

**HOLY CROSS CATHOLIC PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

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HOLY CROSS CATHOLIC PRIMARY ACADEMY

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	The Right Reverend A Williams The Brentwood Diocesan Trust Chair of Governors - ex officio
Trustees	Mr N Long, Chair of Trustees - Foundation Governor Miss S McGuiggan, Headteacher - Foundation Governor Mr D Frampton, Foundation Governor Mr G Oliver, Staff Governor Mr M Samuels, Foundation Governor (resigned 1 September 2016) Mrs C Selwood, Chair of Finance - Foundation Governor Fr B Soley, Parish Priest - Foundation Governor Mrs A Tierney, Authority Governor Mr J O Okal, Foundation Governor Mrs T Tieu, Parent Governor Mrs J Houston, Parent Governor (resigned 31 August 2017) Mr G Dundridge, Foundation Governor (appointed 1 November 2016) Mrs S Ennifer, Staff Governor (appointed 1 May 2017)
Company registered number	07696114
Company name	Holy Cross Catholic Primary Academy
Registered and principal office	Holy Cross Catholic Primary Academy Tracyes Road Harlow Essex CM18 6JJ
Company Secretary	Mrs Kerry Clark
Chief Executive Officer	Miss S McGuiggan
Senior Leadership Team	Miss S McGuiggan, Headteacher Mr S Kelliher, Deputy Headteacher Mrs K Clark, Business Manager
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds TSB East Gate PO Box 1000 Harlow BX1 1LT

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual Report together with the financial statements and Auditors' Report of Holy Cross Catholic Primary Academy (the Charitable Company, the Trust or the Academy) for the year ended 31 August 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable.

Governance

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

Member's 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.

Trustee Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £5 million.

Principal Activity

The principal activity of the Charitable Company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. This activity is achieved by the running of Holy Cross Catholic Primary Academy (the School). The School is a 4 - 11 primary academy covering the catchment area of Harlow with a school roll of 402 pupils.

Method of recruitment and appointment or election of Trustees

The Brentwood Diocese are responsible for the appointment of Foundation Trustees; recommendations can be made by the Members of the Trust, except two parent Trustees and two staff Trustees who will be appointed through an election process directed by the Board of Trustees. The Board of Trustees appoints a Community Trustee from the local community who brings knowledge and skills. Except for the Headteacher, Trustees are subject to retirement after 4 years of service but are eligible for re-appointment or re-election at the meeting at which they retire.

Policies and Procedures adopted for the induction and training of Trustees

All Trustees are given the opportunity to attend training sessions. At the beginning of the 2016/17 academic year a number of sessions were held for our Trustees covering the main elements of the position, including the legal framework and Trustee responsibilities. Each year all Trustees are offered updates on relevant issues and changes in legislation etc. The topics covered are regularly reviewed to ensure that Trustees are kept up to date as far as possible. Access to training is available through Essex County Council, Harlow Educational Consortium, the Diocese of Brentwood and other local providers. Trustees are appointed based on the skills that they will bring to the Board of Trustees or based on a proposal to the Board of Trustees by representative groups. On appointment, Trustees receive information relating to the Trust and attend a briefing and receive an induction pack on their role and responsibilities.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. One Trustee is designated as the Trustee Development Coordinator and they are responsible for overseeing training and development needs. Trustees also undertake to make regular visits to the School to improve their understanding and to offer guidance and support.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Board of Trustees, which meets on at least 3 occasions per year, is responsible for the strategic direction of the Academy. The Board of Trustees reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure, agree the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Board has delegated authority to these sub committees:

- Finance, Premises & Personnel Committee – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Internal Auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an Audit Committee. This Committee also reviews issues relating to health and safety, premises, and related issues.
- Curriculum Committee – this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral.
- Pay Committee - meets as required but at least once per year.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the School on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets weekly to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the School.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, 'Individual School Range', the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

Connected Organisations and Related Parties

Transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Any transaction where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook. During 2015/16 the Academy entered a Memorandum of Understanding with St Marks West Essex Catholic Academy and also worked with a local estate agent who sponsored the snack shed, sports kits and advertising our fete; this continued during 2016/2017.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and aim of the Academy is the operation of Holy Cross Catholic Primary Academy to provide education and care for pupils of different abilities between the ages of 4 - 11.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

During the year the School has worked towards achieving these aims by:

- providing learning opportunities for all children in a Christ centred environment;
- making real our mission statement "Christ is the centre of our lives, our learning and friendships, in a safe, happy and caring community where all are welcome";
- intending to enable each child to realise their full academic creative and physical potential and to develop positive social and moral values;
- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- continuing to raise the standard of educational achievement of all pupils and thereby to maintain the School's local and national reputation;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds spent;
- complying with all appropriate statutory and curriculum requirements;
- maintaining close links with industry and commerce;
- conducting the Academy's business in accordance with the highest standards of integrity, probity and openness;
- making effective cross curricular use of IT through purchase of new server and associated equipment.

We are an average size primary school, which serves local parish communities. Just under half of the pupils come from a minority ethnic background. This is significantly above the national average. About 50% of pupils (above national average), are from families where English is not the home language. The largest percentage is of African heritage. Very few pupils are at an early stage of learning English. The proportion of disabled pupils or those at School Action Plus is close to that found in schools nationally as is the proportion of pupils with a Statement of Need. Those eligible for free school meals are below the national average. The school's Early Years Foundation Stage provision is in two Reception classes.

Our Inclusion Manager works closely with all staff to ensure effective provision for all groups of pupils and thereby enables all groups to make progress. All staff ensure continued support for all groups of children and give generously their own time to maintain standards.

Equal opportunities policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

British values

The Academy recognise and promote fundamental British values of democracy, the rule of law, individual liberty and mutual respect and tolerance of those with different faiths and beliefs throughout all aspects of School life.

Challenges faced by the Board of Trustees and Finance Committee:

- implement the new curriculum and new assessment grades;
- recruiting Parent and Foundation Trustees with skills that are needed to complement the skills base we already have;
- ensuring consistency of approach with additional pupils and staff; and
- ensuring all staff received appropriate training in 'Relate'.

Review of effectiveness

A core group of four Trustees continue to produce a Trustees Evaluation Plan, this is an ongoing working document. The plan was shared with the School Development Officer and feedback was given, for Trustees to develop their roles and monitoring responsibilities. The Board of Trustees have completed The Essex Governor Kitemark in March 2017. To support Trustees to carry out effective monitoring the Headteacher introduced Trustees day once a term, where Trustees spend a whole day in school with staff and children and at the end of day have a meeting to feed back to each other and Headteacher findings.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Academy as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Achievements and performance

The Academy measures its success partly through a series of performance indicators. These indicators comprise:

- Academy popularity/admissions.
- Test results and other indicators of children progress.
- Staff performance monitoring.
- Financial health.
- Stakeholder survey outcomes.

Test results and other indicators of children's progress

- At the end of KS2 the attainment of children from Holy Cross was above both Essex and National for reading, writing, E.G.P.S. and maths for the expected standard
- At the end of KS2 the attainment of children from Holy Cross was above both Essex and National for reading, writing, E.G.P.S. and maths for greater depth

End of KS2 2017

Percentage of children achieving at least expected standard at end of KS2 2017:

Measure	Essex	National	Holy Cross	Difference to National
Reading	73%	71%	91%	+20%
Writing	78%	76%	91%	+15%
EGPS	79%	77%	94%	+17%
Maths	76%	75%	94%	+19%

Percentage of children achieving at least greater depth at end of KS2 2017:

Measure	Essex	National	Holy Cross	Difference to National
Reading	25%	25%	31%	+6%
Writing	21%	18%	28%	+10%
EGPS	No data	31%	47%	+16%
Maths	23%	23%	34%	+11%

KS2 2017 attainment outcomes compared to other schools within Harlow.

Expected Standard

Data made available through the Harlow Education Consortium also allows us to compare our school attainment with other schools locally;

- Holy Cross has the second highest attainment for the expected standard in reading.
- Holy Cross has the highest attainment for writing at 91%.
- Holy Cross has the second highest attainment for the expected standard in maths.
- Holy Cross has the second highest attainment for the expected standard in E.G.P.S.

Greater Depth

- Holy Cross has the joint second highest attainment for the greater depth standard in reading.
- Holy Cross has the joint third highest attainment for the greater depth standard in writing.
- Holy Cross has the fifth highest attainment for the greater depth standard in maths at 34%.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

KS2 2017 Progress Outcomes

Data made available through the DfE has shown progress scores at Holy Cross to be the following:

Reading; 4.3, Writing; 4.5, Maths; 4.5

The DfE has published a table showing the distribution of schools' provisional progress scores. Schools below the progress element of the floor standard in an individual subject will be in the bottom five per cent of that subject.

This table reveals that progress at Holy Cross is in the top 5% nationally for writing and maths. It is 0.1 point below the top 5% for reading. As a result reading at Holy Cross is recorded as being within the top 25% nationally. There is no progress score for EGPS as this was not measured for this cohort when they were at the end of KS1.

<u>Percentiles</u>	<u>Reading</u>	<u>Writing</u>	<u>Maths</u>
Top 5%	4.4 and above	3.8 and above	4.4 and above
Next 20%	1.8 to 4.3	1.6 to 3.7	1.8 to 4.3
Next 15%	0.8 to 1.7	0.8 to 1.5	0.7 to 1.7
Middle 20%	-0.5 to 0.7	-0.3 to 0.7	-0.6 to 0.6
Next 15%	-1.4 to -0.6	-1.3 to -0.4	-1.7 to -0.7
Next 20%	-3.8 to -1.5	-3.9 to -1.4	-4.2 to -1.8
Bottom 5%	-3.9 and below	-4 and below	-4.3 and below

KS2 2017 Progress Outcomes compared to other schools within Harlow Education Consortium (H.E.C)

Data made available through H.E.C also allows us to compare progress for children at Holy Cross with other schools within Harlow:

- Reading; Holy Cross has the second highest amount of progress for schools within H.E.C.
- Writing; Holy Cross has the highest amount of progress for schools within H.E.C.
- Maths; Holy Cross has the second highest amount of progress for schools within H.E.C.

Key Performance Indicators

The Trustees receive regular information each term and the Key Performance Indicators are:

- Termly financial and other data which are discussed at standards meetings.
- Moderation staff have attended moderation meetings as well as external verification of our judgments.
- Attendance 96.44%.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Financial Review

The principal source of funding for the Academy is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2017 the Academy received £1,580,587 (see note 3) of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. The free reserves at the year end were £57,284.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Principal Risks and Uncertainties

Risk management

The Academy maintains a risk register identifying the major risks to which it is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Finance and Premises and Pay and Personnel Committees. The principal risks facing the Academy at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Academy's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an Academy, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the principal risks and uncertainties facing the Academy as follows:

- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputation - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff.
- Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- Bank balances: there is no significant risk other than an institution ceasing to trade.
- Debtors: there are no material debtors.
- The Academy's credit rating is not in jeopardy, though it has no need for credit facilities.
- The Academy's cashflow is healthy and long term financial planning predicts it will remain so.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should usually be equivalent to one month's net salary expenditure (approximately £65,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Confidence and popularity of the Academy remains high and it continues to be over-subscribed. The Trustees plan to secure future financial stability through increased revenue from additional pupils, refined finance and monitoring procedures within the Academy and the recruitment of a Foundation Trustee with a financial background as well as continuing to further explore ways of income generation.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £797,000 (2016 - £708,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy is currently making payments of £16,694 per annum towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Trust.

Investment Policy

The aim of the Academy's investment policy is to establish the investment strategy. The charitable funds of the Academy are derived from direct government grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of the Academy's work, such as providing education, training and development; these funds are defined as unrestricted. The Finance & Personnel Committee approved the policy on 12 October 2017 and the Board of Governors ratified the policy on 23 November 2017.

PLANS FOR FUTURE PERIODS

Holy Cross Catholic Primary Academy strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway into secondary education.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Academy believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

The Academy plans to:

- ensure accelerated rates of progress for all groups of pupils across all year groups in key areas in literacy and numeracy;
- embed new curriculum and assessment procedures;
- continue to develop outstanding PE and healthy living provision;
- focus on More Able pupils;
- further develop links outside of our local community for example, continuing the outstanding collaborative work;
- continue to develop enrichment of the curriculum of practical first hand experience such as residential and day educational excursions; and
- further develop forest schools and roll it out so parents can participate in activities.

PROVISION OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- The Trustees have taken all the 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.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Approved by the Board of Trustees on 23 November 2017 and signed on its behalf by:

Mrs C Selwood
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Holy Cross Catholic Primary Academy 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 Trustees 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 Holy Cross Catholic Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Trustees 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 Trustees' Responsibilities. The Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Long	3	3
Miss S McGuigan	3	3
Mr D Frampton	3	3
Mr G Oliver	3	3
Mr M Samuels	0	0
Mrs C Selwood	3	3
Fr B Soley	1	3
Mrs A Tierney	3	3
Mr J O Okal	1	3
Mrs T Tieu	3	3
Mrs J Houston	2	3
Mr G Dundridge	3	3
Mrs S Ennifer	1	3

Mr M Samuels and Mrs J Houston left and we have added one new foundation governor, Mr G Dundridge. We will have a parent governor vacancy as we go into September. Elections will be held in the autumn term.

Governance reviews:

We have completed the 'Essex Governor Kite Mark' and achieved accreditation on 21 March 2017 in all nine areas of effective governance. We will use this as a tool to carry out regular self evaluation and draw up an action plan (Ofsted Ready Group). A review will be undertaken in the autumn term.

The Finance and Premises Committee is a sub-committee of the main Trustees. It is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Auditor and drafting the annual budget including setting staffing levels. This Committee also reviews issues relating to health and safety, premises, and related issues. To discuss staffing as monitoring and maintaining personnel policies.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Long	3	3
Miss S McGuiggan	2	3
Mr D Frampton	3	3
Mr G Oliver	3	3
Mr M Samuels	0	0
Mrs C Selwood	3	3
Mr T Tieu	2	3
Mrs A Tierney	3	3
Mr G Dundridge	2	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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

Accepting responsibility and accountability for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer is aware of the guide to Academy value for money statements published by the ESFA and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer has ensured that the Academy's use of its resources has provided good value for money during the academic year. The Academy is committed to providing a high quality education for all groups of children and ensuring that this education is based on ensuring breadth across the curriculum with first hand relevant experiences wherever possible. The Catholicity of our Academy is of paramount importance and Gospel values are woven through every aspect of school life.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Holy Cross Catholic Primary Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trustees have 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 Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Trustees.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Trustees has considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Payroll
- Expenditure
- Income
- Assets
- Financial monitoring
- Governance

On a termly basis, the Internal Auditor reports to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

During the year the Internal Auditor delivered their schedule of works as planned and reported upon the above areas.

The main issue identified was that one Member had not declared their business interests. We referred to our Diocese in relation to declaring Bishop Alan's business interests and this advice was acted upon.

REVIEW OF EFFECTIVENESS

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 23 November 2017 and signed on its behalf, by:

Mrs C Selwood
Trustee

Miss S McGuiggan
Accounting Officer

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(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Holy Cross Catholic Primary Academy I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

Miss S McGuigan
Accounting Officer

Date: 23 November 2017

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as Governors of Holy Cross Catholic Primary Academy and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the EFA, United Kingdom Accounting Standards (UKGAAP) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UKGAAP Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

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

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

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

Approved by the Board of Trustees on 23 November 2017 and signed on its behalf by:

Mrs C Selwood
Trustee

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY CROSS CATHOLIC PRIMARY ACADEMY

OPINION

We have audited the financial statements of Holy Cross Catholic Primary Academy ("the Academy") for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This Report is made solely to the Academy'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 Academy's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY CROSS CATHOLIC PRIMARY ACADEMY

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, incorporating the Strategic Report and the Directors' Report, for which the financial statements have been prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees 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 Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY
CROSS CATHOLIC PRIMARY ACADEMY**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

Gary Miller FCA (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountant and Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

5 December 2017

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOLY CROSS CATHOLIC PRIMARY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holy Cross Catholic Primary Academy during the year 1 September 2016 to 31 August 2017 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 Holy Cross Catholic Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holy Cross Catholic Primary Academy and the 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 Holy Cross Catholic Primary Academy and the ESFA, for our work, for this Report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HOLY CROSS CATHOLIC PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Holy Cross Catholic Primary Academy's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the 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 our conclusion includes:

- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity;
- discussions with and representations from the Accounting Officer and other key management personnel; and
- an extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOLY CROSS CATHOLIC PRIMARY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

5 December 2017

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	17,134	86,940	7,557	111,631	145,618
Charitable activities	3	44,576	1,536,011	-	1,580,587	1,497,137
Other trading activities	4	80,112	-	-	80,112	82,905
Investments		104	-	-	104	154
TOTAL INCOME		141,926	1,622,951	7,557	1,772,434	1,725,814
EXPENDITURE ON:						
Charitable activities		105,977	1,715,752	34,107	1,855,836	1,658,464
TOTAL EXPENDITURE	5	105,977	1,715,752	34,107	1,855,836	1,658,464
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	15	35,949	(92,801)	(26,550)	(83,402)	67,350
		-	(15,199)	15,199	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		35,949	(108,000)	(11,351)	(83,402)	67,350
Actuarial gains/(losses) on defined benefit pension schemes	20	-	19,000	-	19,000	(314,000)
NET MOVEMENT IN FUNDS		35,949	(89,000)	(11,351)	(64,402)	(246,650)
RECONCILIATION OF FUNDS:						
Total funds brought forward		21,335	(555,000)	161,308	(372,357)	(125,707)
TOTAL FUNDS CARRIED FORWARD		57,284	(644,000)	149,957	(436,759)	(372,357)

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07696114

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		149,957		161,308
CURRENT ASSETS					
Stocks	12	2,847		2,847	
Debtors	13	201,766		203,065	
Cash at bank and in hand		110,593		70,160	
			<u>315,206</u>	<u>276,072</u>	
CREDITORS: amounts falling due within one year	14	(104,922)		(101,737)	
NET CURRENT ASSETS			<u>210,284</u>		<u>174,335</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>360,241</u>		<u>335,643</u>
Defined benefit pension scheme liability	20		(797,000)		(708,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(436,759)</u>		<u>(372,357)</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted funds - donation in kind	15	153,000		153,000	
Restricted fixed asset funds	15	149,957		161,308	
Restricted income funds excluding pension liability		302,957		314,308	
Pension reserve		(797,000)		(708,000)	
Total restricted income funds			<u>(494,043)</u>	<u>(393,692)</u>	
Unrestricted income funds	15		57,284		21,335
TOTAL DEFICIT			<u>(436,759)</u>		<u>(372,357)</u>

The financial statements on pages 19 to 38 were approved by the Trustees, and authorised for issue, on 23 November 2017 and are signed on their behalf, by:

Mrs C Selwood
Trustee

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	63,085	82,882
		<hr/>	<hr/>
Cash flows from investing activities:			
Interest received		104	154
Capital expenditure	14	(22,756)	(52,270)
		<hr/>	<hr/>
Net cash used in investing activities		(22,652)	(52,116)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		40,433	30,766
Cash and cash equivalents brought forward		70,160	39,394
		<hr/>	<hr/>
Cash and cash equivalents carried forward	18	110,593	70,160
		<hr/> <hr/>	<hr/> <hr/>

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holy Cross Catholic Primary Academy constitutes a public benefit entity as defined by FRS 102.

The Academy's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Academy is a company registered in England & Wales and limited by guarantee. Members are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Academy. The registered office is Holy Cross Catholic Primary Academy, Tracyes Road, Harlow, Essex CM18 6JJ.

1.3 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 Trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the DfE.

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

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

Any donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities incorporating Income and Expenditure Account, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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

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

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Academy occupies land and the buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Academy occupies the land and buildings by a license that transfers to the Academy no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Academy will not be recognised or valued within fixed assets.

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

Furniture and equipment	-	5 - 10 years straight line
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1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 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.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Liabilities and provisions

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

1.14 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 as detailed in note 13. 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 costs as detailed in note 14. 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 instruments.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement.

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2017. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	17,134	35,940	-	53,074	87,720
Notional rent (see note 22)	-	51,000	-	51,000	51,000
Capital grants	-	-	7,557	7,557	6,898
	<u>17,134</u>	<u>86,940</u>	<u>7,557</u>	<u>111,631</u>	<u>145,618</u>
<i>Total 2016</i>	<u><u>1,684</u></u>	<u><u>88,426</u></u>	<u><u>55,508</u></u>	<u><u>145,618</u></u>	

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,438,299	1,438,299	1,362,342
Other DfE / ESFA grants	-	63,083	63,083	59,356
	-	1,501,382	1,501,382	1,421,698
Other government grants				
Local Authority Grant	-	34,629	34,629	37,162
	-	34,629	34,629	37,162
Other funding				
Catering income	44,576	-	44,576	38,277
	44,576	-	44,576	38,277
	44,576	1,536,011	1,580,587	1,497,137
<i>Total 2016</i>	38,277	1,458,860	1,497,137	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	4,345	-	4,345	3,270
Other income	32,056	-	32,056	35,294
Club income	43,711	-	43,711	44,341
	80,112	-	80,112	82,905
<i>Total 2016</i>	82,905	-	82,905	

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of Education:					
Direct costs	977,660	-	101,856	1,079,516	1,015,831
Support costs	392,299	130,185	253,836	776,320	642,633
	<u>1,369,959</u>	<u>130,185</u>	<u>355,692</u>	<u>1,855,836</u>	<u>1,658,464</u>
<i>Total 2016</i>	<u><u>1,249,264</u></u>	<u><u>126,079</u></u>	<u><u>283,121</u></u>	<u><u>1,658,464</u></u>	

6. CHARITABLE ACTIVITIES

	2017 £	2016 £
Direct costs	1,079,516	1,015,831
Support costs	776,320	642,633
	<u>1,855,836</u>	<u>1,658,464</u>
Total	<u><u>1,855,836</u></u>	<u><u>1,658,464</u></u>

Analysis of support costs	2017 £	2016 £
Support staff costs	392,299	326,124
Depreciation	31,106	28,732
Technology costs	15,185	12,823
Premises costs	130,185	126,079
Other support costs	198,445	139,175
Governance costs	9,100	9,700
	<u>776,320</u>	<u>642,633</u>
Total	<u><u>776,320</u></u>	<u><u>642,633</u></u>

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy	31,106	28,732
Auditors' remuneration - audit	4,250	4,250
Auditors' remuneration - other services	4,850	3,950
Operating lease rentals	4,605	9,062
	<u><u>44,861</u></u>	<u><u>75,994</u></u>

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,049,280	958,797
Social security costs	74,496	61,749
Operating costs of defined benefit pension schemes	243,763	175,405
	<hr/>	<hr/>
Supply teacher costs	1,367,539	1,195,951
	2,420	53,313
	<hr/>	<hr/>
	1,369,959	1,249,264
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 No.	2016 No.
Teachers	16	14
Administration and support	38	48
Management	6	5
	<hr/>	<hr/>
	60	67
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 No.	2016 No.
In the band £ 70,001 - £ 80,000	1	1

The key management personnel of the Academy comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy Trust was £287,099 (2016: £270,819).

Included in the above are employer pension contributions of £27,967 (2016: £27,188) and employer national insurance contributions of £19,977 (2016: £16,831).

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees 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 role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

S McGuiggan (Headteacher and Trustee)
Remuneration £70,000-£75,000 (2016: £70,000-£75,000)
Employer's pension contributions paid £10,000-£15,000 (2016: £10,000-£15,000)

M Nabil (Staff Trustee)
Remuneration £Nil (2016: £35,000-£40,000)
Employer's pension contributions paid £Nil (2016: £0-£5,000)

G Oliver (Staff Trustee)
Remuneration £25,000-£30,000 (2016: £25,000-£30,000)
Employer's pension contributions paid £0-£5,000 (2016: £0-£5,000)

S Ennifer (Staff Trustee)
Remuneration £25,000-£30,000 (2016: £Nil)
Employer's pension contributions paid £0-£5,000 (2016: £Nil)

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £Nil)

Other related party transactions involving the Trustees are set out in note 22.

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Furniture and equipment £
Cost	
At 1 September 2016	226,180
Additions	22,756
Disposals	(7,683)
At 31 August 2017	<u>241,253</u>
Depreciation	
At 1 September 2016	64,872
Charge for the year	31,106
On disposals	(4,682)
At 31 August 2017	<u>91,296</u>
Net book value	
At 31 August 2017	<u>149,957</u>
At 31 August 2016	<u>161,308</u>

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. STOCKS

	2017 £	2016 £
Catering stock	2,847	2,847

13. DEBTORS

	2017 £	2016 £
Due after more than one year		
Other debtors (see note 22)	102,000	102,000
Due within one year		
VAT repayable	3,193	15,176
Other debtors	57,162	52,649
Prepayments and accrued income	39,411	33,240
	<u>201,766</u>	<u>203,065</u>

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,462	11,999
Other taxation and social security	19,259	18,297
Other creditors	18,513	17,635
Accruals and deferred income	64,688	53,806
	<u>104,922</u>	<u>101,737</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	45,728	43,953
Resources deferred during the year	54,969	45,728
Amounts released from previous years	(45,728)	(43,953)
Deferred income at 31 August 2017	<u>54,969</u>	<u>45,728</u>

The majority of resources deferred at the period end relate to contributions towards free school meals.

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	21,335	141,926	(105,977)	-	-	57,284
Restricted funds						
General Annual Grant (GAG)	-	1,438,299	(1,423,100)	(15,199)	-	-
Other DfE/ESFA grants	-	63,083	(63,083)	-	-	-
Other Government grants	-	34,629	(34,629)	-	-	-
Restricted trip donations	-	35,940	(35,940)	-	-	-
Donation in kind	153,000	51,000	(51,000)	-	-	153,000
Pension reserve	(708,000)	-	(108,000)	-	19,000	(797,000)
	(555,000)	1,622,951	(1,715,752)	(15,199)	19,000	(644,000)

Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset fund	161,308	7,557	(34,107)	15,199	-	149,957
Total restricted funds	(393,692)	1,630,508	(1,749,859)	-	19,000	(494,043)
Total of funds	(372,357)	1,772,434	(1,855,836)	-	19,000	(436,759)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Fixed assets	35,771	-	-	(35,771)	-	-
Unrestricted funds	(70,444)	123,020	(31,241)	-	-	21,335
	(34,673)	123,020	(31,241)	(35,771)	-	21,335
Restricted funds						
General Annual Grant (GAG)	-	1,362,342	(1,362,342)	-	-	-
Other DfE/ESFA grants	-	59,356	(59,356)	-	-	-
Other Government grants	-	37,162	(37,162)	-	-	-
Restricted trip donations	-	37,426	(37,426)	-	-	-
Donation in kind	153,000	51,000	(51,000)	-	-	153,000
Pension reserve	(348,000)	-	(46,000)	-	(314,000)	(708,000)
	(195,000)	1,547,286	(1,593,286)	-	(314,000)	(555,000)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Restricted fixed asset fund	103,966	55,508	(33,937)	35,771	-	161,308
	<u>103,966</u>	<u>55,508</u>	<u>(33,937)</u>	<u>35,771</u>	<u>-</u>	<u>161,308</u>
Total restricted funds	<u>(91,034)</u>	<u>1,602,794</u>	<u>(1,627,223)</u>	<u>35,771</u>	<u>(314,000)</u>	<u>(393,692)</u>
Total of funds	<u><u>(125,707)</u></u>	<u><u>1,725,814</u></u>	<u><u>(1,658,464)</u></u>	<u><u>-</u></u>	<u><u>(314,000)</u></u>	<u><u>(372,357)</u></u>

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

Unrestricted funds

This represents income received that does not have restrictions on its use.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Other DfE/ESFA grants

This represents Pupil Premium funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals, and various other small restricted grants received from both the Department for Education and the Education and Skills Funding Agency to assist with the costs of the Academy in relation to specific activities.

Other Government Grants

This represents various grants from local and national government bodies for the provision of specific services to pupils of the Academy.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the School and the associated costs.

Donation in kind

This fund represents the rent free occupation of the land and buildings from the Diocese of Brentwood.

Pension Reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from a state controlled school.

Restricted Fixed Asset Fund

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	149,957	149,957
Debtors due after more than 1 year	-	102,000	-	102,000
Current assets	162,206	51,000	-	213,206
Creditors due within one year	(104,922)	-	-	(104,922)
Provisions for liabilities and charges	-	(797,000)	-	(797,000)
	<u>57,284</u>	<u>(644,000)</u>	<u>149,957</u>	<u>(436,759)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	161,308	161,308
Debtors due after more than 1 year	-	102,000	-	102,000
Current assets	123,072	51,000	-	174,072
Creditors due within one year	(101,737)	-	-	(101,737)
Provisions for liabilities and charges	-	(708,000)	-	(708,000)
	<u>21,335</u>	<u>(555,000)</u>	<u>161,308</u>	<u>(372,357)</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(83,402)	67,350
Adjustment for:		
Depreciation charges	31,106	28,732
Dividends, interest and rents from investments	(104)	(154)
Loss on the sale of fixed assets	3,001	1,967
Increase in stocks	-	(495)
Decrease in debtors	1,299	50,742
Increase/(decrease) in creditors	3,185	(111,260)
Defined benefit pension adjustment	108,000	46,000
Net cash provided by operating activities	<u>63,085</u>	<u>82,882</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	110,593	70,160
Total	<u>110,593</u>	<u>70,160</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

19. MEMBERS' LIABILITY

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

20. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £18,513 were payable to the schemes at 31 August 2017 (2016 - 17,635) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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20. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £80,000 (2016 - £77,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £96,000 (2016 - £85,000), of which employer's contributions totalled £71,000 (2016 - £63,000) and employees' contributions totalled £25,000 (2016 - £22,000). The agreed contribution rates for future years are between 17.7% and 19.7% for employers and between 5.5% and 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Expected return on scheme assets at 31 August	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Inflation assumption (RPI)	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	1,327,000	1,119,000
Discount rate -0.1%	1,400,000	1,178,000
Mortality assumption - 1 year increase	1,407,000	1,177,000
Mortality assumption - 1 year decrease	1,321,000	1,119,000
CPI rate +0.1%	1,394,000	1,173,000
CPI rate -0.1%	1,333,000	1,123,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	370,000	301,000
Cash	17,000	13,000
Property	55,000	49,000
Bonds / Gilts	57,000	36,000
Alternative assets	43,000	20,000
Other managed funds	24,000	21,000
	<u>566,000</u>	<u>440,000</u>

The actual return on scheme assets was £70,000 (2016 - £52,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(164,000)	(97,000)
Interest income	11,000	14,000
Interest cost	(26,000)	(26,000)
	<u>(179,000)</u>	<u>(109,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,148,000	652,000
Current service cost	164,000	97,000
Interest cost	26,000	26,000
Employee contributions	25,000	22,000
Actuarial losses	1,000	352,000
Benefits paid	(1,000)	(1,000)
	<u>1,363,000</u>	<u>1,148,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	440,000	304,000
Interest income	11,000	14,000
Actuarial gains	20,000	38,000
Employer contributions	71,000	63,000
Employee contributions	25,000	22,000
Benefits paid	(1,000)	(1,000)
	<u>566,000</u>	<u>440,000</u>

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	9,628	4,605
Between 1 and 5 years	13,373	12,534
Total	<u>23,001</u>	<u>17,139</u>

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Any transaction where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

During the year the Academy received £16,569 (2016 - £11,411) from Holy Cross Pre-School, a nursery at which Mrs C Selwood and Mrs A Tierney, both Trustees, are employed, towards the costs of meals. The amount owed by them at the year end was £312 (2016 - £Nil).

The Academy operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Dioceses, the Academy and the Secretary of State the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £51,000 per annum, on this basis a donation from the Diocese of £51,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £153,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.