

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

TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Right Reverend A Williams The Brentwood Diocesan Trust Chair of Governors - ex officio
Trustees	Mrs C Selwood, Chair of Trustees - Foundation Governor Mr N Long, Foundation Governor Miss S McGuiggan, Headteacher - Foundation Governor Mr D Frampton, Foundation Governor (resigned 31 August 2020) Mr G Oliver, Staff Governor Fr B Soley, Parish Priest - Foundation Governor Mrs A Tierney, Vice Chair - Authority Governor Mr G Dundridge, Foundation Governor Mr J O Okal, Foundation Governor Mrs S Ennifer, Staff Governor Mrs Z Marti, Parent Governor (resigned 1 September 2019) Mr A Owusu-Boateng, Foundation Governor Mrs S Underdown, Foundation Governor Mrs G D Souza, Parent Governor (appointed 21 October 2019) Mrs B Scott, Foundation Governor (appointed 1 May 2020)
Company registered number	07696114
Company name	Holy Cross Catholic Primary School
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

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

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 2020

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

Principal Activity

The principal activity of the Charitable Company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. This activity is achieved by the running of Holy Cross Catholic Primary Academy (the School). The School is a 4 - 11 primary academy covering the catchment area of Harlow with a school roll of 426 pupils.

Method of recruitment and appointment or election of Trustees

The Brentwood Diocese Trust 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 2020

Policies and Procedures adopted for the induction and training of Trustees

All Trustees are given the opportunity to attend training sessions. 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 Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

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

The Board has delegated authority to these sub committees:

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

The Headteacher is the designated Accounting Officer 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.

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TRUSTEES' REPORT (CONTINUED)
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Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

The number of employees who were relevant union officials during the period was nil (2019: nil).

Connected Organisations and Related Parties

Transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Any transaction where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook. During 2015/16 the Academy entered a Memorandum of Understanding with St Marks West Essex Catholic Academy. The school engaged Safowa Events to cover the Easter and May holiday to ensure children of key workers had child care during the breaks. Permission from ESFA was sought and it was affirmed that permission was not required as the cost of the provision did not exceed £20,000.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

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; and
- conducting the Academy's business in accordance with the highest standards of integrity, probity and openness;
- making effective cross curricular use of IT through purchase of new server and associated equipment.

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FOR THE YEAR ENDED 31 AUGUST 2020

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 pupils with SEN is close to that found in schools nationally however the proportion of pupils with an Education Health Care Plan is slightly above national average. Those eligible for free school meals are below the national average. The school's Early Years Foundation Stage provision is in two Reception classes.

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

Equal opportunities policy

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

British values

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

Challenges faced by the Board of Trustees and Finance Committee:

- implement the new curriculum and new assessment grades;
- recruiting Parent and Foundation Trustees with skills that are needed to complement the skills base we already have;
- ensuring consistency of approach with additional pupils and staff;
- 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. Covid 19 has brought many challenges - risk assessing, going to online teaching, getting site covid secure, support keyworker's children and supporting and covering staff in shielding have all led to extra financial costs.

Review of effectiveness

A core group of four Trustees continue to produce a Trustees Evaluation Plan, this is an ongoing working document. The plan was shared with the School Development Officer and feedback was given, for Trustees to develop their roles and monitoring responsibilities. The Board of Trustees have completed The Essex Governor Kitemark in March 2017. To support Trustees to carry out effective monitoring the Headteacher introduced Trustees day once a term, where Trustees spend a whole day in school with staff and children and at the end of day have a meeting to feed back to each other and Headteacher their findings. Brentwood Diocese have in post a Governor Co-Ordinator, who oversees Governor training and Governor support. This is delivered via newsletters and termly chair meetings. All Governors have been invited to attend training relevant to their role and feed back to committee and Governing Body meetings. This allows Governors to reflect on their effectiveness.

Public Benefit

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

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STRATEGIC REPORT

Achievements and performance

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

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

Test results and other indicators of children's progress

SATs and other national indicators of progress were not taken in 2020 owing to the Covid crisis. However, we are able to report the percentage of children who were on track to either make or exceed age related expectations.

Percentage of Holy Cross children on track to achieve at least expected standard at end of KS2 2020 as of February 2020:

Measure

Reading	89
EGPS	90
Writing	87
Maths	91

Percentage of Holy Cross children on track to achieve at least greater depth at end of KS2 2020 as of February 2020:

Measure

Reading	24
Writing	22
EGPS	35
Maths	21

These figures must be viewed with a degree of caution as many children were on the cusp of being on track to achieve greater depth and these figures are not accounted for in the above analysis.

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.

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

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FINANCIAL REVIEW

Financial Review

The principal source of funding for the Academy is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2020 the Academy received £1,973,566 (see note 4) of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. The free reserves at the year-end were £43,933.

Principal Risks and Uncertainties

Risk management

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

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

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

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

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

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

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- The Academy's cash flow is healthy and long term financial planning predicts it will remain so.
- Covid – 19 – financial impact of making the School secure, staffing related issues pupil and staff mental health & wellbeing. The Academy has out in place procedures to mitigate these risks as best as possible.

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

Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should usually be equivalent to one month's net salary expenditure (approximately £75,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

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

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,362,000 (2019 - £1,014,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy is currently making payments of £16,694 per annum towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Trust.

Investment Policy

The aim of the Academy's investment policy is to establish the investment strategy. The charitable funds of the Academy are derived from direct Government grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of the Academy's work, such as providing education, training and development; these funds are defined as unrestricted. The Finance & Personnel Committee approved the policy on 4th November 2020 and the Board of Governors ratified the policy on 25th November 2020.

Fundraising

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

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.

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FOR THE YEAR ENDED 31 AUGUST 2020

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

The Academy plans to:

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

Provision of information to Auditors:

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees on 25 November 2020 and signed on its behalf by:

Mrs C Selwood
Chair of Trustees

HOLY CROSS CATHOLIC PRIMARY ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Trust 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. The clerk has advised the Board of Trustees of any changes in these two documents. The Diocese runs a training on the Governance Handbook and competency framework for governance, unfortunately due to lock down the training was cancelled as soon as a date becomes available for the next training Governors who haven't completed it will sign up.

The Board of 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of 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 Board of Trustees has formally met once in School and twice on Zoom during the year. The Board met fewer than six times during the year. The Board is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of sub-committees are noted below.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Selwood	3	3
Mr N Long	1	3
Miss S McGuigan	3	3
Mr D Frampton	3	3
Mr G Oliver	2	3
Fr B Soley	1	3
Mrs A Tierney	2	3
Mr G Dundridge	3	3
Mr J O Okal	2	3
Mrs S Ennifer	3	3
Mrs Z Marti	0	0
Mr A Owusu-Boateng	2	3
Mrs S Underdown	3	3
Mrs G D Souza	1	3
Mrs B Scott	1	3

Review of year:

It has been a challenging year with the Covid-19 pandemic. Senior management have had to deal with and respond to ever changing situation. In response to this a Covid-19 Committee was set up where Trustees were kept up to date and could share their concerns and their support for the effectiveness of changes made. These changes have also brought financial challenges with installation of extra sinks, wall hand sanitisers, extra cleaning equipment and chemicals, additional staff to cover staff who had to go into shielding and signage for when the School opening was extended to extra years. The School was open throughout supporting keyworkers children.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews:

Governance is part of the internal control evaluation. Any points that have been raised through this has been discussed and appropriate action taken. We had a Trustees' day in autumn but unfortunately spring and summer were cancelled due to Covid-19. These days are important to Trustees as they spend time together and they see the School first-hand and meet with the different subject teams, phase leaders, key personnel and get to talk to the children. A lot of information is collected and then discussed at the end of the day. When reflecting at the end of the day this can highlight strengths and weaknesses and where the Trustees need to be more proactive. It is particularly good for the Trustees to reflect and to see how they move forward stronger. We need to look at away how we can do Trustees day if restrictions continue. Throughout the lockdown Chair did send emails to keep communication going.

The Finance and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee, support and challenge all aspects of finance and personnel. There have been no changes to constitution.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Selwood	3	3
Miss S McGuiggan	3	3
Mr G Dundridge	3	3
Mr N Long	1	3
Mr A Owusu-Boateng	2	3
Mrs B Scott	1	3
Mr G Oliver	2	3
Mrs A Tierney	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 understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of 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:

- streamlining Human Resources to ensure that staff have more focussed responsibilities thus enabling them to meet the needs of pupils across the School.
- carrying out an annual review of external contracts to ensure not only they are fit for purpose but also represent value for money.
- ensuring involvement with procurement services such as Church Market Place which enables more competitive rates for services.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of 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 Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of 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 Board of Trustees;
- Regular reviews by the Finance 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.

The Board of Trustees has decided to employ Juniper Education 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:

- financial oversight and planning
- risk management
- budget monitoring
- internal controls
- use of public funds

On a quarterly basis, the Internal Auditor reports to the Board of Trustees through the Finance and Personnel Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

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GOVERNANCE STATEMENT (CONTINUED)

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 Auditor;
- The financial management and governance self-assessment process or the School resource management self-assessment tool; 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 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 and signed on their behalf by:

Mrs C Selwood
Chair of Trustees
Date: 21 December 2020

Miss S McGuigan
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 Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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: 22 December 2020

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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 and signed on its behalf by:

Mrs C Selwood
Chair of Trustees

Date: 21 December 2020

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

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

Opinion

We have audited the financial statements of Holy Cross Catholic Primary Academy (the 'Academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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 (CONTINUED)**

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. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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 (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

22 December 2020

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

INDEPENDENT REPORTING ACCOUNTANT'S 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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY
CROSS CATHOLIC PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

The work undertaken to draw our conclusions includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has 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

Date: 22 December 2020

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 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	15,705	81,658	8,770	106,133	141,949
Charitable activities	4	38,545	1,935,021	-	1,973,566	1,861,751
Other trading activities	5	79,211	-	-	79,211	102,325
Investments	6	87	-	-	87	100
Total income		133,548	2,016,679	8,770	2,158,997	2,106,125
Expenditure on:						
Charitable activities	7	124,667	2,141,931	45,815	2,312,413	2,276,934
Total expenditure		124,667	2,141,931	45,815	2,312,413	2,276,934
Net income/ (expenditure)		8,881	(125,252)	(37,045)	(153,416)	(170,809)
Transfers between funds	18	-	(17,748)	17,748	-	-
Net movement in funds before other recognised gains/(losses)		8,881	(143,000)	(19,297)	(153,416)	(170,809)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(205,000)	-	(205,000)	(155,000)
Net movement in funds		8,881	(348,000)	(19,297)	(358,416)	(325,809)
Reconciliation of funds:						
Total funds brought forward		35,052	(1,014,000)	155,738	(823,210)	(497,401)
Net movement in funds		8,881	(348,000)	(19,297)	(358,416)	(325,809)
Total funds carried forward		43,933	(1,362,000)	136,441	(1,181,626)	(823,210)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 50 form part of these financial statements.

HOLY CROSS CATHOLIC PRIMARY ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07696114

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	126,441	144,068
Current assets			
Stocks	14	2,847	2,847
Debtors	15	214,985	205,144
Cash at bank and in hand		89,423	94,015
		307,255	302,006
Creditors: amounts falling due within 1 year	16	(151,322)	(153,284)
Net current assets		155,933	148,722
Total assets less current liabilities		282,374	292,790
Creditors: amounts falling due after more than one year	17	(102,000)	(102,000)
Net assets excluding pension liability		180,374	190,790
Defined benefit pension scheme liability	25	(1,362,000)	(1,014,000)
Total net liabilities		(1,181,626)	(823,210)
Restricted funds:			
Fixed asset funds	18	136,441	155,738
Restricted funds excluding pension liability	18	136,441	155,738
Pension reserve	18	(1,362,000)	(1,014,000)
Total restricted funds	18	(1,225,559)	(858,262)
Unrestricted income funds	18	43,933	35,052
Total funds		(1,181,626)	(823,210)

HOLY CROSS CATHOLIC PRIMARY ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07696114

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue on 25 November 2020 and are signed on their behalf, by:

Mrs C Selwood
Chair of Trustees

Mrs C Selwood
Chair of Trustees

The notes on pages 26 to 50 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	4,299	(14,198)
Cash flows from investing activities	22	(8,978)	5,107
Cash flows from financing activities	21	87	106
Change in cash and cash equivalents in the year		(4,592)	(8,985)
Cash and cash equivalents at the beginning of the year		94,015	103,000
Cash and cash equivalents at the end of the year	23, 24	<u>89,423</u>	<u>94,015</u>

The notes on pages 26 to 50 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

In reaching their conclusions on the continued adoption of the going concern basis the Trustees have taken account of the fact that the financial Statements show net liabilities of £1,181,626. These liabilities are caused by the LGPS pension deficit of £1,362,000. As noted in the Trustees' Report this deficit does not mean that an immediate liability for the amount crystallises but does result in a cash flow effect in the form of increased employer contributions over a number of years, all of which are included within the Trust's normal operating budget.

Following the year end the Academy has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

1.3 Company status

The Academy is a private company registered in England and Wales and limited by guarantee. Members are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member.

The registered office is Holy Cross Catholic Primary Academy, Tracyes Road, Harlow, Essex CM18 6JJ.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

1.5 Income

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

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

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

• **Other income**

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Capital improvements to Diocesan owned property are recognised as expenditure.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Furniture and equipment - 5 - 10 years straight line

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

1.9 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 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2020. 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	15,705	30,658	-	46,363	67,787
Donation in kind (note 28)	-	51,000	-	51,000	51,000
Capital grants	-	-	8,770	8,770	23,162
	<u>15,705</u>	<u>81,658</u>	<u>8,770</u>	<u>106,133</u>	<u>141,949</u>
Total 2019	<u>18,285</u>	<u>100,502</u>	<u>23,162</u>	<u>141,949</u>	

In 2019, income from donations was £67,787 of which £18,285 was unrestricted and £49,502 restricted.

In 2019, income relating to the donation in kind of £51,000 related to restricted funds only.

In 2019, capital grants of £23,162 were in relation to restricted fixed assets.

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4. Funding for the Academy's provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,593,858	1,593,858	1,597,929
Other DfE / ESFA grants	-	268,330	268,330	142,544
	-	1,862,188	1,862,188	1,740,473
Other Government grants				
Local Authority Grant	-	62,928	62,928	66,066
	-	62,928	62,928	66,066
Exceptional Government funding				
Coronavirus exceptional support	-	9,905	9,905	-
	-	9,905	9,905	-
Other funding				
Catering income	38,545	-	38,545	55,212
	38,545	1,935,021	1,973,566	1,861,751
Total 2019	55,212	1,806,539	1,861,751	

In 2019, income from the DfE/ESFA was £1,740,473 of which all was restricted.

In 2019, income from Other Government grants was £66,066 of which all was restricted.

In 2019, income from catering was £55,212 of which all was unrestricted.

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5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	160	160	920
Other income	41,280	41,280	46,805
Club income	37,771	37,771	54,600
	<u>79,211</u>	<u>79,211</u>	<u>102,325</u>
Total 2019	<u>102,325</u>	<u>102,325</u>	

Income from other trading activities in 2019 was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest receivable	87	87	100
	<u>100</u>	<u>100</u>	
Total 2019	<u>100</u>	<u>100</u>	

Investment income in 2019 was unrestricted.

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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	1,361,831	-	88,316	1,450,147	1,354,631
Support costs	413,167	178,252	270,847	862,266	922,303
	<u>1,774,998</u>	<u>178,252</u>	<u>359,163</u>	<u>2,312,413</u>	<u>2,276,934</u>
Total 2019	<u>1,684,198</u>	<u>198,325</u>	<u>394,411</u>	<u>2,276,934</u>	

In 2020, of the total expenditure, £124,667 (2019: £190,261) was made from unrestricted funds, £2,141,931 (2019: £2,043,041) was made from restricted funds, and £45,815 (2019: £43,632) was made from restricted fixed asset funds.

In 2019, direct expenditure consisted of £1,226,177 staff costs and £128,454 other costs.

In 2019, support expenditure consisted of £458,021 staff costs, £198,325 premises costs and £265,957 other costs.

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	3,980	8,523
Depreciation of tangible fixed assets	35,375	32,140
Fees paid to Auditors for:		
- audit	4,635	4,500
- other services	4,615	4,660
	<u>4,615</u>	<u>4,660</u>

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9. Charitable Activities

	2020 £	2019 £
Direct costs	1,450,147	1,354,631
Support costs	862,266	922,303
	2,312,413	2,276,934
	2,312,413	2,276,934
	2020 £	2019 £
Analysis of support costs		
Support staff costs	413,167	458,021
Depreciation	35,375	32,140
Governance costs	13,335	5,310
Technology costs	3,667	8,658
Premises costs	142,877	166,185
Other support costs	253,845	251,989
	862,266	922,303
	862,266	922,303

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,315,405	1,282,237
Social security costs	90,625	86,682
Pension costs	360,433	302,492
	1,766,463	1,671,411
Agency staff costs	8,535	12,787
	1,774,998	1,684,198
	1,774,998	1,684,198

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10. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	18	18
Administration and support	44	43
Management	6	6
	68	67
	68	67

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £70,001 - £80,000	1	1
	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £334,678 (2019 £311,901).

Included in the above are employer pension contributions of £57,823 (2019: £40,809) and employer national insurance contributions of £28,552 (2019: £27,703).

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11. Trustees' remuneration and expenses

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

		2020	2019
		£	£
Miss S McGuiggan, Headteacher	Remuneration	75,000 -	75,000 -
		80,000	80,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Mrs S Ennifer, Staff Governor	Remuneration	35,000 -	35,000 -
		40,000	40,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
Mr G Oliver, Staff Governor	Remuneration	25,000 -	25,000 -
		30,000	30,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was included in the total insurance cost.

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13. Tangible fixed assets

	Furniture and equipment £
Cost or valuation	
At 1 September 2019	298,001
Additions	17,748
	315,749
At 31 August 2020	315,749
Depreciation	
At 1 September 2019	153,933
Charge for the year	35,375
	189,308
At 31 August 2020	189,308
Net book value	
At 31 August 2020	126,441
At 31 August 2019	144,068

14. Stocks

	2020 £	2019 £
Catering stock	2,847	2,847

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15. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors (note 28)	102,000	102,000
	102,000	102,000
Due within one year		
Other debtors	51,493	54,555
Prepayments and accrued income	56,358	44,681
VAT repayable	5,134	3,908
	214,985	205,144

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	624
Other taxation and social security	24,851	25,162
Other creditors	87,301	79,047
Accruals and deferred income	39,170	48,451
	151,322	153,284
	2020 £	2019 £
Deferred Income		
Deferred income at 1 September 2019	48,451	41,746
Resources deferred during the year	39,170	48,451
Amounts released from previous periods	(48,451)	(41,746)
	39,170	48,451

At the balance sheet date deferred income relates mainly to Universal Infant Free School meals funding.

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other creditors (Note 28)	102,000	102,000
	102,000	102,000

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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	35,052	133,548	(124,667)	-	-	43,933
Restricted general funds						
General Annual Grant (GAG)	-	1,593,858	(1,576,110)	(17,748)	-	-
Other DfE/ESFA grants	-	278,235	(278,235)	-	-	-
Other Government grants	-	62,928	(62,928)	-	-	-
Trip income	-	30,658	(30,658)	-	-	-
Donation in kind	-	51,000	(51,000)	-	-	-
Pension reserve	(1,014,000)	-	(143,000)	-	(205,000)	(1,362,000)
	<u>(1,014,000)</u>	<u>2,016,679</u>	<u>(2,141,931)</u>	<u>(17,748)</u>	<u>(205,000)</u>	<u>(1,362,000)</u>
Restricted fixed asset funds						
Restricted fixed assets	144,068	-	(35,375)	17,748	-	126,441
DfE/ESFA capital grants	11,670	-	(1,670)	-	-	10,000
Devolved Formula Capital	-	8,770	(8,770)	-	-	-
	<u>155,738</u>	<u>8,770</u>	<u>(45,815)</u>	<u>17,748</u>	<u>-</u>	<u>136,441</u>
Total Restricted funds	<u>(858,262)</u>	<u>2,025,449</u>	<u>(2,187,746)</u>	<u>-</u>	<u>(205,000)</u>	<u>(1,225,559)</u>
Total funds	<u><u>(823,210)</u></u>	<u><u>2,158,997</u></u>	<u><u>(2,312,413)</u></u>	<u><u>-</u></u>	<u><u>(205,000)</u></u>	<u><u>(1,181,626)</u></u>

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18. 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.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	67,446	175,922	(190,261)	(18,055)	-	35,052
	<u>67,446</u>	<u>175,922</u>	<u>(190,261)</u>	<u>(18,055)</u>	<u>-</u>	<u>35,052</u>
Restricted general funds						
General Annual Grant (GAG)	-	1,597,929	(1,597,929)	-	-	-
Other DfE/ESFA grants	-	142,544	(142,544)	-	-	-
Other Government grants	-	66,066	(66,066)	-	-	-
Trip income	-	49,502	(49,502)	-	-	-
Donation in kind	-	51,000	(51,000)	-	-	-
Pension reserve	(723,000)	-	(136,000)	-	(155,000)	(1,014,000)
	<u>(723,000)</u>	<u>1,907,041</u>	<u>(2,043,041)</u>	<u>-</u>	<u>(155,000)</u>	<u>(1,014,000)</u>
Restricted fixed asset funds						
Restricted fixed assets	158,153	-	(32,140)	18,055	-	144,068
DfE/ESFA capital grants	-	23,162	(11,492)	-	-	11,670
	<u>158,153</u>	<u>23,162</u>	<u>(43,632)</u>	<u>18,055</u>	<u>-</u>	<u>155,738</u>
Total Restricted funds	<u>(564,847)</u>	<u>1,930,203</u>	<u>(2,086,673)</u>	<u>18,055</u>	<u>(155,000)</u>	<u>(858,262)</u>
Total funds	<u><u>(497,401)</u></u>	<u><u>2,106,125</u></u>	<u><u>(2,276,934)</u></u>	<u><u>-</u></u>	<u><u>(155,000)</u></u>	<u><u>(823,210)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	126,441	126,441
Debtors due after more than one year	-	102,000	-	102,000
Current assets	43,933	151,322	10,000	205,255
Creditors due within one year	-	(151,322)	-	(151,322)
Creditors due in more than one year	-	(102,000)	-	(102,000)
Provisions for liabilities and charges	-	(1,362,000)	-	(1,362,000)
Total	<u>43,933</u>	<u>(1,362,000)</u>	<u>136,441</u>	<u>(1,181,626)</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	144,068	144,068
Debtors due after more than one year	102,000	-	-	102,000
Current assets	188,336	-	11,670	200,006
Creditors due within one year	(153,284)	-	-	(153,284)
Creditors due in more than one year	(102,000)	-	-	(102,000)
Provisions for liabilities and charges	-	(1,014,000)	-	(1,014,000)
Total	<u>35,052</u>	<u>(1,014,000)</u>	<u>155,738</u>	<u>(823,210)</u>

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20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(153,416)	(170,809)
Adjustments for:		
Depreciation	35,375	32,140
Capital grants from DfE and other capital income	(8,770)	(23,162)
Interest receivable	(87)	(106)
(Increase)/decrease in debtors	(9,841)	10,151
(Decrease)/increase in creditors	(1,962)	1,588
Defined benefit pension adjustment	143,000	136,000
Net cash provided by/(used in) operating activities	4,299	(14,198)

21. Cash flows from financing activities

	2020 £	2019 £
Interest received	87	106
Net cash provided by financing activities	87	106

22. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(17,748)	(18,055)
Capital grants from DfE Group	8,770	23,162
Net cash (used in)/provided by investing activities	(8,978)	5,107

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	89,423	94,015
Total cash and cash equivalents	89,423	94,015

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24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	94,015	(4,592)	89,423
	94,015	(4,592)	89,423
	94,015	(4,592)	89,423

25. Pension commitments

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

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

Contributions amounting to £25,631 were payable to the schemes at 31 August 2020 (2019 - £22,547) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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25. Pension commitments (continued)

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £127,759 (2019 - £86,668).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £141,000 (2019 - £128,000), of which employer's contributions totalled £109,000 (2019 - £98,000) and employees' contributions totalled £ 32,000 (2019 - £30,000). The agreed contribution rates for future years are between 19.7% and 17.7% per cent for employers and between 7.5% and 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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25. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.25	3.7
Rate of increase for pensions in payment/inflation	2.25	2.2
Discount rate for scheme liabilities	1.65	1.9

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

	2020 Years	2019 Years
Retiring today		
Males	21.8	21.3
Females	23.8	23.6
Retiring in 20 years		
Males	23.2	23.0
Females	25.2	25.4

As at 31 August 2020 the Academy Trust had a pension liability of £1,362,000 (2019 - £1,014,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(63)	(50)
Discount rate -0.1%	65	52
Mortality assumption - 1 year increase	83	70
Mortality assumption - 1 year decrease	(80)	(68)
CPI rate +0.1%	62	46
CPI rate -0.1%	60	(45)

Share of scheme assets

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25. Pension commitments (continued)

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

	2020 £	2019 £
Equities	610,000	565,000
Gilts	42,000	49,000
Other bonds	55,000	50,000
Property	76,000	72,000
Cash and other liquid assets	27,000	26,000
Alternative assets	114,000	88,000
Other managed funds	60,000	46,000
Total market value of assets	<u>984,000</u>	<u>896,000</u>

The actual return on scheme assets was £26,000 (2019 - £44,000).

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

	2020 £	2019 £
Current service cost	(232,000)	(190,000)
Past service cost	-	(26,000)
Interest income	18,000	20,000
Interest cost	(37,000)	(38,000)
Administrative expenses	(1,000)	-
Total amount recognised in the Statement of Financial Activities	<u>(252,000)</u>	<u>(234,000)</u>

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

	2020 £	2019 £
At 1 September	1,910,000	1,437,000
Interest cost	37,000	38,000
Employee contributions	32,000	30,000
Actuarial losses	138,000	199,000
Past service costs	-	26,000
Current service costs	232,000	190,000
Benefits paid	(3,000)	(10,000)
At 31 August	<u>2,346,000</u>	<u>1,910,000</u>

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25. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	896,000	714,000
Administration expenses	(1,000)	-
Interest income	18,000	20,000
Actuarial (losses)/gains	(67,000)	44,000
Employer contributions	109,000	98,000
Employee contributions	32,000	30,000
Benefits paid	(3,000)	(10,000)
At 31 August	<u>984,000</u>	<u>896,000</u>

26. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	3,980	8,523
Later than 1 year and not later than 5 years	5,970	9,950
	<u>9,950</u>	<u>18,473</u>

27. 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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28. Related party transactions

Owing to the nature of the Academy 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 the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Trust received £10,954 (2019 - £14,616) 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 £232 (2019 - £NIL).

During the year the Trust paid £376 to Safowa Events Ltd, an event company which the Trustee Asare Owusu-Boateng is employed, toward the costs of running club for children from key workers during the lockdown. The amount owed to them at the year end was £NIL (2019 - £NIL).

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 and creditors is a donation in kind receivable and payable 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 £5,590 (2019 - £18,060) 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.

There were no other related party transactions (2019: £Nil).