

HOLY CROSS CATHOLIC PRIMARY ACADEMY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1
Trustees' Report	2 - 7
Governance Statement	8 - 10
Statement on Regularity, Propriety and Compliance	11
Trustees' Responsibilities Statement	12
Independent Auditors' Report	13 - 14
Independent Reporting Accountant's Assurance Report on Regularity	15 - 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20 - 34

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	The Right Reverend A Williams The Brentwood Diocesan Trust Chair of Governors - ex officio
Trustees	Mr N Long, Chair of Governors - Foundation Governor Mrs F Tuohy, Vice Chair of Governors - Foundation Governor (resigned 1 July 2015) Miss S McGuiggan, Headteacher - Foundation Governor Mr D Frampton, Foundation Governor Mrs K Irtelli, Foundation Governor (resigned 31 August 2015) Dr J Louis, Parent Governor (resigned 1 July 2015) Mrs M Nabil, Staff Governor Mr G Oliver, Staff Governor Mr M Samuels, Parent Governor Mrs C Selwood, Chair of Finance - Foundation Governor Fr B Soley, Parish Priest - Foundation Governor Mrs A Tierney, Authority Governor Mrs C Dundridge, Parent Governor (appointed 5 September 2014, resigned 1 October 2014)
Company registered number	07696114
Registered and principal office	Holy Cross Catholic Primary Academy Tracyes Road Harlow Essex CM18 6JJ
Company Secretary	Mrs Kerry Clark
Chief Executive Officer	Miss S McGuiggan
Senior Leadership Team	Miss S McGuiggan, Headteacher Mr S Kelliher, Deputy Headteacher Mrs K Clark, Business Manager
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds TSB East Gate PO Box 1000 Harlow BX1 1LT

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

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 2015.

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 of the Trust. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable.

Governance

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

Member's liability

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

Trustee Indemnities

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

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 £25,000,000 on any one claim.

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 334 pupils.

Method of recruitment and appointment or election of Trustees

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

Policies and Procedures adopted for the induction and training of Trustees

All Trustees are given the opportunity to attend training sessions. At the beginning of the 2014/15 academic year a number of sessions were held for our Trustees covering the main elements of the position, including the legal framework and Trustee responsibilities. Each year all members of the Board of 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 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 the role and responsibilities of Trustees.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

- 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 and reporting, 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

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. 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 Academy.

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.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and aim of the Charitable Company 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 Academy'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 expended;

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- complying with all appropriate statutory and curriculum requirements;
- maintaining close links with industry and commerce;
- conducting the Academy's business in accordance with the highest standards of integrity, probity and openness;
- consolidating the Academy's newly acquired Academy status and enjoy a smooth transition to new systems and a new compliance framework; and
- making effective cross curricular use of IT through purchase of new server and associated equipment.

We are an average size primary school, which serves local parish communities. Just under half of the pupils come from a minority ethnic background. This is significantly above the national average. About 38% of pupils (above national average), are from families where English is not the home language. The largest percentage is of African heritage. Very few pupils are at an early stage of learning English. The proportion of disabled pupils or those at School Action Plus is close to that found in schools nationally as is the proportion of pupils with a Statement of Need. Those eligible for free school meals is 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 full board and finance committee:

- liaising with LA over revenue funding for significant numbers of children admitted to the Academy in 14/15 under Basic Need provision;
- monitoring the building and completion of the extension to be completed on time and within budget;
- monitor and oversee the kitchen upgrade to cope with the demand of universal school free meals;
- implement the new curriculum and new assessment grades;
- recruiting Foundation Trustees with skills that are needed to complement the skills base we already have; and
- ensuring consistency of approach with additional pupils and staff.

Review of effectiveness

A core group of four Trustees was set up to produce a Trustees Evaluation Plan, this is an ongoing working document. The initial plan was shared with the School Development Officer and feedback was given, for Trustees to develop their roles and monitoring responsibilities. Having completed this process the Board of Trustees have decided next year to go for The Essex Governor Kitemark.

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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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.

Sats results for 2015 Key Stage 2 of those children who entered KS2 sats:

Reading level 4 and above – 93%
Reading level 5 and above – 57%
Writing (TA) level 4 and above – 90%
Writing (TA) level 5 and above – 20 %
Maths level 4 and above – 93%
Maths level 5 and above – 27%

Percentage of children making 2 levels progress in Reading is 96.7%, Writing is 96.7% and Maths is 100%.
Percentage of children making 3 levels progress in Reading is 53.3%, Writing is 20% and Maths is 20%.
The Academy is currently expanding to two forms of entry. Full capacity will be reached by 2018.

Going concern

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

FINANCIAL REVIEW

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the EFA. For the year ended 31 August 2015 the Trust received £1,265,393 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. Unrestricted funds (including fixed assets) have an estimated surplus of £21,627 carried forward.

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 EFA, 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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

Reserves policy

The Trustees review the cash 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 cash reserves. The Trustees have determined that the appropriate level of free cash reserves should usually be equivalent to one month's net salary expenditure (approximately £60,000). 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. At the year end the amount of cash held fell below this level.

There was some instability in cash flow this financial year owing to revenue funding issues relating to Academy growth. The Academy has received capital funding under Basic Need from the Local Authority to provide additional building for two forms of entry. This expansion and funding was secured after a lengthy research process including analysis of birth and baptismal data and public/stakeholder consultation. Revenue funding has been through Local Authority Basic Need.

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 FRS17, the Academy is recognising a significant pension fund deficit of £348,000 (2014 - £310,000). 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 £15,573 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.

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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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;
- ensure all pupils are fully involved in the learning process through effective use of assessment for learning strategies;
- further enhance links with local community and parish through initiatives like arranging senior citizen's Christmas lunch, international week. The Choir are working closely with the Royal British Legion on their Festival of Remembrance at The Playhouse and other events. Harvest collection for Streets2Homes, the School Council took all the items that were collected and found out how Streets2Homes run;
- further develop links outside of our local community for example, continuing the outstanding collaborative work that exists between our Academy and St Winefride's school in East London and the very positive link and outreach work within our twin parish in South Africa. Further links have been established and enhanced with Harlow Consortium schools and our partnership with the West Essex Teaching School Alliance and our work as a Partner School for Schools Direct; and
- continue to develop enrichment of the curriculum of practical first hand experience such as residential and day educational excursions.

PROVISION OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

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

Approved by the Board of Trustees on 14 December 2015 and signed on its behalf by:

Mrs C Selwood
Governor

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The 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 Holy Cross Catholic Primary Academy 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 Trustees' Responsibilities Statement. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Long	3	3
Mrs F Tuohy	2	3
Miss S McGuiggan	3	3
Mr D Frampton	3	3
Mrs K Irtelli	0	0
Dr J Louis	1	3
Mrs M Nabil	2	3
Mr G Oliver	3	3
Mr M Samuels	3	3
Mrs C Selwood	3	3
Fr B Soley	0	3
Mrs A Tierney	3	3
Mrs C Dundridge	1	3

Fr B Soley was unable to make the Trustees meetings due to Parish duties.

The major challenge faced by the Board of Trustees this year was planning for the increase in capacity and the pressures that has placed on finances.

Governance reviews:

A Trustee self evaluation was undertaken during the 2013/14 academic year and an action plan was put into place.

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Long	3	3
Miss S McGuiggan	3	3
Mr D Frampton	3	3
Mr G Oliver	3	3
Mr M Samuels	3	3
Mrs C Selwood	3	3
Mrs A Tierney	3	3

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

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the 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 available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- **Targeted Improvement:**
We review our staffing structure and needs on an annual basis to enable us to fully support the needs of our children. In 2014-15 a strategic decision from the previous year was continued to provide specialist support for Year 6 pupils. This enabled staff to more specifically tailor the teaching to the needs of the pupils as well as providing extra one to one support for those pupils in most need. We reviewed the success of this initiative last year to inform our decision to continue.

- **Collaboration:**
We continue to subscribe to the Harlow Educational Consortium which enables us to access high quality CPD, share good practice and other support from this organisation comprising of 39 schools and academies. It also provides a very important function procuring services on behalf of its members and exercising principles of Best Value. Our partnership with Diocesan schools continues to flourish and this year saw significant joint initiatives with two schools in particular.

- **New Initiatives:**
Partnership with St Marks, this is saving money as we are using the teachers from St Marks to enhance the specialist teaching here, i.e Drama.
We completed an audit on the current photocopiers and realised that they were not cost effective, so decided to change photocopiers to a new contract. The new copies are audited regularly to keep costs down.
Hold joint inset days with other schools to reduce cost.
Joint procurement from Harlow Consortium.
Hire out our expertise in particular with our Food For Life status and International Excellence status.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holy Cross Catholic Primary Academy for the year 1 September 2014 to 31 August 2015 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 Academy 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

- Financial management
- Security
- Banking
- Payroll
- Financial returns
- Income
- Fixed assets
- Expenditure
- Petty cash

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

Essex County Council delivered their schedule of works as planned.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by the Board of Trustees on 14 December 2015 and signed on its behalf, by:

Mrs C Selwood
Governor

Miss S McGuigan
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Holy Cross Catholic Primary Academy I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 (2014).

I confirm that I and the Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.

Miss S McGuiggan
Accounting Officer

Date: 14 December 2015

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

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

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

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

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

Approved by the Board of Trustees on 14 December 2015 and signed on its behalf by:

Mrs C Selwood
Governor

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

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

We have audited the financial statements of Holy Cross Catholic Primary Academy for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Members those matters we are required to state to them in an 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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
15 December 2015

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

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

In accordance with the terms of our engagement letter dated 8 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Holy Cross Catholic Primary Academy and EFA, 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 INDEPENDANT 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gary Miller (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

15 December 2015

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

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	10,717	81,162	74,738	166,617	87,983
Activities for generating funds	3	89,985	-	-	89,985	82,457
Investment income		86	-	-	86	116
Incoming resources from charitable activities	4	-	1,251,590	13,803	1,265,393	1,017,358
TOTAL INCOMING RESOURCES		100,788	1,332,752	88,541	1,522,081	1,187,914
RESOURCES EXPENDED						
Charitable activities	6	97,323	1,358,785	31,635	1,487,743	1,229,545
Governance costs	7	-	8,463	-	8,463	7,100
TOTAL RESOURCES EXPENDED	5	97,323	1,367,248	31,635	1,496,206	1,236,645
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		3,465	(34,496)	56,906	25,875	(48,731)
Transfers between funds	17	-	(2,504)	2,504	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		3,465	(37,000)	59,410	25,875	(48,731)
Actuarial gains and losses on defined benefit pension schemes		-	(1,000)	-	(1,000)	6,000
NET MOVEMENT IN FUNDS FOR THE YEAR		3,465	(38,000)	59,410	24,875	(42,731)
Total funds at 1 September 2014		18,162	(310,000)	44,556	(247,282)	(51,551)
Prior year adjustment (Note 16)		-	153,000	-	153,000	-
TOTAL FUNDS AT 31 AUGUST 2015		21,627	(195,000)	103,966	(69,407)	(94,282)

All activities relate to continuing operations.

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

The notes on pages 20 to 34 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 2015**

	Note	£	2015 £	£	As restated 2014 £
FIXED ASSETS					
Tangible assets	12		196,037		136,627
CURRENT ASSETS					
Stocks	13	2,352		750	
Debtors	14	253,807		201,962	
Cash at bank and in hand		39,394		21,078	
			<u>295,553</u>	<u>223,790</u>	
CREDITORS: amounts falling due within one year	15	(212,997)		(144,699)	
NET CURRENT ASSETS			<u>82,556</u>	<u>79,091</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>278,593</u>	<u>215,718</u>	
Defined benefit pension scheme liability	22		(348,000)		(310,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY			<u>(69,407)</u>	<u>(94,282)</u>	
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds - donation in kind	17	153,000		153,000	
Restricted funds	17	-		-	
Restricted fixed asset funds	17	103,966		44,556	
			<u>256,966</u>	<u>197,556</u>	
Restricted funds excluding pension liability					
Pension reserve		(348,000)		(310,000)	
			<u>(91,034)</u>	<u>(112,444)</u>	
Total restricted funds					
Unrestricted funds	17		21,627		18,162
TOTAL DEFICIT			<u>(69,407)</u>	<u>(94,282)</u>	

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2015 and are signed on their behalf, by:

Mrs C Selwood
Governor

The notes on pages 20 to 34 form part of these financial statements.

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	36,360	51,005
Returns on investments and servicing of finance - interest received		86	116
Capital expenditure		(18,130)	(34,658)
INCREASE IN CASH IN THE YEAR		<u>18,316</u>	<u>16,463</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	<u>18,316</u>	<u>16,463</u>
MOVEMENT IN NET FUNDS IN THE YEAR	18,316	16,463
Net funds at 1 September 2014	<u>21,078</u>	<u>4,615</u>
NET FUNDS AT 31 AUGUST 2015	<u>39,394</u>	<u>21,078</u>

The notes on pages 20 to 34 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 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' published in March 2005 (SORP), the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. Those Members who are Trustees are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Academy.

1.3 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the DfE.

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy being notified of an impending distribution or the legacy being received.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and the assumption is based upon receiving a short term advance from the EFA to cover the deficit on unrestricted funds. As stated in the reserves policy, the Academy plans to secure future financial stability through increased revenue from additional pupils, refined accountancy 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.

1.7 Tangible fixed assets and depreciation

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

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

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

Premises improvements	-	50 years straight line
Furniture and equipment	-	5 - 10 years straight line

1.8 Operating leases

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

1.9 Stocks

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.10 Taxation

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

1.11 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 and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a pension interest adjustment in Note 6. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Donations	10,717	104,900	115,617	36,983
Notional rent (see note 24)	-	51,000	51,000	51,000
	<u>10,717</u>	<u>155,900</u>	<u>166,617</u>	<u>87,983</u>
Voluntary income	<u>10,717</u>	<u>155,900</u>	<u>166,617</u>	<u>87,983</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering income	28,545	-	28,545	50,591
Other income	61,440	-	61,440	31,866
	<u>89,985</u>	<u>-</u>	<u>89,985</u>	<u>82,457</u>
	<u>89,985</u>	<u>-</u>	<u>89,985</u>	<u>82,457</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants			
General Annual Grant (GAG)	931,932	931,932	885,903
Other DfE / EFA grants	132,677	132,677	42,127
	<u>1,064,609</u>	<u>1,064,609</u>	<u>928,030</u>
Other government grants			
Local Authority grants	198,384	198,384	89,328
	<u>198,384</u>	<u>198,384</u>	<u>89,328</u>
Other funding			
Other grants	2,400	2,400	-
	<u>2,400</u>	<u>2,400</u>	<u>-</u>
	<u>1,265,393</u>	<u>1,265,393</u>	<u>1,017,358</u>

5. RESOURCES EXPENDED

	Staff costs 2015 £	Non pay expenditure		Total 2015 £	As restated Total 2014 £
		Premises 2015 £	Other costs 2015 £		
Provision of education- direct costs	810,399	-	124,234	934,633	719,516
Provision of education- support costs	275,952	152,545	124,613	553,110	510,029
Charitable activities	<u>1,086,351</u>	<u>152,545</u>	<u>248,847</u>	<u>1,487,743</u>	<u>1,229,545</u>
Governance	<u>-</u>	<u>-</u>	<u>8,463</u>	<u>8,463</u>	<u>7,100</u>
	<u>1,086,351</u>	<u>152,545</u>	<u>257,310</u>	<u>1,496,206</u>	<u>1,236,645</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. CHARITABLE ACTIVITIES

	Total funds 2015 £	As restated Total funds 2014 £
DIRECT COSTS		
Wages and salaries	664,121	524,843
National insurance	48,923	32,385
Pension cost	97,355	79,995
Educational supplies	46,976	27,043
Staff development	10,265	12,235
Educational consultancy	5,866	795
Educational visits	30,050	31,407
Other costs	1,017	1,642
Agency supply	30,060	9,171
	<u>934,633</u>	<u>719,516</u>
SUPPORT COSTS		
Wages and salaries	225,380	188,660
National insurance	9,023	13,299
Pension cost	41,549	28,976
Depreciation	17,832	9,530
FRS 17 adjustment	10,000	12,000
Technology costs	9,652	7,620
Other costs	3,646	9,225
Recruitment & support	1,544	2,803
Maintenance of premises & equipment	22,373	23,000
Cleaning	3,069	4,208
Rates	3,787	3,633
Energy	3,918	-
Insurance	7,581	2,162
Security	2,268	1,654
Catering	46,186	35,161
Occupancy costs	12,363	35,977
Bank Interest & charges	633	64
Printing, postage & stationery	14,446	16,594
Telephone costs	8,389	9,387
Hire costs	-	1,247
Subscriptions	6,226	3,220
Professional fees	52,245	50,609
Notional rent (see note 24)	51,000	51,000
	<u>553,110</u>	<u>510,029</u>
	<u>1,487,743</u>	<u>1,229,545</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	3,750	3,500
Auditors' non audit costs	4,713	3,600
	8,463	7,100
	8,463	7,100

8. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned or leased by the Academy	17,832	9,530
	17,832	9,530
	17,832	9,530

9. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	889,501	713,503
Social security costs	57,946	45,684
Other pension costs	138,904	108,971
	1,086,351	868,158
	1,086,351	868,158

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	8	5
Administration and support	13	12
Management	7	6
	28	23
	28	23

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £ 60,001 - £ 70,000	1	1
	<u> </u>	<u> </u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £9,774 (2014: £9,775)

10. TRUSTEES' REMUNERATION AND EXPENSES

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

S McGuiggan (Headteacher and Trustee)

Remuneration £65,000-£70,000 (2014: £65,000-£70,000)

Employer's Pension contribution £5,000-£10,000 (2014: £5,000-£10,000)

M Nabil (Staff Trustee)

Remuneration £35,000-£40,000 (2014: £35,000-£40,000)

Employer's Pension contribution £0-£5,000 (2014: £0-£5,000)

G Oliver (Staff Trustee)

Remuneration £25,000-£30,000 (2014: £25,000-£30,000)

Employer's Pension contribution £0-£5,000 (2014: £0-£5,000)

During the year ended 31 August 2015, expenses totalling £596 (2014 - £NIL) were reimbursed to 1 Trustee (2014 - None), in their role as a member of staff.

Other related party transactions involving the Trustees are set out in note 24.

11. 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. The cost of this insurance is included in the total insurance cost.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. TANGIBLE FIXED ASSETS

	Premises improvements £	Furniture and equipment £	Total £
Cost			
At 1 September 2014	60,090	101,954	162,044
Additions	-	77,242	77,242
At 31 August 2015	<u>60,090</u>	<u>179,196</u>	<u>239,286</u>
Depreciation			
At 1 September 2014	2,588	22,829	25,417
Charge for the year	1,202	16,630	17,832
At 31 August 2015	<u>3,790</u>	<u>39,459</u>	<u>43,249</u>
Net book value			
At 31 August 2015	<u>56,300</u>	<u>139,737</u>	<u>196,037</u>
At 31 August 2014	<u>57,502</u>	<u>79,125</u>	<u>136,627</u>

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

13. STOCKS

	2015 £	2014 £
Catering stock	<u>2,352</u>	<u>750</u>

14. DEBTORS

	2015 £	As restated 2014 £
Due after more than one year		
Other debtors (see note 24)	102,000	102,000
Due within one year		
VAT repayable	5,391	5,937
Other debtors	113,440	51,000
Prepayments and accrued income	32,976	43,025
	<u>253,807</u>	<u>201,962</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	24,718	16,352
Other taxation and social security	13,974	13,948
Repayable EFA Funding	60,141	-
Other creditors	13,584	6,244
Accruals and deferred income	100,580	108,155
	212,997	144,699
	212,997	144,699

Deferred income

Deferred income at 1 September 2014		101,084
Resources deferred during the year		43,953
Amounts released from previous years		(101,084)
		43,953
Deferred income at 31 August 2015		43,953

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

16. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made to recognise a donation in kind receivable which represents the commitment by the Diocese of Brentwood to provide land and buildings on a rent free basis for 36 months which had not been previously recognised.

The effect has been to recognise an asset valued at £153,000 from the date of conversion to an Academy Trust.

17. STATEMENT OF FUNDS

	Brought forward as restated	Incoming resources	Resources expended	Transfers in/out	Gains/ (losses)	Carried forward
	£	£	£	£	£	£
Unrestricted funds						
Fixed assets	92,071	-	-	-	-	92,071
Unrestricted funds	(73,909)	100,788	(97,323)	-	-	(70,444)
	18,162	100,788	(97,323)	-	-	21,627
	18,162	100,788	(97,323)	-	-	21,627
Restricted funds						
General Annual Grant (GAG)	-	931,932	(929,428)	(2,504)	-	-
Other DfE/EFA grants	-	118,874	(118,874)	-	-	-
Other government grants	-	198,384	(198,384)	-	-	-
Other grants	-	2,400	(2,400)	-	-	-
Educational visits	-	30,162	(30,162)	-	-	-
Donation in kind (see note 24)	153,000	51,000	(51,000)	-	-	153,000
Pension reserve	(310,000)	-	(37,000)	-	(1,000)	(348,000)
	(157,000)	1,332,752	(1,367,248)	(2,504)	(1,000)	(195,000)
	(157,000)	1,332,752	(1,367,248)	(2,504)	(1,000)	(195,000)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Brought forward as restated £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Restricted fixed asset fund	44,556	74,738	(17,832)	2,504	-	103,966
DfE/EFA capital grants	-	13,803	(13,803)	-	-	-
	<u>44,556</u>	<u>88,541</u>	<u>(31,635)</u>	<u>2,504</u>	<u>-</u>	<u>103,966</u>
Total restricted funds	<u>(112,444)</u>	<u>1,421,293</u>	<u>(1,398,883)</u>	<u>-</u>	<u>(1,000)</u>	<u>(91,034)</u>
Total of funds	<u>(94,282)</u>	<u>1,522,081</u>	<u>(1,496,206)</u>	<u>-</u>	<u>(1,000)</u>	<u>(69,407)</u>

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

Other Government Grants

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

Pupil Premium

This represents funding received to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Educational Visits

This represents contributions made by parents for the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

SEN funding

This funding represents income received from the Local Authority for children who have statements in place.

Pension Reserve

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

Restricted Fixed Asset Fund

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

Capital Grants

Capital grants are to be used to maintain and improve its buildings and facilities.

General Annual Grant (GAG)

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

Donation in kind

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought forward as restated £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
General funds	18,162	100,788	(97,323)	-	-	21,627
Restricted funds	(157,000)	1,332,752	(1,367,248)	(2,504)	(1,000)	(195,000)
Restricted fixed asset funds	44,556	88,541	(31,635)	2,504	-	103,966
	<u>(94,282)</u>	<u>1,522,081</u>	<u>(1,496,206)</u>	<u>-</u>	<u>(1,000)</u>	<u>(69,407)</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Tangible fixed assets	92,071	-	103,966	196,037	136,627
Debtors due after more than 1 year	-	102,000	-	102,000	102,000
Current assets	142,553	51,000	-	193,553	121,790
Creditors due within one year	(212,997)	-	-	(212,997)	(144,699)
Provisions for liabilities and charges	-	(348,000)	-	(348,000)	(310,000)
	<u>21,627</u>	<u>(195,000)</u>	<u>103,966</u>	<u>(69,407)</u>	<u>(94,282)</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	25,875	(48,731)
Returns on investments and servicing of finance	(86)	(116)
Depreciation of tangible fixed assets	17,832	9,530
Increase in stocks	(1,602)	-
(Increase)/decrease in debtors	(51,845)	27,324
Increase in creditors	9,186	29,998
FRS 17 adjustments	37,000	33,000
Net cash inflow from operations	<u>36,360</u>	<u>51,005</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	21,078	18,316	-	39,394
Net funds	21,078	18,316	-	39,394

21. 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.

22. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £13,268 were payable to the schemes at 31 August 2015 (2014 - £10,527) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £58,845 (2014: £44,459).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £78,000, of which employer's contributions totalled £58,000 and employees' contributions totalled £20,000. The agreed contribution rates for future years are 12.3% for employers and between 5.5% and 7.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(652,000)	(525,000)
Fair value of scheme assets	304,000	215,000
	<u> </u>	<u> </u>
Net liability	(348,000)	(310,000)
	<u> </u>	<u> </u>

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

	2015 £	2014 £
Current service cost	(85,000)	(68,000)
Interest on obligation	(23,000)	(22,000)
Expected return on scheme assets	13,000	10,000
	<u> </u>	<u> </u>
Total	(95,000)	(80,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	12,000	20,000
	<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	525,000	421,000
Current service cost	85,000	68,000
Interest cost	23,000	22,000
Contributions by scheme participants	20,000	15,000
Benefits paid	(1,000)	(1,000)
	<u>652,000</u>	<u>525,000</u>
Closing defined benefit obligation	<u>652,000</u>	<u>525,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	215,000	138,000
Expected return on assets	13,000	10,000
Actuarial gains and (losses)	(1,000)	6,000
Contributions by employer	58,000	47,000
Contributions by employees	20,000	15,000
Benefits paid	(1,000)	(1,000)
	<u>304,000</u>	<u>215,000</u>
	<u>304,000</u>	<u>215,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £54,000 loss (2014 - £53,000 loss).

The Academy expects to contribute £58,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	65.00 %	64.00 %
Gilts	4.00 %	6.00 %
Other bonds	10.00 %	11.00 %
Property	12.00 %	12.00 %
Cash	2.00 %	3.00 %
Alternative assets	7.00 %	4.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.30 %	5.30 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
Inflation assumption (RPI)	3.60 %	3.50 %

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(652,000)	(525,000)	(421,000)	(304,000)
Scheme assets	304,000	215,000	138,000	60,000
Deficit	(348,000)	(310,000)	(283,000)	(244,000)
Experience adjustments on scheme assets	(1,000)	6,000	9,000	-

23. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	9,062	5,682

24. RELATED PARTY TRANSACTIONS

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

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

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

There were no other related party transactions during the year.