

HOLY CROSS CATHOLIC PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018

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 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 S Ennifer, Staff Governor Mr G Dundridge, Foundation Governor Mrs Z Marti, Parent Governor (appointed 1 September 2017) Mr A Owusu-Boateng, Foundation Governor (appointed 1 September 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 J Balcomb, Inclusion 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 2018

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 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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. 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 Trust'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 Trust, 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 Trust. 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 398 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.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 2017/18 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.

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 Trust 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 Trust. 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 Trust 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 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 committee and ratified by the Board of Trustees.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

The number of employees who were relevant union officials during the relevant period (Headcount) was 3. Percentage of time spent on facility time was 0%

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 Trust'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 Trust 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; these have continued during 2017/2018.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and aim of the Trust 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.

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 Trust's business in accordance with the highest standards of integrity, probity and openness; and
- 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 Trust 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.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

British values

The Trust 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;
- ensuring all staff received appropriate training in 'Relate'; and
- ensuring inclusion for all pupils as the number of children who need additional support has risen.

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 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. All Trustees attended a training session in February to highlight weakness and strengths to develop a Trustee's action plan.

Public Benefit

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

STRATEGIC REPORT

Achievements and performance

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

- Trust 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 Key Stage 2 (KS2) the attainment of children from the School 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 the School was above both Essex and National for reading, writing, E.G.P.S. and maths for greater depth

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

End of KS2 2018

Percentage of children achieving at least expected standard at end of KS2 2018:

Measure	Essex	National	Holy Cross	Difference to National
Reading	77%	75%	91%	+16%
Writing	79%	78%	91%	+13%
EGPS	78%	78%	88%	+10%
Maths	76%	76%	97%	+21%

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

Measure	Essex	National	Holy Cross	Difference to National
Reading	28%	28%	55%	+25%
Writing	22%	20%	25%	+5%
EGPS	34%	34%	50%	+16%
Maths	23%	24%	28%	+4%

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 Trust is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2018 the Trust received £1,664,316 (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 Trust's primary objective of the provision of education. The free reserves at the year end were £67,446.

Principal Risks and Uncertainties

Risk management

The Trust 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, Premises and Personnel Committees. The principal risks facing the Trust at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust'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 a Trust, 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.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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

- The Trust 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 Trust'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 Trust 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 Trust 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 Trust has appointed an Internal Auditor to carry out checks 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 Trust's credit rating is not in jeopardy, though it has no need for credit facilities.
- The Trust's cashflow is healthy and long term financial planning predicts it will remain so.

The Trust 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 Trust 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 Trust 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 Trust and the recruitment of a Foundation Trustee with a financial background as well as continuing to further explore ways of income generation.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £723,000 (2017 - £797,000). 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 Trust 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 Trust's investment policy is to establish the investment strategy. The charitable funds of the Trust are derived from direct Government grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of the Trust's work, such as providing education, training and development; these funds are defined as unrestricted. The Finance, Premises and Personnel Committee approved the policy on 6th November 2018 and the Board of Governors ratified the policy on 28th November 2018.

Fundraising

The Trust only held small fundraising events during the year including sponsored walks, mad hair/socks days and non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust 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 Trust strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

The Trust 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 28th November 2018 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 Trustees' 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 McGuiggan	3	3
Mr D Frampton	3	3
Mr G Oliver	3	3
Mrs C Selwood	3	3
Fr B Soley	0	0
Mrs A Tierney	3	3
Mr J O Okal	2	3
Mrs S Ennifer	3	3
Mr G Dundridge	2	3
Mrs Z Marti	3	3
Mr A Owusu-Boateng	2	3

Two Parent Trustees resigned which necessitated an election for their replacement.

One of the biggest challenges for the Board of Trustees has been the increase of children that have additional needs and therefore need extra support and the financial commitment this brings in an already tight budget.

Governance reviews:

All Trustees undertook self evaluation training with an external provider and this led to the development of an Action Plan. ICE checks were also completed throughout the year.

Following on from training received early in the year Trustees will carry out a self evaluation and write an action plan at the beginning of 2019.

The Finance, Premises Committee and Personnel is a sub-committee of the main Trustees. Its purpose is to ensure the School is run efficiently within the Trust budget, and to oversee how the Trust budget is spent through reports and to monitor process. Our Chair of Trustees checks and signs credit cards payments whilst the Chair of Finance checks and signs payroll each month.

There are no key changes to note.

The particular challenges faced by the Finance, Premises and Personnel Committee related to maintaining the quality of provision against the backdrop of a shrinking budget and consideration of the cost cutting measures that will create the least amount of disruption.

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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	3	3
Mr D Frampton	2	3
Mr G Oliver	2	3
Mr A Owusu-Boateng, Foundation Governor	2	3
Mrs C Selwood	3	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 Trust delivers good value in the use of public resources.

The Accounting Officer considers how the Trust'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 Trust delivers good value in the use of public resources. The Accounting Officer is aware of the guide to Trust 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 Trust's use of its resources has provided good value for money during the academic year. The Trust 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 Trust 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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holy Cross Catholic Primary Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Finance, Premises and Personnel 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.

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GOVERNANCE STATEMENT (continued)

The Trustees have 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 Trust'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. There were no significant material control deficiencies to report.

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 Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 28 November 2018 and signed on its behalf, by:

Mrs C Selwood
Trustee

Miss S McGuiggan
Accounting Officer

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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 McGuiggan
Accounting Officer

Date: 28 November 2018

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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 ESFA, 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 2017 to 2018;
- 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 28 November 2018 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 Trust") for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the 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 Trust'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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements .
- the Trustees' Report and the Strategic Report has 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 Trust 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

USE OF OUR REPORT

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

Gary Miller FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

12 December 2018

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 3 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 Trust'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 2017 to 31 August 2018 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

12 December 2018

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	7,894	99,796	12,659	120,349	111,631
Charitable activities	3	45,723	1,618,593	-	1,664,316	1,580,587
Other trading activities	4	99,293	-	-	99,293	80,112
Investments		106	-	-	106	104
TOTAL INCOME		153,016	1,718,389	12,659	1,884,064	1,772,434
EXPENDITURE ON:						
Charitable activities		116,820	1,851,389	30,497	1,998,706	1,855,836
TOTAL EXPENDITURE	5	116,820	1,851,389	30,497	1,998,706	1,855,836
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		36,196	(133,000)	(17,838)	(114,642)	(83,402)
Transfers between funds	15	(26,034)	-	26,034	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		10,162	(133,000)	8,196	(114,642)	(83,402)
Actuarial gains on defined benefit pension schemes	20	-	207,000	-	207,000	19,000
NET MOVEMENT IN FUNDS		10,162	74,000	8,196	92,358	(64,402)
RECONCILIATION OF FUNDS:						
Total funds brought forward		57,284	(644,000)	149,957	(436,759)	(372,357)
TOTAL FUNDS CARRIED FORWARD		67,446	(570,000)	158,153	(344,401)	(436,759)

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07696114

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	11		158,153		149,957
CURRENT ASSETS					
Stocks	12	2,847		2,847	
Debtors	13	217,060		201,766	
Cash at bank and in hand		103,000		110,593	
			<u>322,907</u>	<u>315,206</u>	
CREDITORS: amounts falling due within one year	14	(102,461)		(104,922)	
NET CURRENT ASSETS			<u>220,446</u>		<u>210,284</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>378,599</u>		<u>360,241</u>
Defined benefit pension scheme liability	20		(723,000)		(797,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(344,401)</u>		<u>(436,759)</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted funds - donation in kind	15	153,000		153,000	
Restricted fixed asset funds	15	158,153		149,957	
			<u></u>	<u></u>	
Restricted income funds excluding pension liability		311,153		302,957	
Pension reserve		(723,000)		(797,000)	
			<u></u>	<u></u>	
Total restricted income funds			(411,847)		(494,043)
Unrestricted income funds	15		67,446		57,284
			<u></u>	<u></u>	<u></u>
TOTAL DEFICIT			<u>(344,401)</u>		<u>(436,759)</u>

The financial statements on pages 19 to 39 were approved by the Trustees, and authorised for issue, on 28 November 2018 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 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	30,994	63,085
		<hr/>	<hr/>
Cash flows from investing activities:			
Interest received		106	104
Capital expenditure	14	(38,693)	(22,756)
		<hr/>	<hr/>
Net cash used in investing activities		(38,587)	(22,652)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(7,593)	40,433
Cash and cash equivalents brought forward		110,593	70,160
		<hr/>	<hr/>
Cash and cash equivalents carried forward	18	103,000	110,593
		<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 2018

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 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 Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Trust is a private company registered in England & Wales and limited by guarantee. Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The registered office is Holy Cross Catholic Primary Academy, Tracys 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 Trust at the discretion of the Trustees.

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

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

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

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

Any donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust 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 Trust'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 Trust's educational operations, including support costs and those costs relating to the governance of the Trust 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. .

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust 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 Trust occupies the land and buildings by a license that transfers to the Trust 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 Trust will not be recognised or valued within fixed assets.

Capital improvements to Diocesan owned property are recognised as expenditure.

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

1.11 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 2018

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 Trust 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 Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust 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 Trust 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 2018. 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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	7,894	48,796	-	56,690	53,074
Notional rent (see note 22)	-	51,000	-	51,000	51,000
Capital grants	-	-	12,659	12,659	7,557
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	7,894	99,796	12,659	120,349	111,631
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	17,134	86,940	7,557	111,631	
	<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 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,451,246	1,451,246	1,267,675
Other DfE / ESFA grants	-	129,509	129,509	233,707
	-	1,580,755	1,580,755	1,501,382
Other Government grants				
Local Authority grant	-	37,838	37,838	34,629
	-	37,838	37,838	34,629
Other funding				
Catering income	45,723	-	45,723	44,576
	45,723	-	45,723	44,576
Total 2018	45,723	1,618,593	1,664,316	1,580,587
Total 2017	44,576	1,536,011	1,580,587	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	3,640	-	3,640	4,345
Other income	43,285	-	43,285	32,056
Club income	52,368	-	52,368	43,711
Total 2018	99,293	-	99,293	80,112
Total 2017	80,112	-	80,112	

HOLY CROSS CATHOLIC PRIMARY ACADEMY

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education:					
Direct costs	1,103,130	-	79,567	1,182,697	1,079,516
Support costs	416,222	153,961	245,826	816,009	776,320
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2018	1,519,352	153,961	325,393	1,998,706	1,855,836
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	1,369,959	130,185	355,692	1,855,836	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	

In 2017, of total expenditure, £105,977 was to unrestricted funds, £1,715,752 was to restricted funds and £34,107 was to restricted fixed asset fund.

6. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs	1,182,697	1,079,516
Support costs	816,009	776,320
	<u> </u>	<u> </u>
Total	1,998,706	1,855,836
	<u> </u>	<u> </u>

Analysis of support costs	2018 £	2017 £
Support staff costs	416,222	392,299
Depreciation	30,497	31,106
Technology costs	7,548	15,185
Premises costs	123,464	130,185
Other support costs	228,603	198,445
Governance costs	9,675	9,100
	<u> </u>	<u> </u>
Total	816,009	776,320
	<u> </u>	<u> </u>

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	30,497	31,106
Auditors' remuneration - audit	4,375	4,250
Auditors' remuneration - other services	4,325	4,850
Operating lease rentals	9,628	4,605
	<u> </u>	<u> </u>

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,155,694	1,049,280
Social security costs	69,799	74,496
Operating costs of defined benefit pension schemes	285,480	243,763
	<u>1,510,973</u>	<u>1,367,539</u>
Agency staff costs	8,379	2,420
	<u>1,519,352</u>	<u>1,369,959</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	18	16
Administration and support	37	38
Management	6	6
	<u>61</u>	<u>60</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 70,001 - £ 80,000	1	1

d. Key management personnel

The key management personnel of the Trust 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 Trust was £299,200 (2017: £287,099).

Included in the above are employer pension contributions of £38,877 (2017: £27,967) and employer national insurance contributions of £26,529 (2017: £19,977).

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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 (2017: £70,000-£75,000)

Employer's pension contributions paid £10,000-£15,000 (2017: £10,000-£15,000)

G Oliver (Staff Trustee)

Remuneration £25,000-£30,000 (2017: £25,000-£30,000)

Employer's pension contributions paid £0-£5,000 (2017: £0-£5,000)

S Ennifer (Staff Trustee)

Remuneration £30,000-£35,000 (2017: £25,000-30,000)

Employer's pension contributions paid £5,000-£10,000 (2017: £0-5,000)

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £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 Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Furniture and equipment £
Cost	
At 1 September 2017	241,253
Additions	38,693
	<hr/>
At 31 August 2018	279,946
Depreciation	
At 1 September 2017	91,296
Charge for the year	30,497
	<hr/>
At 31 August 2018	121,793
Net book value	
At 31 August 2018	158,153
	<hr/>
At 31 August 2017	149,957
	<hr/>

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. STOCKS

	2018 £	2017 £
Catering stock	2,847	2,847
	<u>2,847</u>	<u>2,847</u>

13. DEBTORS

	2018 £	2017 £
Due after more than one year		
Other debtors (see note 22)	102,000	102,000
Due within one year		
VAT repayable	5,673	3,193
Other debtors	53,847	57,162
Prepayments and accrued income	55,540	39,411
	<u>217,060</u>	<u>201,766</u>
	<u>217,060</u>	<u>201,766</u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,192	2,462
Other taxation and social security	21,176	19,259
Other creditors	23,859	18,513
Accruals and deferred income	55,234	64,688
	<u>102,461</u>	<u>104,922</u>
	<u>102,461</u>	<u>104,922</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	54,969	45,728
Resources deferred during the year	41,746	54,969
Amounts released from previous years	(54,969)	(45,728)
	<u>41,746</u>	<u>54,969</u>
	<u>41,746</u>	<u>54,969</u>

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

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	57,284	153,016	(116,820)	(26,034)	-	67,446
Restricted funds						
General Annual Grant (GAG)	-	1,451,246	(1,451,246)	-	-	-
Other DfE/ESFA grants	-	129,509	(129,509)	-	-	-
Other Government grants	-	37,838	(37,838)	-	-	-
Restricted trip donations	-	48,796	(48,796)	-	-	-
Donation in kind	153,000	51,000	(51,000)	-	-	153,000
Pension reserve	(797,000)	-	(133,000)	-	207,000	(723,000)
	(644,000)	1,718,389	(1,851,389)	-	207,000	(570,000)
Restricted fixed asset funds						
Restricted fixed asset fund	149,957	-	(30,497)	38,693	-	158,153
DfE/ESFA capital grants	-	12,659	-	(12,659)	-	-
	149,957	12,659	(30,497)	26,034	-	158,153
Total restricted funds	(494,043)	1,731,048	(1,881,886)	26,034	207,000	(411,847)
Total of funds	(436,759)	1,884,064	(1,998,706)	-	207,000	(344,401)

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

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 Trust 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 Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust 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 2018**

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General 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)
	<u>(555,000)</u>	<u>1,622,951</u>	<u>(1,715,752)</u>	<u>(15,199)</u>	<u>19,000</u>	<u>(644,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	161,308	7,557	(34,107)	15,199	-	149,957
Total restricted funds	<u>(393,692)</u>	<u>1,630,508</u>	<u>(1,749,859)</u>	<u>-</u>	<u>19,000</u>	<u>(494,043)</u>
Total of funds	<u><u>(372,357)</u></u>	<u><u>1,772,434</u></u>	<u><u>(1,855,836)</u></u>	<u><u>-</u></u>	<u><u>19,000</u></u>	<u><u>(436,759)</u></u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	158,153	158,153
Debtors due after more than 1 year	-	102,000	-	102,000
Current assets	169,907	51,000	-	220,907
Creditors due within one year	(102,461)	-	-	(102,461)
Provisions for liabilities and charges	-	(723,000)	-	(723,000)
	<u>67,446</u>	<u>(570,000)</u>	<u>158,153</u>	<u>(344,401)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	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>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(114,642)	(83,402)
Adjustment for:		
Depreciation charges	30,497	31,106
Interest received	(106)	(104)
Loss on the sale of fixed assets	-	3,001
(Increase)/decrease in debtors	(15,294)	1,299
(Decrease)/increase in creditors	(2,461)	3,185
Defined benefit pension adjustment	133,000	108,000
Net cash provided by operating activities	<u>30,994</u>	<u>63,085</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	<u>103,000</u>	<u>110,593</u>
Total	<u>103,000</u>	<u>110,593</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

20. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £23,859 were payable to the schemes at 31 August 2018 (2017 - 18,153) 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;
- 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%.

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 £ 88,650 (2017 - £80,000).

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 an unfunded 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

20. PENSION COMMITMENTS (continued)

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 2018 was £111,000 (2017 - £96,000), of which employer's contributions totalled £84,000 (2017 - £71,000) and employees' contributions totalled £27,000 (2017 - £25,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.20 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

As at 31 August 2018, the Academy had a pension liability of £723,000 (2017 - £797,000). The sensitivity analysis shown below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(37,000)	(36,000)
Discount rate -0.1%	38,000	37,000
Mortality assumption - 1 year increase	46,000	44,000
Mortality assumption - 1 year decrease	(45,000)	(42,000)
CPI rate +0.1%	34,000	31,000
CPI rate -0.1%	(33,000)	(30,000)

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20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	457,000	370,000
Cash	21,000	17,000
Property	64,000	55,000
Bonds / Gilts	79,000	57,000
Alternative assets	64,000	43,000
Other managed funds	29,000	24,000
	<hr/>	<hr/>
Total market value of assets	714,000	566,000
	<hr/>	<hr/>

The actual return on scheme assets was £38,000 (2017 - £70,000).

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

	2018 £	2017 £
Current service cost	(197,000)	(164,000)
Interest income	16,000	11,000
Interest cost	(36,000)	(26,000)
	<hr/>	<hr/>
Total	(217,000)	(179,000)
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	1,363,000	1,148,000
Current service cost	197,000	164,000
Interest cost	36,000	26,000
Employee contributions	27,000	25,000
Actuarial (gains)/losses	(185,000)	1,000
Benefits paid	(1,000)	(1,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,437,000	1,363,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening fair value of scheme assets	566,000	440,000
Interest income	16,000	11,000
Actuarial gains	22,000	20,000
Employer contributions	84,000	71,000
Employee contributions	27,000	25,000
Benefits paid	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	714,000	566,000
	<hr/>	<hr/>

HOLY CROSS CATHOLIC PRIMARY ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	12,810	9,628
Between 1 and 5 years	18,473	13,373
Total	<u>31,283</u>	<u>23,001</u>

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 Trust received £16,357 (2017 - £16,569) from Holy Cross Pre-School, a nursery at which the Trustee Mrs C Selwood is employed, towards the costs of meals. The amount owed by them at the year end was £Nil (2017 - £312).

The Trust operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Dioceses, the Trust 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.

During the period the Trust incurred expenditure of £6,432 (2017 - £Nil) in relation to educational support services from The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams, a member of Holy Cross Catholic Primary Academy, is a director and the sole trustee of The Brentwood Roman Catholic Diocesan Trust. At the period end no balance was due to The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams is entitled to exercise 10% of the voting power of The Brentwood Roman Catholic Diocesan Trust and has no financial or profit share entitlement so transactions with The Brentwood Roman Catholic Diocesan Trust are not subject to the 'at cost' rules set out in the Academies Financial Handbook.