

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

TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 J Odour Mr S Kelliher, Acting Headteacher Mr N Long, Foundation Governor Miss S McGuiggan, Headteacher - Foundation Governor (passed away 9 October 2021) Mr G Oliver, Staff Governor Fr B Soley, Parish Priest - Foundation Governor Mrs A Tierney, Vice Chair - Authority Governor Mr G Dundridge, Foundation Governor Mrs S Ennifer, Staff Governor Mr A Owusu-Boateng, Parent Governor Mrs S Underdown, Foundation Governor Mrs G D Souza, Parent Governor Mrs B Scott, Foundation Governor
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 (passed away 9/10/21) Mr S Kelliher - Acting CEO (Appointed 10/10/21)
Senior Leadership Team	Miss S McGuiggan, Headteacher (passed away 9/10/21) Mr S Kelliher, Deputy Headteacher - Acting Headteacher (appointed 10/10/21) 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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FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

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 2021

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 423 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 2021

Policies and Procedures adopted for the induction and training of Trustees

All Trustees are given the opportunity to attend training sessions and complete online training. Also new Trustees are required to complete "Faithful Governance" online course produced by Brentwood Diocese. 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 Co-ordinator, 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. During the Covid-19 Pandemic this was done through the schools virtual learning environment (V.L.E.), 'its learning', where Trustees could see each class page. Class pages contained worked that had been set, video lessons and examples of work which had been sent in.

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 things pastoral.
- Pay Committee - meets as required but at least once per year.

The Covid-19 committee continued to deal with ever changing guidance from Government and to ensure learning continued during this time whether it was face to face or virtual. 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 with the support of the Senior Leadership Team (SLT). The Headteacher and SLT develop strategies for future development which are put to the Board of Trustees for approval. The SLT meet with the Senior Management Team (SMT) weekly to discuss emerging matters, plan for these and cascade these plans to the Phase Teams. The SMT support the Phase Teams to action points in these plans, monitor and report back to the SLT.

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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 (2020: 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.

Objectives and Activities

Objects and aims

The principal object and aim of the Academy are 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;
"Jesus 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 back-up server and associated equipment.

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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 of 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

- To support wellbeing and mental health across our School community during a period of change and uncertainty following the death of our Headteacher of 20 years coupled with the Covid-19 pandemic
- To ensure that every child has the opportunity to make up all required learning in the absence of 'face to face' teaching during periods of school closure.
- An increasing number of children with additional needs in KS1. These children have SEN needs but do not qualify for funding.
- A noticeable increase in children who are presenting with speech, communication and language difficulties.
- Evidence of social, emotional and mental health issues following national lockdowns.
- National lockdowns have seen an increase in the number of children who are not 'school-ready' in E.Y.F.S.

Review of effectiveness

The Covid-19 committee continued to meet virtually to monitor risk assessments, remote learning and other challenges that were faced during the pandemic. 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 during Covid-19, this has been suspended. We are looking to start this again in the coming year. 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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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's progress.
- Staff performance monitoring.
- Financial health.
- Stakeholder survey outcomes.

Standards:

Attainment for end of academic year 2020-21

The academic year 2020-21 was extremely difficult. Following the national lockdown from March to July 2020, children returned to school in September. Over the autumn term 2020, we had a number of bubbles (whole year groups) shut down & home learning took place. In January 2021, schools shut once again for face to face learning until after Easter. Home learning took place during this time in line with our Remote Education Policy. In light of the above, the data presented below represents teacher assessment for those children who were recognised as being within and above for their respective year group expectations.

	% Reading W+	% Writing W+	% Numeracy W+
Year 1	78	77	79
Year 2	82	80	80
Year 3	80	81	81
Year 4	83	82	88
Year 5	90	87	89
Year 6	82	86	86
EYFS	65	63	72

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Target Summary for end of academic year 2022

	%	%	%	%	%	%	%	%
	Reading S	Reading S+	Writing S	Writing S+	Numeracy	Numeracy S+	Phonics	EGPS
Year 1	80	33	80	24	80	25	88	
Year 2	82	32	82	25	83	25	89 *	
Year 3	87	35	82	30	85	32		
Year 4	83	28	85	28	83	28		
Year 5	91	44	92	41	92	40		
Year 6	92	38	92	33	95	33		92
EYFS	Target setting done in January							

*Cancellation of the phonics screening check in June 2021 means incoming Year 2 pupils did not take the check in Year 1. In the 2021 to 2022 academic year, it is statutory for schools to administer a past version of the phonics screening check to Year 2 pupils during the second half of the 2021 autumn term.

Going concern

After making appropriate enquiries, the Board of Trustees recognise the low level of reserves and the fact that the Trust has run at relatively low level for some years. The Trustees have looked at the forecast and are confident that by monitoring finances extremely closely and making changes where possible, the level of reserves will increase throughout the year ended 31 August 2022. Areas where changes have been made to increase reserves include energy comparisons and external services to get best value for money. New and replacement resources will only be purchased if absolutely essential. The Trustees recognise that its biggest expenditure is staff costs therefore where feasible staff are not being replaced when they leave, this will put pressure on remaining staff but the Trustees consider that for financial reasons this is the best option at the moment. Lettings and hire bring in a lot of income for the school so with the easing of Covid restrictions we are confident that the income from this will increase in the next school year. The friends of Holy Cross have lots of fundraising activities planned to help support the school financially. 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. Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

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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 2021 the Academy received £2,011,758 (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 £3,359.

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.
- 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.

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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 £1,674,000 (2020 - £1,362,000). 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 £188,000 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. 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.

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TRUSTEES' REPORT (CONTINUED)
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The Academy plans to:

- Embed wellbeing and support improved mental health across our School community during a period of change and uncertainty
- Through assessment, quality first teaching and support through School-led tutoring, help children to make up all required learning during periods of School closure due to the Covid-19 pandemic
- Ensure that the teaching of mathematics is consistently good across year groups and classes, ensuring that learning is closely matched to pupils of all abilities
- Ensure that pupils are suitably challenged in all subjects so that more are working at a greater depth than expected for their age
- Continue to focus on increasing the progress of all children within the School, including all vulnerable children, children in E.Y.F.S. & the progress of children in phonics
- To further develop the quality of teaching & assessment of R.E.
- Continue to develop greater breadth & depth across the curriculum with a focus on outdoor learning
- Ensure a robust monitoring programme in line with our School delegation of management responsibility
- Further develop links outside of our local community
- 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2021 and signed on its behalf by:

Mrs C Selwood
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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 training sessions on the Governance Handbook and competency framework for governance, unfortunately due to lock down the training was cancelled new dates were released and some Governors have completed the training. Those Governors who haven't completed it will sign up for the next available sessions.

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Statement of Trustees' Responsibilities. The Board of Trustees has formally met three times 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

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 J Odour	1	3
Mr S Kelliher, Acting Headteacher	0	0
Mr N Long	0	3
Miss S McGuigan	3	3
Mr G Oliver	3	3
Fr B Soley	0	3
Mrs A Tierney	1	3
Mr G Dundridge	1	3
Mrs S Ennifer	3	3
Mr A Owusu-Boateng	3	3
Mrs S Underdown	3	3
Mrs G D Souza	0	3
Mrs B Scott	3	3

Review of year:

It has been a challenging year through the unprecedented conditions created by the Covid-19 pandemic. Senior management operated with and communicated frequently changing guidance whilst enacting new initiatives and developing new ways of working. Support was provided throughout by the Covid-19 Committee which was set up in response to this. Through this committee, Trustees received updates, contributed to Covid-19 risk assessments through their knowledge and supported school management.

Changes required in response to the Covid-19 risk assessment resulted in increased financial costs. These have included: higher water bills, additional signage, the purchase of wall-mounted hand sanitisers, soaps, sanitiser, extra cleaning equipment and chemicals. There were also additional staff costs to cover staff who had to 'shield' and to provide an increased cleaning regime in School.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

When the 'limited opening' of schools ceased, further costs were incurred. and new ways of working to maintain the integrity of 'bubbles' led to an increase in staffing costs.

The School remained open throughout the national lockdown to support the children of keyworkers and vulnerable children.

Staff faced many challenges upon the return of all children to school. Every child had had a different experience of lockdown, there had been bereavement in families, behaviour had changed, communication and social skills had suffered and academic standards had fallen due to a lack of face to face teaching.

Governance reviews:

This has been a challenging year for the Governing Body. Work expectations for Governors have changed and not all have had the facilities to conduct virtual meetings. We have carried out our responsibilities and made sure internal control evaluations were done by Juniper with any points raised being actioned appropriately. All policies that required review were and these were ratified by the Governing Body. We have continued to support the SLT/SMT in managing the School and decisions they have made to create a safe and friendly environment for the children to learn during this pandemic. Governors also monitored the online learning through our VLE, 'Its Learning'. Governors have received or are booked on training for updates on the Academy Trust Handbook (has replaced the Academy Financial Handbook) and New Ofsted Framework and have completed other training through webinars. We are in the process of carrying out a review of governance, which will be evaluated by the NGA. We are looking forward to the return of trustee days where we engage with staff and children.

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 McGuigan	3	3
Mr G Dundridge	3	3
Mr N Long	0	3
Mr A Owusu-Boateng	3	3
Mrs B Scott	2	3
Mr G Oliver	3	3
Mrs A Tierney	1	3

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GOVERNANCE STATEMENT (CONTINUED)

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.

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 Holy Cross Catholic Primary Academy for the year 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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 general purposes 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
- identification and management of risks

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 termly 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. The following issues have arisen from their work:

- The Trust does not currently present a balance sheet as part of the management accounts for trustees. The Trustees responded by stating that the balance sheet appears on the Governors Dashboard Report which is circulated at the GB meetings. A separate balance sheet will be reported to Trustees at future meetings.
- Key Performance Indicators have not been set and reported on regularly. This will be rectified in future meetings.

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 school resource management self-assessment tool;
- 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 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: 14 December 2021

Mr S Kelliher
Acting Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Acting 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 2020.

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 2020.

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.

Mr S Kelliher
Acting Accounting Officer

Date: 15 December 2021

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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;
- 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: 14 December 2021

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 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this Report.

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

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)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Academy.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

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

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

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

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

16 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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 Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, 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 2020 to 31 August 2021 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: 16 December 2021

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 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	2	14,140	59,671	15,038	88,849	106,133
Charitable activities	3	32,548	2,011,758	-	2,044,306	1,973,566
Other trading activities	4	46,965	-	-	46,965	79,211
Investments	5	19	-	-	19	87
Total income		93,672	2,071,429	15,038	2,180,139	2,158,997
Expenditure on:						
Charitable activities	6	134,246	2,259,429	41,969	2,435,644	2,312,413
Total expenditure		134,246	2,259,429	41,969	2,435,644	2,312,413
Net movement in funds before other recognised gains/(losses)		(40,574)	(188,000)	(26,931)	(255,505)	(153,416)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(124,000)	-	(124,000)	(205,000)
Net movement in funds		(40,574)	(312,000)	(26,931)	(379,505)	(358,416)
Reconciliation of funds:						
Total funds brought forward		43,933	(1,362,000)	136,441	(1,181,626)	(823,210)
Net movement in funds		(40,574)	(312,000)	(26,931)	(379,505)	(358,416)
Total funds carried forward		3,359	(1,674,000)	109,510	(1,561,131)	(1,181,626)

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

The notes on pages 28 to 51 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	109,510	126,441
Current assets			
Stocks	13	2,847	2,847
Debtors	14	201,721	215,775
Cash at bank and in hand		53,066	89,423
		<u>257,634</u>	<u>308,045</u>
Creditors: amounts falling due within 1 year	15	(152,275)	(152,112)
Net current assets		<u>105,359</u>	<u>155,933</u>
Total assets less current liabilities		<u>214,869</u>	<u>282,374</u>
Creditors: amounts falling due after more than one year	16	(102,000)	(102,000)
Net assets excluding pension liability		<u>112,869</u>	<u>180,374</u>
Defined benefit pension scheme liability	24	(1,674,000)	(1,362,000)
Total net liabilities		<u>(1,561,131)</u>	<u>(1,181,626)</u>
Restricted funds:			
Fixed asset funds	17	109,510	136,441
Restricted funds excluding pension liability	17	<u>109,510</u>	<u>136,441</u>
Pension reserve	17	(1,674,000)	(1,362,000)
Total restricted funds	17	<u>(1,564,490)</u>	<u>(1,225,559)</u>
Unrestricted income funds	17	3,359	43,933
Total funds		<u>(1,561,131)</u>	<u>(1,181,626)</u>

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 24 to 51 were approved by the Trustees, and authorised for issue on 14 December 2021 and are signed on their behalf, by:

Mrs C Selwood
Chair of Trustees

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The notes on pages 28 to 51 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(34,168)	4,299
Cash flows from investing activities	21	(2,208)	(8,978)
Cash flows from financing activities	20	19	87
Change in cash and cash equivalents in the year		(36,357)	(4,592)
Cash and cash equivalents at the beginning of the year		89,423	94,015
Cash and cash equivalents at the end of the year	22, 23	<u>53,066</u>	<u>89,423</u>

The notes on pages 28 to 51 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 2021

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 2020 to 2021 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 £1,561,131. These liabilities are caused by the LGPS pension deficit of £1,674,000. 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.

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, Tracys 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 2021

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 2021

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:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 14. 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 15 and 16. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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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 27, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	14,140	8,671	6,200	29,011	46,363
Donation in kind (note 28)	-	51,000	-	51,000	51,000
Capital grants	-	-	8,838	8,838	8,770
	<u>14,140</u>	<u>59,671</u>	<u>15,038</u>	<u>88,849</u>	<u>106,133</u>
Total 2020	<u>15,705</u>	<u>81,658</u>	<u>8,770</u>	<u>106,133</u>	

In 2020, income from donations was £46,363, of which £15,705 was unrestricted and £30,658 was restricted.

In 2020, income relating to the donation in kind of £51,000 related to restricted funds only.

In 2020, capital grants of £8,770 were in relation to restricted fixed assets.

The academy received £8,838 of funding for catch-up premium and costs incurred in respect of this funding totalled £8,838.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Funding for the Academy's provision of education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,638,192	1,638,192	1,578,018
Other DfE/ESFA grants				
Coronavirus exceptional support	-	-	-	9,905
Digital Education Platform Grant	-	1,500	1,500	-
Rates Relief	-	19,426	19,426	7,781
Pupil Premium	-	90,361	90,361	91,457
PE & Sports Premium	-	19,710	19,710	19,650
UFSM	-	65,653	65,653	86,296
Teacher's Pay Grant	-	20,414	20,414	20,534
Teacher's Pension Grant	-	57,676	57,676	58,452
Covid Catch-Up	-	34,080	34,080	-
	-	-	1,947,012	1,872,093
Other Government grants				
Local Authority Grant	-	64,746	64,746	62,928
	-	64,746	64,746	62,928
Other income from the Academy's provision of education				
Catering Income	32,548	-	32,548	38,545
	32,548	-	32,548	38,545
	32,548	2,011,758	2,044,306	1,973,566
Total 2020	38,545	1,935,021	1,973,566	

In 2020, income from the DfE/ESFA was £1,862,188, all of which was restricted. In 2020, an exceptional Government grant was received for Coronavirus exceptional support of £9,905, all of which was restricted.

In 2020, income from Other Government grants was £62,928, all of which was restricted.

In 2020, income from catering was £38,845 of which all was unrestricted.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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4. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	1,805	1,805	160
Other income	18,633	18,633	41,280
Club income	26,527	26,527	37,771
	<u>46,965</u>	<u>46,965</u>	<u>79,211</u>
Total 2020	<u>79,211</u>	<u>79,211</u>	

Income from other trading activities in 2020 was unrestricted.

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest receivable	<u>19</u>	<u>19</u>	<u>87</u>
Total 2020	<u>87</u>	<u>87</u>	

Investment income in 2020 was unrestricted.

HOLY CROSS CATHOLIC PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Provision of Education:					
Direct costs	1,487,460	30,298	11,825	1,529,583	1,354,631
Support costs	458,686	196,358	251,017	906,061	922,303
	<u>1,946,146</u>	<u>226,656</u>	<u>262,842</u>	<u>2,435,644</u>	<u>2,276,934</u>
Total 2020	<u>1,774,998</u>	<u>178,252</u>	<u>323,684</u>	<u>2,276,934</u>	

In 2021, of the total expenditure, £134,246 (2020: £124,667) was made from unrestricted funds, £2,259,429 (2020: £2,141,931) was made from restricted funds, and £41,969 (2020: £45,815) was made from restricted fixed asset funds.

In 2020, direct expenditure consisted of £1,361,831 staff costs and £88,316 other costs.

In 2020, support expenditure consisted of £413,167 staff costs, £178,252 premises costs and £270,847 other costs.

7. Charitable Activities

	2021 £	2020 £
Direct costs	1,529,583	1,450,147
Support costs	906,061	862,266
	<u>2,435,644</u>	<u>2,312,413</u>
	2021 £	2020 £
Analysis of support costs		
Support staff costs	458,686	413,167
Depreciation	34,177	35,375
Governance costs	5,675	13,335
Technology costs	16,911	3,667
Premises costs	162,181	142,877
Other support costs	228,431	253,845
	<u>906,061</u>	<u>862,266</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Net expenditure

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	3,980	3,980
Depreciation of tangible fixed assets	34,177	35,375
Fees paid to Auditors for:		
- audit	4,775	4,635
- other services	4,750	4,615
	<u> </u>	<u> </u>

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,399,744	1,315,405
Social security costs	99,349	90,625
Pension costs	442,677	360,433
	<u> </u>	<u> </u>
	1,941,770	1,766,463
Agency staff costs	4,376	8,535
	<u> </u>	<u> </u>
	<u>1,946,146</u>	<u>1,774,998</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	15	18
Administration and support	44	44
Management	3	6
	<u> </u>	<u> </u>
	<u>62</u>	<u>68</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

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 £346,472 (2020: £334,678).

Included in the above are employer pension contributions of £40,940 (2020: £57,823) and employer national insurance contributions of £19,401 (2020: £28,552).

10. 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:

		2021 £	2020 £
Miss S McGuiggan, Headteacher	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	10,000 -
Mrs S Ennifer, Staff Governor		20,000	15,000
	Remuneration	40,000 -	35,000 -
		45,000	40,000
Mr G Oliver, Staff Governor	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
	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 2021, Trustee expenses of £30 have been incurred (2020 - £NIL).

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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 and the cost for the year ended 31 August 2021 was included in the total insurance cost.

12. Tangible fixed assets

	Furniture and equipment £
Cost or valuation	
At 1 September 2020	315,749
Additions	17,246
	<hr/>
At 31 August 2021	332,995
	<hr/>
Depreciation	
At 1 September 2020	189,308
Charge for the year	34,177
	<hr/>
At 31 August 2021	223,485
	<hr/>
Net book value	
At 31 August 2021	109,510
	<hr/> <hr/>
At 31 August 2020	126,441
	<hr/> <hr/>

Improvements to the Academy's land and buildings, with a total cost of £17,992, were identified within expenditure that would usually be capitalised and classed as an addition in the Fixed Asset Register. However following the AAD 2020/21, due to the Academy's land and buildings being owned by the Diocese of Brentwood, these improvements to the diocesan property occupied by the Academy Trust are to be included as expenditure in the SOFA.

13. Stocks

	2021 £	2020 £
Catering stock	2,847	2,847
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors (note 27)	102,000	102,000
	<u>102,000</u>	<u>102,000</u>
Due within one year		
Other debtors	56,958	57,417
Prepayments and accrued income	42,763	56,358
	<u>201,721</u>	<u>215,775</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	1,311
Other taxation and social security	26,902	25,641
Other creditors	88,967	85,990
Accruals and deferred income	36,406	39,170
	<u>152,275</u>	<u>152,112</u>
	2021 £	2020 £
Deferred Income		
Deferred income at 1 September 2020	39,170	48,451
Resources deferred during the year	36,406	39,170
Amounts released from previous periods	(39,170)	(48,451)
	<u>36,406</u>	<u>39,170</u>

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

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

	2021 £	2020 £
Other creditors (Note 27)	<u>102,000</u>	<u>102,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	43,933	93,672	(134,246)	-	-	3,359
Restricted general funds						
General Annual Grant (GAG)	-	1,638,192	(1,638,192)	-	-	-
Other DfE/ESFA grants	-	308,820	(308,820)	-	-	-
Other Government grants	-	64,746	(64,746)	-	-	-
Trip income	-	8,671	(8,671)	-	-	-
Donation in kind	-	51,000	(51,000)	-	-	-
Pension reserve	(1,362,000)	-	(188,000)	-	(124,000)	(1,674,000)
	<u>(1,362,000)</u>	<u>2,071,429</u>	<u>(2,259,429)</u>	<u>-</u>	<u>(124,000)</u>	<u>(1,674,000)</u>
Restricted fixed asset funds						
Restricted fixed assets	126,441	6,200	(34,177)	11,046	-	109,510
DfE/ESFA capital grants	10,000	-	(7,792)	(2,208)	-	-
Devolved Formula Capital	-	8,838	-	(8,838)	-	-
	<u>136,441</u>	<u>15,038</u>	<u>(41,969)</u>	<u>-</u>	<u>-</u>	<u>109,510</u>
Total Restricted funds	<u>(1,225,559)</u>	<u>2,086,467</u>	<u>(2,301,398)</u>	<u>-</u>	<u>(124,000)</u>	<u>(1,564,490)</u>
Total funds	<u><u>(1,181,626)</u></u>	<u><u>2,180,139</u></u>	<u><u>(2,435,644)</u></u>	<u><u>-</u></u>	<u><u>(124,000)</u></u>	<u><u>(1,561,131)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. 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 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	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
	<u>35,052</u>	<u>133,548</u>	<u>(124,667)</u>	<u>-</u>	<u>-</u>	<u>43,933</u>
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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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	109,510	109,510
Debtors due after more than one year	-	102,000	-	102,000
Current assets	4,984	150,650	-	155,634
Creditors due within one year	(1,625)	(150,650)	-	(152,275)
Creditors due in more than one year	-	(102,000)	-	(102,000)
Provisions for liabilities and charges	-	(1,674,000)	-	(1,674,000)
Total	3,359	(1,674,000)	109,510	(1,561,131)

Analysis of net assets between funds - prior year

	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	44,723	151,322	10,000	206,045
Creditors due within one year	(790)	(151,322)	-	(152,112)
Creditors due in more than one year	-	(102,000)	-	(102,000)
Provisions for liabilities and charges	-	(1,362,000)	-	(1,362,000)
Total	43,933	(1,362,000)	136,441	(1,181,626)

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(255,505)	(153,416)
Adjustments for:		
Depreciation	34,177	35,375
Capital grants from DfE and other capital income	(8,838)	(8,770)
Interest receivable	(19)	(87)
Decrease/(increase) in debtors	15,679	(9,841)
Decrease in creditors	(1,462)	(1,962)
Defined benefit pension adjustment	188,000	143,000
Donated assets	(6,200)	-
Net cash (used in)/provided by operating activities	(34,168)	4,299

20. Cash flows from financing activities

	2021 £	2020 £
Interest received	19	87
Net cash provided by financing activities	19	87

21. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(11,046)	(17,748)
Capital grants from DfE Group	8,838	8,770
Net cash used in investing activities	(2,208)	(8,978)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	53,066	89,423
Total cash and cash equivalents	53,066	89,423

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23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	89,423	(36,357)	53,066
	<u>89,423</u>	<u>(36,357)</u>	<u>53,066</u>

24. 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 2019.

Contributions amounting to £31,283 were payable to the schemes at 31 August 2021 (2020 - £25,631) 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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24. 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 £151,740 (2020 - £127,759).

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 2021 was £159,000 (2020 - £141,000), of which employer's contributions totalled £124,000 (2020 - £109,000) and employees' contributions totalled £ 35,000 (2020 - £32,000). 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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24. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.85	3.25
Rate of increase for pensions in payment/inflation	2.85	2.25
Discount rate for scheme liabilities	1.65	1.65

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

	2021 Years	2020 Years
Retiring today		
Males	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

As at 31 August 2021 the Academy had a pension liability of £1,674,000 (2020 - £1,362,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(82)	(63)
Discount rate -0.1%	84	65
Mortality assumption - 1 year increase	118	83
Mortality assumption - 1 year decrease	(114)	(80)
CPI rate +0.1%	80	62
CPI rate -0.1%	(78)	60

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24. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	886,000	610,000
Gilts	35,000	42,000
Other bonds	64,000	55,000
Property	96,000	76,000
Cash and other liquid assets	38,000	27,000
Alternative assets	153,000	114,000
Other managed funds	110,000	60,000
Total market value of assets	1,382,000	984,000

The actual return on scheme assets was £244,000 (2020 - £26,000).

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

	2021 £	2020 £
Current service cost	290,000	(232,000)
Interest income	(18,000)	18,000
Interest cost	39,000	(37,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of Financial Activities	310,000	(252,000)

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

	2021 £	2020 £
At 1 September	2,346,000	1,910,000
Interest cost	39,000	37,000
Employee contributions	35,000	32,000
Actuarial losses	350,000	138,000
Current service costs	290,000	232,000
Benefits paid	(4,000)	(3,000)
At 31 August	3,056,000	2,346,000

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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	984,000	896,000
Administration expenses	(1,000)	(1,000)
Interest income	18,000	18,000
Actuarial gains/(losses)	226,000	(67,000)
Employer contributions	124,000	109,000
Employee contributions	35,000	32,000
Benefits paid	(4,000)	(3,000)
At 31 August	<u>1,382,000</u>	<u>984,000</u>

25. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	3,980	3,980
Later than 1 year and not later than 5 years	1,990	5,970
	<u>5,970</u>	<u>9,950</u>

26. 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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27. 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 £8,000 (2020 - £10,954) from Holy Cross Pre-School, a nursery at which the Trustee Mrs C Selwood is employed, towards the monthly on-site rent of the school. The amount owed by them at the year end was £NIL (2020 - £232).

In the prior 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. There were no transactions with Safowa Events Ltd in the 2020/21 period.

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 prior year, the Trust incurred expenditure of £5,590 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 transactions with The Brentwood Roman Catholic Diocesan Trust in the 2020/21 period.

There were no other related party transactions (2020: £NIL).