferred income at 1 September 2018	11,963	-
Released from previous years	(11,963)	-
Resources deferred in the year	-	11,963
	<u>-</u>	<u>11,963</u>
Deferred income at 31 August 2019	-	11,963

At the balance sheet date the academy was holding no funds received in advance. Last year it was holding funds received for future rates expenditure.

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	81,060	4,369,993	(4,480,653)	86,647	57,047
Other DfE / ESFA grants	-	279,879	(279,879)	-	-
Other government grants	-	63,110	(63,110)	-	-
Other restricted funds	-	73,117	(73,117)	-	-
Pension reserve	(2,255,000)	-	(138,000)	(1,199,000)	(3,592,000)
	<u>(2,173,940)</u>	<u>4,786,099</u>	<u>(5,034,759)</u>	<u>(1,112,353)</u>	<u>(3,534,953)</u>
Restricted fixed asset funds					
Inherited on conversion	4,181,483	-	(140,411)	-	4,041,072
DfE group capital grants	-	504,874	-	(149,903)	354,971
Capital expenditure from GAG	65,840	-	(44,451)	63,256	84,645
Private sector capital sponsorship	16,032	-	(756)	-	15,276
Assets donated by the ESFA	-	10,117,026	(69,924)	-	10,047,102
	<u>4,263,355</u>	<u>10,621,900</u>	<u>(255,542)</u>	<u>(86,647)</u>	<u>14,543,066</u>
Total restricted funds	<u>2,089,415</u>	<u>15,407,999</u>	<u>(5,290,301)</u>	<u>(1,199,000)</u>	<u>11,008,113</u>
Unrestricted funds					
General funds	<u>12,403</u>	<u>31,865</u>	<u>(12,704)</u>	<u>-</u>	<u>31,564</u>
Total funds	<u>2,101,818</u>	<u>15,439,864</u>	<u>(5,303,005)</u>	<u>(1,199,000)</u>	<u>11,039,677</u>

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

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

General Annual Grant must be used for the normal running expenses of the Academy and any amounts carried forward at the end of a financial year must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant. There is carried forward pupil premium funding which will be used next term.

Other government grants include LA funding for Special Educational Needs, which was fully expended in the year.

Other restricted funds include contributions received for educational visits and non public donations and the related expenditure.

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme.

The value of the deficit inherited in conversion was £2,053,000, and had risen to £3,592,000 at 31 August 2019.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the year. Depreciation is charged against the fund.

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	(93,181)	4,619,388	(4,465,803)	20,656	81,060
Other DfE / ESFA grants	35,060	227,576	(262,636)	-	-
Other government grants	-	77,236	(77,236)	-	-
Other restricted funds	-	33,396	(33,396)	-	-
Pension reserve	(2,780,000)	-	(59,000)	584,000	(2,255,000)
	<u>(2,838,121)</u>	<u>4,957,596</u>	<u>(4,898,071)</u>	<u>604,656</u>	<u>(2,173,940)</u>
Restricted fixed asset funds					
Transfer on conversion	7,937,979	-	(3,756,496)	-	4,181,483
DfE group capital grants	-	20,656	-	(20,656)	-
Capital expenditure from GAG	142,852	-	(77,012)	-	65,840
Private sector capital sponsorship	15,867	3,750	(3,585)	-	16,032
	<u>8,096,698</u>	<u>24,406</u>	<u>(3,837,093)</u>	<u>(20,656)</u>	<u>4,263,355</u>
Total restricted funds	<u>5,258,577</u>	<u>4,982,002</u>	<u>(8,735,164)</u>	<u>584,000</u>	<u>2,089,415</u>
Unrestricted funds					
General funds	-	15,020	(2,617)	-	12,403
	<u>-</u>	<u>15,020</u>	<u>(2,617)</u>	<u>-</u>	<u>12,403</u>
Total funds	<u>5,258,577</u>	<u>4,997,022</u>	<u>(8,737,781)</u>	<u>584,000</u>	<u>2,101,818</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds:		Total Funds £
		General £	Fixed asset £	
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	14,188,095	14,188,095
Current assets	31,564	205,960	434,971	672,495
Creditors falling due within one year	-	(148,913)	(80,000)	(228,913)
Defined benefit pension liability	-	(3,592,000)	-	(3,592,000)
Total net assets	<u>31,564</u>	<u>(3,534,953)</u>	<u>14,543,066</u>	<u>11,039,677</u>

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General £	Fixed asset £	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	4,263,355	4,263,355
Current assets	12,403	235,330	-	247,733
Creditors falling due within one year	-	(154,270)	-	(154,270)
Defined benefit pension liability	-	(2,255,000)	-	(2,255,000)
Total net assets	<u>12,403</u>	<u>(2,173,940)</u>	<u>4,263,355</u>	<u>2,101,818</u>

18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were the subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £332,102 (2018: £338,554).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.3% for employers and 6% for employees.

In addition, annual deficit contributions of £90,200 are to be paid in 2019/20.

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.

Total contributions made	2019 £	2018 £
Employer's contributions	168,000	184,000
Employees' contributions	33,000	32,000
Total contributions	<u>201,000</u>	<u>216,000</u>

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1

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

	2019 Years	2018 Years
Retiring today		
- Males	22.2	22.0
- Females	25.0	24.8
Retiring in 20 years		
- Males	25.2	25.0
- Females	27.9	27.8

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £	2018 £
Discount rate + 0.1%	(140,000)	(108,000)
Discount rate - 0.1%	143,000	
Mortality assumption + 1 year	131,000	102,000
Mortality assumption - 1 year	(129,000)	
Inflation rate +0.1%	142,000	110,000
CPI rate - 0.1%	(139,000)	
Pay growth + 0.1%	24,000	20,000

The Academy's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	1,763,000	1,660,000
Government bonds	352,000	108,000
Other bonds	190,000	377,000
Cash/liquidity	110,000	99,000
Property	310,000	290,000
Other assets	724,000	657,000
Total market value of assets	3,449,000	3,191,000

The actual return on scheme assets was £155,000 (2018: £172,000).

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	156,000	177,000
Past service cost	86,000	-
Interest income	(91,000)	(72,000)
Interest cost	152,000	135,000
Benefit changes, curtailments and settlements gains or losses	(3,000)	(3,000)
Administration expenses	3,000	3,000
	<u>303,000</u>	<u>240,000</u>

Changes in the present value of defined benefit obligations

	2019 £
At 1 September 2018	5,446,000
Current service cost	156,000
Interest cost	152,000
Employee contributions	33,000
Actuarial loss/(gain)	1,263,000
Benefits paid	(95,000)
Past service cost	86,000
	<u>7,041,000</u>
At 31 August 2019	<u>7,041,000</u>

Changes in the fair value of the Academy's share of scheme assets

	2019 £
At 1 September 2018	3,191,000
Interest income	91,000
Actuarial gain	64,000
Employer contributions	168,000
Employee contributions	33,000
Benefits paid	(95,000)
Administration expenses	(3,000)
	<u>3,449,000</u>
At 31 August 2019	<u>3,449,000</u>

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	10,136,859	(3,740,759)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(10,621,900)	(24,406)
Investment income receivable	(193)	(171)
Defined benefit pension costs less contributions payable	77,000	(4,000)
Defined benefit pension net finance cost	61,000	63,000
Depreciation of tangible fixed assets	255,542	249,268
Impairment of tangible fixed assets	-	3,587,825
(Increase)/decrease in debtors	(24,559)	25,630
Increase/(decrease) in creditors	74,643	(91,329)
Net cash (used in)/provided by operating activities	<u>(41,608)</u>	<u>65,058</u>

20 Commitments under operating leases

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

	2019	2018
	£	£
Amounts due within one year	16,800	13,980
Amounts due in two and five years	63,000	-
	<u>79,800</u>	<u>13,980</u>

21 Capital commitments

	2019	2018
	£	£
Expenditure contracted for but not provided in the accounts	<u>354,971</u>	<u>-</u>

Remaining spend on CIF capital project for roof works.

MAGHULL HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Related party transactions

A spouse of a member of the SLT, is employed by the academy as a maintenance assistant. The appointment was made in open competition and the member of the SLT was not involved in the decision-making process regarding appointment. They are paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to the member of the SLT.

No other related party transactions took place in the period of account other than certain Governors' remuneration and expenses already disclosed in note 10.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

