

Company Registration Number: 12084073 (England & Wales)

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2020

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members A Hardy (appointed 3 July 2019)
Deacon DA Palmer (appointed 3 July 2019)
Father J Veasey (appointed 3 July 2019)

Directors K Ainsworth (appointed 3 July 2019)
AJ Cawley (appointed 3 July 2019)
MJ Gallagher (appointed 27 September 2019)
K Marston (appointed 3 July 2019)
LP Moore (appointed 3 July 2019)
R Ridley (appointed 3 July 2019)
J Teahan (appointed 3 July 2019)
D Youssef (appointed 3 July 2019, resigned 30 September 2019)

Company registered number 12084073

Company name Holy Cross Catholic Multi Academy Company

Principal and registered office Heathcote Street
Coventry
CV6 3BL

Company secretary M Alcott

Chief executive officer M Kelly

Senior management team M Kelly, Catholic Senior Executive Leader
M Alcott, Chief Finance and Operating Officer
C Billings, Headteacher Bishop Ullathorne Catholic Secondary School
E O'Connor, Headteacher Cardinal Newman Catholic Secondary School
P Burke, Headteacher Christ the King Catholic Primary School
H Forrest, Headteacher St Augustine's Catholic Primary School
M Doyle, Headteacher St Elizabeth's Catholic Primary School
V Gosling, Headteacher St John Vianney Catholic Primary School
S Collins, Headteacher St Thomas More Catholic Primary School

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditor	Cooper Parry Group Limited One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	Lloyds Bank 30 High Street Coventry CV1 5RE
Solicitors	Holy Cross Catholic Multi Academy Company has had no requirement for legal services to date and has not, therefore, appointed any solicitors. The MAC's schools have a pay-as-you-go contract with Coventry City Council for legal services.
Actuary	Barnett Waddingham 3 Devon Way Longbridge Birmingham B31 2TS
Other Person with Significant Control	Most Reverend Bernard Longley, Archbishop of Birmingham Has significant control as he has the right to appoint and remove Directors

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2019 to 31 August 2020. The charitable company incorporated on 3 July 2019 and activities commenced on 1 September 2019. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

Holy Cross Catholic Multi Academy Company (the '**Company**') commenced operation in Coventry on 1 September 2019 and comprises of 5 Primary Academies and 2 Secondary Academies with a combined pupil capacity of 1,728 and 2,303 pupils respectively currently enrolled across the Academies based on the 8 January 2020 Census. The schools are:

- Bishop Ullathorne Catholic Secondary School
- Cardinal Newman Catholic Secondary School
- Christ the King Catholic Primary School
- St Augustine's Catholic Primary School
- St Elizabeth's Catholic Primary School
- St John Vianney Catholic Primary School
- St Thomas More Catholic Primary School

Structure, governance and management

a. Constitution

The Company is a company limited by guarantee and an exempt charity.

The Company's Memorandum and Articles of Association are its primary governing documents.

The Directors of the Company are also Trustees for the purposes of Charity law.

Details of the Directors who served throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 1.

b. Members' liability

The liability of the Members of the Company is limited. Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up while he or she is a Member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities before he or she ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

c. Directors' indemnities

The Directors benefit from indemnity insurance purchased by the Company to cover the liability of the Directors arising from negligent acts, errors or commissions occurring whilst on the Company's business. The limit of this indemnity is £5,000,000.

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DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors

The Company shall have the following Directors, as set out in its Articles of Association and funding agreement:

- a. Foundation Directors appointed under Article 50; a minimum of 2 Parent Directors appointed by the Directors whether after election or otherwise under Articles 53-56 in the event that no provision is made under Article 101, or is planned, for at least 2 Parent Local Governors on each Local Governing Body established under Article 100(a) (the Board of Directors resolved to have two parent local governors on each Local Governing Body);
- b. Co-opted Directors appointed under Article 58

The first Directors shall be those persons named, with the written consent of the Diocesan Bishop, in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

The Diocesan Bishop shall appoint such number of Foundation Directors as shall ensure that at all times the number of Foundation Directors exceeds the other Directors (including any Co-opted Directors) by at least two.

An employee of the Company cannot be appointed as a Director.

In any circumstances where the Secretary of State is entitled to serve a warning notice under the Relevant Funding Agreement or in the opinion of the Diocesan Bishop standards or the Catholic life of the school at any Academy have fallen unacceptably low then the Diocesan Bishop may stipulate that one or more of the following shall be appointed as a Director for such term as the Diocesan Bishop shall provide up to four individuals, each of whom is either a Diocesan Education Service Associate or an officer of the Diocesan Education Service; who shall serve on the board of Directors in an ex officio capacity.

The term of office for any Director of the Company shall be 4 years or a shorter period if specified at the time of appointment by the person or body appointing, save that this time limit shall not apply to the Co-opted Directors or to any post which is held ex officio. Co-opted Directors shall be appointed for a period of one year. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

When appointing new Directors, the Board of Directors will give consideration to the skills and experience mix of existing Directors in order to ensure the Board of Directors has the necessary skills to contribute fully to the Company's ongoing development.

e. Policies adopted for the induction and training of Directors

The training and induction provided for new Directors will depend upon their existing experience but will always include a tour of the Schools and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors. All new Directors also have the opportunity to undertake National Governor Association training and all Directors receive regular National Governor Association updates and National Governor Association Learning Links. As there has only been one new Director since the Company was formed, induction has been carried out informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations, including Birmingham Diocesan Education Service and Coventry Local Authority, as appropriate.

Each Director has a link with one of the Company's schools and attends Local Governing Body meetings to familiarise themselves with the operation of schools within the Company. Several Directors are members of Local Governing Bodies both within and outside of the Company.

Directors are regularly updated on relevant developments impacting on their roles and responsibilities. Their skills and experience enable them to contribute to the strategic leadership and direction of the Company.

f. Organisational structure

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FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

At 31 August 2020, the Company comprised the following individual academies:

- Bishop Ullathorne Catholic Secondary School
- Cardinal Newman Catholic Secondary School
- Christ the King Catholic Primary School
- St Augustine's Catholic Primary School
- St Elizabeth's Catholic Primary School
- St John Vianney Catholic Primary School
- St Thomas More Catholic Primary School

The Directors are responsible for setting general policy, adopting an annual improvement plan and budget, approving the annual statutory accounts, monitoring the Company by the use of budgets and other data, and making the major decisions about the direction of the Company, capital expenditure and staff appointments.

The Board of Directors normally meet 7 times each year. However, in the first year following the initial meeting on 16 July 2019, the Board met a further 10 times during 2019/2020. In addition, the Board attended Headteacher progress presentations and informal Strategy/Planning days. The Board also decided that the standards agenda should form part of the full Board meetings and not become a separate Committee. The Board of Directors establishes an overall framework for the governance of the Company and determines membership, terms of reference and procedures of Committees of the Board of Directors and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Directors may from time to time establish working groups to perform specific tasks over a limited timescale. For example, in July 2020 the Board of Directors established a COVID-19 working group to quality assure the Risk Assessments relating to the reopening of Company's schools and to oversee all matters relating to the COVID-19 pandemic.

There are 11 Standing Committees of the Board of Directors as follows:

- Resources Committee – meets half termly and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, and drafting the annual budget including setting staffing levels.
- Audit Committee – meets at least three times per year and receive termly reports from internal quality assurance visits / internal audits.
- Catholic Life and Welfare Committee – meets half termly and is responsible for the mission and catholic life of the multi academy company as pastoral and welfare and attendance of staff and pupils.
- Pay and Remuneration Committee – meets annually to review and ratify performance management of the Headteachers and to oversee salary reviews.
- 7 Local Governing Bodies which act as Committees of the Board

In addition, there is a further sub-committee of the Resources Committee, the Estates Sub-Committee, which is responsible for premises, capital expenditure and health and safety.

Each Committee and the Sub-Committee has its own terms of reference detailing the responsibilities discharged to it.

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DIRECTORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

The following decisions are reserved to the full Board of Directors:

- to consider any proposals for changes to the status or constitution of the Company and its committee structure;
- to appoint or remove the Chair and / or Vice Chair;
- to appoint and / or consider the performance management of Headteachers and the Catholic Senior Executive Leader;
- to approve the annual improvement plan and overall budget; and
- to appoint or remove the clerk to the Directors

The Directors have devolved the day-to-day management of the Company to its Leadership Team which is led by the Catholic Senior Executive Leader. The Company's Leadership Team comprises of the Catholic Senior Executive Leader (CSEL), the Chief Finance and Operations Officer (CFOO) and the Headteachers of the seven Company schools. The Leadership Team is responsible for implementing the policies laid down by the Directors and reporting back to them through the various committees and their Local Governing Bodies. The CSEL is the Company's Accounting Officer and has overall responsibility for its day-to-day financial management. The Chief Financial Operating Officer has the responsibility for the Company's detailed financial procedures. Some spending control is devolved to designated budget holders with a hierarchy of limits and in accordance with the approved financial regulations, Financial Scheme of Delegation and the Academies Financial Handbook.

The Board of Directors delegates a number of functions to the Local Governing Bodies ('LGB') for each of the Company's Schools. These functions and the respective levels of delegation are clearly laid out in the Company's Scheme of Delegation and Scheme of Financial Delegation, which are reviewed annually. Each Local Governing Body monitors budget spending, progress against targets and OFSTED standards, pupil welfare and behaviour and oversees parent and community liaison. Chairs of Local Governing Bodies meet half termly with the Chair of the Board of Directors to ensure clear channels of communication, improve governance, share information and provide updates on key issues.

g. Arrangements for setting pay and remuneration of key management personnel

The Directors consider the Board of Directors and the Leadership Team to comprise the key management personnel of the Company in charge of directing and controlling, running and operating the Company on a day-to-day basis. All Directors give of their time freely and no Director received any remuneration in the current or prior year.

The pay and remuneration of the Leadership Team is reviewed during the annual appraisal and performance management process by the Board of Directors in line with the Company's Pay Policy.

This is carried out with reference to published pay scales for both teaching and administrative support staff and by reference to available information on similar roles in other similar Companies and elsewhere. The Headteachers each have their performance management process carried out with a Committee made up of two Local Governing Body members, the Catholic Senior Executive Leader and an independent external education advisor. The Catholic Senior Executive Leader is performance managed with two Directors and an independent external education advisor. The performance management of the Chief Finance and Operating Officer is undertaken by a Director and Catholic Senior Executive Leader.

Following the performance management review process any proposed pay progression for the staff across the schools is presented to the Pay and Remuneration Committee for approval after being recommended by the Local Governing Body Pay and Remuneration Committees or otherwise, as applicable

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DIRECTORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	2
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	-
Total pay bill	12,789
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Company.

Birmingham Diocesan Education Service is regarded as a related party of the Company for the purposes of the financial statements with respect to:

- The annual charge made by Birmingham Diocesan Education Service; and
- An inherited loan of £187,000 made by Birmingham Diocesan Education Service to Bishop Ullathorne Catholic School.

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DIRECTORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

The Company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

During employment, the Company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and that the appropriate training is arranged. It is the Company's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Objectives and activities

a. Objects and aims

The Company is restricted in its principal objectives and in its aims through funding agreements with the ESFA and agreements including leases with the Catholic Church. The principal objects of the Company, as set out in its Articles of Association, are:

- 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 catholic schools, offering a broad and balanced curriculum and conducted as catholic schools in accordance with the Code of Canon Law of the Latin Church from time to time and the doctrinal, social and moral teachings of the Catholic Church from time to time and following the directives and policies issued by the Diocesan Bishop to ensure that the formation, governance and education of the schools is based on the principles of Catholic doctrine, and at all times serving as a witness to the Catholic faith in our Lord Jesus Christ; and
- to promote for the benefit of the inhabitants of Coventry and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Company's principal objects, as set out in its Articles of Association, are specifically restricted to:

- a) the advancement of the Catholic religion in the Diocese by such means as the Diocesan Bishop may think fit and proper by, but without prejudice to the generality of the foregoing the establishing, maintaining, carrying on, managing and developing of Catholic schools in the United Kingdom conducted in accordance with the principles, and subject to the regulations and discipline of the Catholic Church;
- b) Subject to the approval of the Diocesan Bishop, during the period that the objects in (a) are being fulfilled and form the majority of the activities of the Company, the advancement of education by the establishing, maintaining, carrying on, managing and developing of schools which are not Catholic in the United Kingdom.

The aims of the Company during the year ended 31 August 2020 are summarised in its mission statement, aims and motto. The motto of the Company is: "Achieving together in faith."

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DIRECTORS' REPORT (CONTINUED)
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Objectives and activities (continued)

The agreed Mission of Holy Cross Catholic Company is:

- Our school communities are united as the family of God to provide an outstanding Catholic education for all our pupils. With Christ at the centre of all we do, we will inspire every child to be the best person they can be by developing their God given gifts and talents.

The Company's main strategy is rooted in the mission of the Catholic Church; its main aims are:

- **High aspirations for all**
- **Outstanding education** - To create an ethos of collective responsibility, through which we will promote achievement and improve pupil performance
- **Living out Gospel values and celebrating the Catholic ethos** in all our schools with reconciliation and peace at the heart of all we do
- **Young people** – who are resilient and make a positive contribution to their diverse and changing communities
- **Community** - strengthening and nurturing the Catholic life of our schools
- **Realising talent** by developing pupils, staff, academy representatives and Directors for the benefit of the Holy Cross community
- **Optimising our resources** to realise best-value by sharing assets and using economies of scale
- **Standards** - To maintain the highest quality of Catholic education by ensuring accountability at all levels
- **Service to God** by serving others in our school and local communities and national and international communities in need.

b. Objectives, strategies and activities

The key priorities for the period are contained in the Company's Development Plan which is available from the Catholic Senior Executive Leader

The key activities of the Company for the year ended 31 August 2020 were focused as follows:

During the first year of operation, the key priorities are contained in the Company's School Improvement Framework which is available from the CSEL. They included:

- Developing our pupils and staff morally and spiritually and support their mental and physical wellbeing;
- Developing creative and inspirational leadership at all levels;
- Delivering high quality teaching and learning to meet the needs of all pupils;
- Providing an engaging curriculum to secure positive outcomes;
- Working in partnership across the Company and beyond to secure the best possible outcomes for its pupils;
- Ensuring new financial systems are compliant with regulations, achieve best value and support Company School Improvement priorities.

In March 2020, six months into the academic year, the Government announced the closure of schools to all pupils except those in vulnerable groups and the children of key workers as a result of the COVID-19 pandemic.

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DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Public benefit

The Company aims to advance for the public benefit education in Coventry and the surrounding area, offering a broad curriculum and an excellent Catholic education environment for its pupils. The Company also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Directors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties.

Strategic report

Achievements and performance

The Company will continue to strive to provide an outstanding catholic education and improve and build on the good education outcomes for all pupils from 4 -19. The Company aims to attract and retain high quality teachers and support staff to deliver its objectives.

Instructed by the Board of Directors, Company-wide priorities for 2019-20 were:

Priority 1

To develop a 4-19 vision of catholic education within the Company resulting in a shared understanding of the Company mission and strong links between all schools and communities. This included:

- Development of the Way of the Cross concept to ensure key stakeholders understand the Company's commitment to our pupils and families. The Company has started to work with Coventry Cathedral to develop this theme further
- Strengthening and nurturing the Catholic life of our schools through a shared understanding and commitment to the Company's mission across all schools
- Ensuring that all schools are judged as outstanding in their next Section 48 Inspection
- Setting ambitious targets for RE examination subjects at Key Stages 4 and 5

Priority 2

Review leadership structures across the Company and begin to build leadership capacity at all levels. This included:

- Initial work on developing leadership capacity across all the Company's schools
- Developing a culture of reflective practice and continuous improvement
- Ensuring effective communication and professional dialogue
- Introducing a robust performance management and appraisal cycle
- Systemic succession planning and future leadership development
- Company-wide induction for all new Directors and Governors
- Training and development opportunities for Directors, Governors and school leaders

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DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Priority 3

Deliver high quality teaching and learning to meet the needs of all pupils. This included:

- Ensuring consistently good, and outstanding practice
- Developing Company-wide CPD programme for all staff
- Consistent planning for timely recruitment and retention
- Regular monitoring of pupil outcomes with prompt action to diminish differences
- Analysis of pupil data to inform classroom practice
- Developing opportunities for collaborative working
- Shared planning, practice and resources across the Company's schools
- Regular accountability meetings with staff
- Programme of monitoring and quality assurance activities

Priority 4

Provide an engaging curriculum to secure positive outcomes. This included:

- Reviewing the curriculum offer in all schools
- Reviewing and rewriting schemes of learning across all key stages and subjects
- Encouraging and challenging pupil thinking, problem solving and self-reflection
- Providing opportunities for enhanced pupil learning through wider experiences and visits

Priority 5

Work in partnership across the Company and beyond to secure the best possible outcomes for our pupils. This included:

- Collaborative work across Company schools identified and started
- Engagement with parents
- Partnership work with other schools and Trusts/Companies
- Engagement with Parish community
- Strong working relationships with Diocesan Education Service and other education partners locally, regionally and nationally
- Informative and effective Company and school web sites

Priority 6

Ensure financial systems are compliant with regulations, achieve best value and support Company School Improvement priorities. This included:

- Establishing effective financial systems across the Company
- Ensuring that schools set balanced budgets
- Ensuring sufficient and appropriate resources are available to support school improvement
- Ensuring compliance with the Academies Financial Handbook and Academy Accounts Direction
- Developing a Company Risk Register
- Ensuring internal audit arrangements are in place.

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DIRECTORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

In the academic year 2019-20 we have:

- Planned a programme to review Catholic Life, Collective Worship and Religious Education in all schools to ensure provision is at least good and predominantly outstanding
- Started to develop the concept of *The Way of the Cross*
- Demonstrated academic success and across all primary school in 2019, 80% of the outcomes for all external key performance indicators were above or in line with National Averages.
- We have designed a writing project for delivery across all our primary schools to support the development of Greater Depth.
- Completed Integrated Curriculum Financial Planning in our secondary schools leading to a planned review of the curriculum with a focus on the areas that were outside benchmark data
- Developed a common assessment framework for all our primary schools which will be implemented in 2020-21
- Commissioned an external consultant as the School Improvement Officer for all schools
- Appointed Link Directors to all schools who attend Local Governing Bodies meetings
- Terms of Reference established for LGB sub-committees
- Positive outcomes for the FMGS validation Audit of the Company from the ESFA
- Increasing rolls in both secondary schools to support the Local Authority with the increased demand for secondary school places over the next four years.
- Worked with the Local Authority to ensure that school sites are adapted to meet the increased Pupil Admission Numbers.
- Planned a review of primary Nursery and Reception pupil admission numbers.
- Achieved efficiencies of scale across a number of areas of school life including: catering, waste disposal, HR, Health and Safety, Governor Support Services, provision of Data Protection Officer, insurance, cleaning and multi-functional devices.
- Successfully opened all schools throughout the first lockdown period for vulnerable and key worker children and all schools and all schools opened for the partial return of Year 6, Year 1, Reception, Year 10 and Year 12 in June.
- Successfully opened all schools for the full return of pupils in September.
- Completed condition surveys at all Company schools that have contributed to the development of a capital spending programme.

The Company continues to evolve and to adapt to the ever-changing educational environment. The total number of pupils in the year ended 31 August 2020 was 3,929, but this has increased to 4,042 at the October 2020 census due to the continued demand for places at the secondary schools.

The Company, which is now in its second year of operation since conversion to a Company has responded to the ever-changing educational environment and to the requirements of Government and Public Health England in relation to the COVID-19 pandemic.

The Company is committed to continual improvement, which has been achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

As well as the announcement that schools would close to most pupils on 20 March 2020, the Government also announced that examinations would not take place in Secondary Schools in May and June 2020 and that no testing would be carried out in Primary Schools.

GCSE and A Level results were awarded on the basis of Centre Assessed Grades and students performed very well at key stages 4 and 5 in nearly all subject areas. The Company's Secondary schools have consistently performed well historically at both Key Stages 4 and 5 and both schools had forecast significant improvements in the 2020 external examination season.

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DIRECTORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

In 2019-20 the Company will not be reporting outcomes for Key Stages 1 and 2 following the suspension of all National Testing programme due to the COVID-19 pandemic. In addition, due to the cancellation of the GCSEs and A Level External Examinations the Company successfully submitted Centre Assessed Grades to the Examination Boards following rigorous internal moderation procedures.

The particular achievements and performance of the Company during the year ended 31 August 2020 were as follows:

- All schools within the Company are judged in their most recent Section 48 inspections as being at least "Good" and both secondary schools and two primary schools were judged "Outstanding".
- All schools within the Company have been judged to be "Good" by Ofsted at the time of their last inspection and many had features that were judged "Outstanding."
- Following the Government's decision to award Centre Assessed Grades the vast majority of students achieved or exceeded expected progress.
- 100% of students leaving Year 13 at Bishop Ullathorne Catholic Secondary School went on to positive destinations. 88% progressed to university places, of which, 22% went to Russell Group universities.
- At Cardinal Newman Catholic School, 98% of students leaving Year 13 went on to positive destinations. 89% progressed to university places, of which 22% went to Rusell Group universities.

During the Academic Year 2019/20 the Company was unable to achieve all of its key aims and objectives due to the significant impact of COVID-19 and the partial closure of schools to the vast majority of students on the 20 March 2020. However, the Company responded quickly and successfully implemented a programme of home learning combined with supervision for vulnerable and key worker children in schools. In addition, all schools offered supervision for vulnerable and key worker children over school holidays and bank holidays.

Pupils who were unable to access resources for online learning were provided with hard copies of materials to support their home learning.

All schools maintained regular contact with pupils and parents and the wider community and arrangements were established to ensure frequent contact and safeguarding of vulnerable pupils.

a. Key performance indicators

The Company uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Company is the level of reserves held at the balance sheet date and, in particular, the unrestricted reserves plus restricted income reserves held at year end. At 31 August 2020, the balance of the unrestricted and restricted income reserves was £2,225,000. Further details on the level of reserves held by the Company are set out in the Reserves Policy section below.

As the majority of the Company's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 4,042 which is an increase of 113 from the previous year.

Staffing costs are another key performance indicator for the Company and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 80.7%, while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 81.7%.

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DIRECTORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

c. Promoting the success of the Company

The Directors have acted in the way which they consider, in good faith, promotes the success of the Company for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to all matters required under its constitution.

d. Our educational business relationships and community

With a highly committed and dedicated workforce, the Company takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Company continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Company's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Directors' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Company's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Company is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations.

e. Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Directors also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Directors are committed to effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Directors and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Company's funding agreement and the Academies Financial Handbook.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

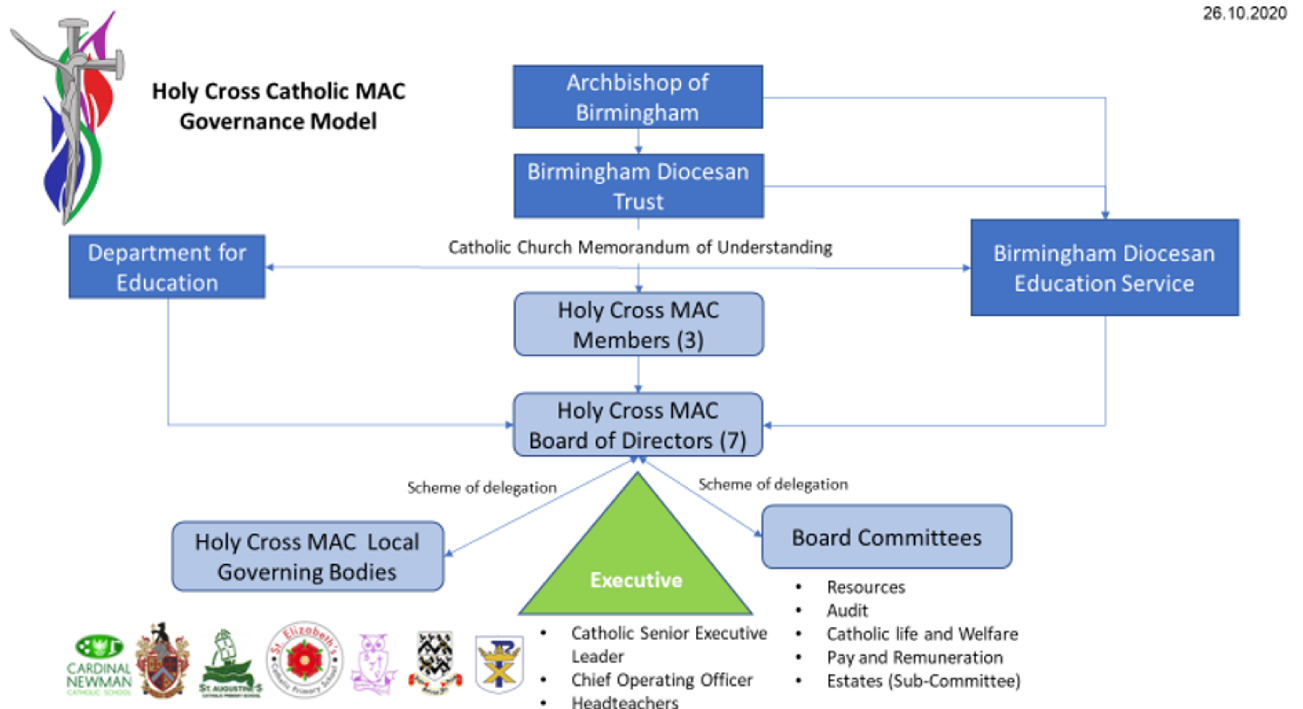
Achievements and performance (continued)

f. Our people

The Company's key asset is its people. It employs over 500 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Company encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Directors' report above.

g. Our Members

The Members (through their representatives) are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.



h. Maintaining a reputation for high standards

The Company has been in operation for one year, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Company also continually develops strategies to maintain and grow its pupil base, including provision for new schools to join the Company, and further improve relationships with our suppliers.

The information in the "Achievements and Performance" section of the Directors' report above provides full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

During COVID-19 the Company has continued to work in partnership across all our schools to ensure that all schools followed the guidance of Public Health England and the DfE in opening safely for pupils. The Directors established a COVID-19 working group to develop and review all school's risk assessments on a weekly basis.

The Company successfully bid for DfE funding to support the implementation of remote learning and a training

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

programme for staff and pupils was implemented in Autumn term 2020. All schools now have a remote learning plan to support any pupils who are unable to attend school due to COVID-19.

Feedback from staff surveys indicate that staff are overwhelmingly positive about the COVID-19 secure measures introduced to maximise their safety in schools.

Following the successful return of pupils to schools in September positive COVID-19 cases remained low illustrating the effectiveness of the control measures that had been implemented. However, schools are experiencing higher rates of staff absence due to COVID-19 which is having an impact on supply cover budgets.

Financial review

The majority of the Company's income is received from ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from ESFA during the period ended 31 August 2020 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Company also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2020, the Company's total income (excluding capital grants and the net assets transferred on conversion) was £22,188,000 while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £21,527,000, resulting in a net surplus for the year of £661,000.

The balance of reserves at 31 August 2020, excluding the restricted fixed asset funds and LGPS liability fund was £2,225,000. This has been generated from the above net surplus and the cumulative conversion surplus of each of the founding schools of £1,564,000.

The net book value of fixed assets at 31 August 2020 was £611,000. The fixed assets held by the Company are used exclusively for providing education and associated support services to the pupils of the Company.

The LGPS deficit and assets except land and buildings were transferred to the Company from those schools joining the Company during the year. The total value of these net assets transferred, as included in the Statement of Financial Activities, were (£5,834,000). The details of the net assets transferred, and the basis of their valuations are set out in Note 25 to the financial statements. The ownership of the buildings, and the land they stand on, remains with the Archdiocese of Birmingham.

Included within the Company's balance sheet at year end is a defined benefit pension scheme liability of (£9,655,000), which arises from the deficit in the Local Government Pension Scheme ('LGPS') that is attributable to the schools pre-academisation. Further details regarding the deficit in the LGPS at 31 August 2020 are set out in note 26 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures, Policies and Manual, which lay out the framework for the Company's financial management, including financial responsibilities of the Board of Directors, Catholic Senior Executive Leader, Chief Financial Operating Officer, Headteachers, Business and office managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

The financial effect of COVID-19 was highlighted in increased costs in areas such as premises, cleaning and health & safety, although there were some offsetting savings in areas such as catering, and supply costs during lockdown. 3 schools made successful claims from the DfE Exceptional COVID-19 Costs Reclaim Fund totalling £32,533. A further claim for these schools may be possible when the DfE announce the details of the second claim eligibility in the autumn term.

a. Reserves policy

The Directors review the reserve levels of the Company annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors also take into consideration the future plans of the Company, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have determined that the appropriate level of free cash reserves should be approximately 3-5% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Company's current level of reserves at 31 August 2020 is (£5,899,000), of which £2,225,000 is free reserves (that is, total funds less the amount held in fixed asset and pension restricted funds).

Although the current level of free reserves is above the target level identified above, the Directors expectation is that these reserves will be utilised over the next few years to fund ongoing development, including the need to retain key staff in light of the increasing cost pressures in future years.

The value of the restricted fixed asset fund at 31 August 2020 is £1,531,000, which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Company. Unspent capital grants and capital loans are also reflected within this fund balance. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2020 of (£9,655,000), which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that the Company is required to make additional pension contributions over a number of years in order to fund the deficit. Those additional contributions are determined by the pension scheme trustees, who use different assumptions to those utilised in calculating the deficit balance of (£9,655,000). These additional pension contributions will be funded from the Company's annual recurring income, which could adversely impact its ability to continue to deliver its educational outcomes with the available public funding it receives if the current basis for determining the level of additional contributions were to change detrimentally. The Directors have concluded that, at present, there is no reason to believe that the future basis of calculating such additional contributions will change significantly when the LGPS deficit falls to be revalued in 2022, and have noted that the Government has provided a guarantee that in the event of the Company's dissolution, any outstanding LGPS liabilities would be met by the DfE.

b. Investment policy

All funds surplus to immediate requirements are considered for investment to optimal effect by the Company with the objective of ensuring maximum return on assets invested but with minimal risk. At the Company's Resources Committee meeting on 30 September 2020 the Directors considered market rates of return on investments and resolved that the likely rate of return was insufficient to merit any investments in the current climate.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Directors have assessed the major risks to which the Company is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Company. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register.

Where significant financial risk still remains, the Directors have ensured the Company has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

d. Educational

The continuing success of the Company is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Directors ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

e. Safeguarding and child protection

The Directors 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.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

f. Financial

The Company has considerable reliance on continued Government funding through the ESFA. In the year, approximately 95.7% of the Company's income (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded. Whilst this level is expected to continue, 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, particularly in the light of continuing changes to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Company's financial position and its ability to deliver balanced budgets in the future.

The Directors examine the financial health of the Company formally at every half termly board meeting and regularly review performance against budgets and overall expenditure by means of regular update reports at all full Board and Resources Committee meetings. The Chair of the Resources Committee and Chair of the Board meet informally, monthly, with the CSEL, CFOO and Finance Manager to review performance against budgets and overall expenditure.

Going Concern

When the Company was formed, it inherited the LGPS WMPF Pension Deficit. However the value of the buildings, and the land under them, remained with the Diocese and so has not been included on the balance sheet. This has resulted in a deficit fund position.

The LGPS deficit is government guaranteed and, having regard to the Company's financial forecasts, and to the fact that the contributions levels are fixed until 2023, the Directors have determined that there are sufficient cash reserves and working capital to ensure that the Company can continue operating for a period of at least 12 months. On this basis the Directors have prepared the accounts on a going concern basis.

Fundraising

The Company has not undertaken any material fundraising activities during the year ended 31 August 2020.

Fundraising is primarily undertaken by school staff or parents, no professional fundraisers or commercial participators work with the Company currently. Any fundraising would be undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Company. The Company is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the Company would be applicable if so.

In 2019-20 COVID-19 has significantly reduced the amount of fundraising undertaken by all schools in the Company.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Plans for future periods

The Company strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Company's plans for future periods are to:

1. Continue to focus on Catholic Life, Collective Worship and Religious Education:
 - Develop the Way of the Cross, involving school communities
 - Commence a programme to review Catholic Life, Collective Worship and Religious Education in all MAC schools over the next 2 years
 - Develop, Implement, monitor RSE Policy
2. COVID 19 Recovery Plan:
 - Ensure MAC School COVID-19 Recovery Plans are in place to support successful transition back into education
 - Support for transition groups, vulnerable, disadvantaged and SEND pupils
 - Curriculum adaptation and development in response to COVID-19
 - Ensure school specific remote learning plans in place, including the effective and appropriate use of technology in the event of further lockdown
 - Effective plans in place for catch up funding is targeted appropriately and monitored for impact
3. Quality of Education:
 - Diminish the attainment and progress gap for disadvantaged pupils
 - Review of impact of pupil premium funding to focus on key year groups including Year 1, Year 6, Year 11 and Year 13
 - Leaders of learning appointed for key subjects at an appropriate time
 - Develop a consistent approach to assessment including implementing PIXL assessment at Primary and percentage assessments at Secondary level.
 - Review of 6th Form provision
4. Behaviour and Attitude:
 - A consistent and relentless approach to ensuring that excellent attendance supports achievement.
 - Ensure a planned COVID-19 reintegration programme for all children regarding expectations and standards.
 - Develop attendance procedures and reporting
 - Safeguarding Audit resulting in school action plans
5. Personal Development:
 - Programme of professional development opportunities for staff
 - Review cultural capital offer
 - Ensuring pupils have the right advice and guidance to support their future vocation in life.
 - Develop a whole MAC framework for emotional wellbeing and mental health
6. Leadership and Management:
 - Review and develop the role of LGBs
 - Develop and retain future leaders within the MAC including providing opportunities for Leadership programmes.
 - Develop clear ICT Strategic vision to support cross company communication and teaching and learning.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Plans for future periods (continued)

7. Resources:
- Ensure that all schools set a balanced budget
 - Ensure sufficient and appropriate resources are available to support academy improvement
 - Develop Estates Capital Strategy and Master Plan
 - Ensure compliance with the Academies Financial Handbook and Academy Accounts Direction
 - Ensure consistent and compliant FM statutory testing across the Company
 - Monitor the Company's Risk Register
 - Develop Internal Audit
 - Develop Health and Safety procedures and reporting.
 - Improve communication between schools and facilitate collaborative working
 - Develop and implement a remote learning platform
 - Review Company/schools website design and compliance
 - Identify ICT investment priorities

Funds held as custodian on behalf of others

The Company and its Directors do not act as Custodian Trustees of any other charity

The Company does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- that Directors have taken all 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 Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, and signed on its behalf by:

DocuSigned by:

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J Teahan
Chair of Directors

Date: 9 December 2020

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Holy Cross Catholic Company 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 Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Directors has delegated the day-to-day responsibility to the Catholic Senior Executive Leader (CSEL), 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 that Holy Cross Catholic Company and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that information that is described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 7 times during the year ended 31 August 2020. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
K Ainsworth	10	10
AJ Cawley	10	10
MJ Gallagher	10	10
K Marston	10	10
LP Moore	10	10
R Ridley	10	10
J Teahan	10	10
D Youssef (resigned 30 September 2019)	0	1

The Board of Directors reviewed the Company's governance structure during the year to evaluate its impact and effectiveness and are satisfied that the current structure in place is appropriate and effective for the Company. The Board of Directors undertook a skills audit to inform future Board membership, training and succession planning, and concluded at the outcome of the review that, between them, they had a wide range of skills that contribute to the successful governance of the Company. A further review of the Governance structure will take place in Spring 2021.

The Board of Directors met more than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Resources Committee and the Audit Committee as detailed further below. These are Committees of the Board of Directors and they met 10 and 6 times respectively during the year. The minutes of these Committee meetings are provided to the full Board of Directors and the Chairs of these Committees report to each full Board of Directors meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Directors.

All planned meetings took place in 2019 20. Agenda items on the Catholic Life and Welfare Committee were added to the full Board meeting agenda. In addition, a COVID-19 Working Group was established to support planning and monitoring of the impact of COVID-19 and ensuring the safe opening of all our schools. All LGB meetings continued throughout the COVID-19 period as planned. No amendments to the Scheme of Delegation were needed throughout this period.

All meetings during the COVID-19 pandemic took place virtually.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Resources Committee is a Committee of the Board of Directors. Its purpose is to provide oversight, guidance and assistance to the Board of Directors on all matters related to finance, resources, premises and Health & Safety of the Academy Company.

The key issue(s) dealt with by the Resources Committee during the year was the review of the Company's 3-year financial forecasts and the actions required to address the reduced funding expected over this period.

Attendance during the period at meetings was as follows:

Director	Meetings attended	Out of a possible
K Ainsworth	6	6
T Cawley	6	6
M Gallagher	6	6
L Moore	6	6

The Audit Committee is also a Committee of the Board of Directors. Its purpose is to maintain an oversight of the Company's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Directors and the Accounting Officer as a critical element of the Company's annual reporting requirements.

The key issue(s) dealt with by the Audit Committee during the year was the review of the report received from Lana Forrester, Principal Finance Officer, Lumen Christi Multi Academy Company, in relation to the Company's systems of internal control and the actions undertaken to address the limited control weaknesses identified. The Audit Committee also review the Risk Register at each meeting.

Attendance during the period at meetings was as follows:

Director	Meetings attended	Out of a possible
R Ridley	3	3
K Ainsworth	3	3
J Teahan	3	3

Review of value for money

As Accounting Officer, the Catholic Senior Executive Leader has responsibility for ensuring that the Company 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 Company's use of its resources has provided good value for money during each academic period, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Company has delivered value for money during the year by:

- Achieving economies of scale by negotiating Company contracts rather than individual school contracts including OJEU tenders where applicable.
- Completing Benchmarking exercises to review spending on curriculum and staffing.
- Clear strategic priorities were identified for the academic year to ensure that money was allocated to key improvement areas.
- Central purchasing, particularly during COVID-19, to ensure best value for money.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Company's 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 Company for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Company's significant risks that has been in place for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit Committee of the Board of Directors.

The risk and control framework

The Company'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 Directors;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has decided not to appoint an auditor for this purpose. However, the Directors have appointed Lana Forrester (the 'Internal Auditor'), the Principal Financial Officer of Lumen Christi Multi Academy Company, to undertake the internal audit.

The Internal Auditor is totally independent of Cooper Parry Group Limited, which is the firm providing external audit.

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

- review of and testing of income recognition and recording systems and procedures
- review of and testing of payroll systems and procedures
- review of and testing of procurement systems and procedures
- review of and testing of bank control procedures
- Review of management information preparation procedures, including information prepared for and presented to the Board of Directors

On a termly basis, the internal auditor reports to the Board of Directors through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' 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.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

As previously stated, the COVID-19 situation only allowed one internal audit visit in the school year and this was supplemented by a remote financial systems audit carried out by SBS Limited. In 2020/21 it is planned that the Internal Auditor will undertake termly reviews.

Whilst there were no significant internal control weaknesses identified from the work completed, the Directors and management plan to continue to strengthen and improve internal controls over the next 12 months.

Review of effectiveness

As accounting officer, the CSEL has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Internal Auditor;
- the work of the external auditor;
- the positive outcome of the external ESFA FMGS Audit;
- the financial management and governance self-assessment process; including the School Resource Management Self-Assessment Tool;
- the work of the executive managers within the Company 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 Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors and signed on their behalf by:

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J Teahan
Chair of Directors
Date: 9 December 2020

DocuSigned by:

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M Kelly
Accounting Officer


HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Holy Cross Catholic Multi Academy Company I have considered my responsibility to notify the Company's Board of Directors and ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Company, under the funding agreement in place between the Company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

DocuSigned by:

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M Kelly
Accounting Officer
Date: 9 December 2020

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2020

The Directors (who are also the trustees of the Company for the purposes of Charity Law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management.

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the ESFA and the DfE have been applied for the purposes intended.

The Directors 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 order of the members of the Board of Directors and signed on its behalf by:

DocuSigned by:

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J Teahan
Chair of Directors
Date: 9 December 2020

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Directors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the 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 Directors 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

DocuSigned by:

9B9258A9992F456...
Simon Atkins FCA (Senior statutory auditor)
for and on behalf of
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 17 December 2020

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY
CROSS CATHOLIC MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 24 April 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holy Cross Catholic Multi Academy Company during the period 3 July 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Holy Cross Catholic Multi Academy Company 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 Multi Academy Company 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 Multi Academy Company and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Holy Cross Catholic Multi Academy Company's accounting officer
and the reporting accountant**

The accounting officer is responsible, under the requirements of Holy Cross Catholic Multi Academy Company's funding agreement with the Secretary of State for Education dated 30 August 2019 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 3 July 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Company and evaluating their design and effectiveness to understand how the Company has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Directors, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Company based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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 period 3 July 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited

Date: 17 December 2020

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Income from:					
Donations and capital grants:	3				
Transfer from local authority on conversion (note 25)		1,422	(7,805)	535	(5,848)
Other donations and capital grants		41	-	1,193	1,234
Charitable activities	4	153	21,704	-	21,857
Other trading activities	5	289	-	-	289
Investments	6	1	-	-	1
Total income		<u>1,906</u>	<u>13,899</u>	<u>1,728</u>	<u>17,533</u>
Expenditure on:					
Charitable activities	7	646	21,934	197	22,777
Total expenditure		<u>646</u>	<u>21,934</u>	<u>197</u>	<u>22,777</u>
Net movement in funds before other recognised gains/(losses)		<u>1,260</u>	<u>(8,035)</u>	<u>1,531</u>	<u>(5,244)</u>
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	26	-	(655)	-	(655)
Net movement in funds		<u>1,260</u>	<u>(8,690)</u>	<u>1,531</u>	<u>(5,899)</u>
Reconciliation of funds:					
Net movement in funds		1,260	(8,690)	1,531	(5,899)
Total funds carried forward		<u>1,260</u>	<u>(8,690)</u>	<u>1,531</u>	<u>(5,899)</u>

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

The notes on pages 36 to 69 form part of these financial statements.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY**(A company limited by guarantee)****REGISTERED NUMBER: 12084073****BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £000
Fixed assets		
Tangible assets	14	611
Current assets		
Debtors	15	1,082
Cash at bank and in hand		3,645
		<hr/> 4,727
Creditors: amounts falling due within one year	16	(1,417)
		<hr/>
Net current assets		3,310
Creditors: amounts falling due after more than one year	17	(165)
		<hr/>
Net assets excluding pension liability		3,756
Defined benefit pension scheme liability	26	(9,655)
		<hr/>
Total net assets		<u><u>(5,899)</u></u>
Funds of the Company		
Restricted funds:		
Fixed asset funds	18	1,531
Restricted income funds	18	965
		<hr/>
Restricted funds excluding pension asset	18	2,496
Pension reserve	18	(9,655)
		<hr/>
Total restricted funds	18	(7,159)
Unrestricted income funds	18	1,260
		<hr/>
Total funds		<u><u>(5,899)</u></u>

The financial statements on pages 33 to 69 were approved and authorised for issue by the Directors and are signed on their behalf, by:

DocuSigned by:

 DB15D80DB6EC4E2...

J Teahan

Chair of Directors

Date: 9 December 2020

The notes on pages 36 to 69 form part of these financial statements.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	2020 £000
Cash flows from operating activities		
Net cash provided by operating activities	20	2,775
Cash flows from investing activities	22	683
Cash flows from financing activities	21	187
		3,645
Change in cash and cash equivalents in the period		3,645
Cash and cash equivalents at the end of the period	23, 24	3,645

The notes on pages 36 to 69 form part of these financial statements

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Directors 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 Company to continue as a going concern. The Directors 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 Company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors consider that the net current assets balance is a more accurate reflection of the financial health of the Company, which was recorded as £3,310,000 at the period end. Revenue reserves are held above the Company's target level.

The Balance Sheet is in a net liability position of £5,899,000 due to the inclusion of a defined benefit pension scheme deficit which is ultimately guaranteed by the Department of Education.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Company 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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 period it is receivable and to the extent the Company has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Company on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Company. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £2,000 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.

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:

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%	
Furniture and equipment	-	33%	
Plant and machinery	-	33%	
Computer equipment	-	33%	
Motor vehicles	-	20%	reducing balance

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.

The Company occupies some land and buildings which are provided to it and owned by the Birmingham Roman Catholic Diocesan Trustees (the Site Trustees). The Company occupies this land and buildings under the terms of a Supplemental Agreement between the Birmingham Roman Catholic Diocesan Trustees and the Company. This Supplemental Agreement, which amounts to a mere licence, provides the Company with the right to use the land and buildings for an indefinite period, subject to a 2-year termination notice period. Having considered the fact that the Company occupies the land and buildings by a mere licence, which transfers to the Company no rights or control over the sites save that of occupying it at the will of the Site Trustees under the terms of the relevant site trust, the Directors have concluded that the value of the land and buildings occupied by the Company will not be recognised on the balance sheet of the Company.

1.7 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.

1.8 Cash at bank and in hand

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

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.9 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 Company 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

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

1.11 Operating leases

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

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the Company 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 Company 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 Company 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.

1.13 Conversion to an academy trust

The conversion from a state maintained school to a Company involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Elizabeth's Catholic Primary School, St John Vianney Catholic Primary School, St Augustine's Catholic Primary School, St Thomas More Catholic Primary School, Bishop Ullathorne Catholic School, Cardinal Newman Catholic School and Christ The King Catholic Primary School to the Company have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Agency arrangements

The Company distributes 16 - 19 Bursary funds to students as an agent for the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds.

The Company can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at the period end are disclosed in the notes to the accounts.

1.15 Fund accounting

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

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.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgement:

The classification of expenditure between restricted and unrestricted is deemed as a critical area of judgment as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgment as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The Company occupies land and buildings which are provided to it and owned by the Birmingham Roman Catholic Diocesan Trustees (the Site Trustees). The Company occupies this land and buildings under the terms of a Supplemental Agreement between the Birmingham Roman Catholic Diocesan Trustees and the Company. This Supplemental Agreement, which amounts to a mere licence, provides the Company with the right to use the land and buildings for an indefinite period, subject to a 2-year termination notice period. Having considered the fact that the Company occupies the land and buildings by a mere licence, which transfers to the Company no rights or control over the sites save that of occupying it at the will of the Site Trustees under the terms of the relevant site trust, the Directors have concluded that the value of the land and buildings occupied by the Company will not be recognised on the balance sheet of the Company. Accordingly, improvements to property held under Church supplemental agreements are recorded as leasehold improvements when incurred.

The Directors have considered the nature of the donations relating the use of some of the Company's school playing fields and do not consider the value of the donation to be of material benefit to the users of the accounts. Therefore no cost has been recognised in the financial statements.

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Transfer from local authority on conversion (note 25)	1,422	(7,805)	535	(5,848)
Donations	41	-	-	41
Capital Grants	-	-	1,193	1,193
	<u>1,463</u>	<u>(7,805)</u>	<u>1,728</u>	<u>(4,614)</u>

4. Funding for the Company's educational activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants			
General Annual Grant	-	18,787	18,787
Start up grants	-	175	175
Other DfE/ESFA grants	-	2,226	2,226
	<u>-</u>	<u>21,188</u>	<u>21,188</u>
Other government grants			
Local authority grants	-	484	484
	<u>-</u>	<u>484</u>	<u>484</u>
Other income from the academy trust's educational operations			
Other income	153	-	153
	<u>153</u>	<u>-</u>	<u>153</u>
Exceptional government funding			
Coronavirus exceptional support	-	32	32
	<u>153</u>	<u>21,704</u>	<u>21,857</u>

The Company has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £32k of free school meals as well as increased premises and cleaning costs. These costs are included in notes 7 and 8 below as appropriate.

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5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Hire of facilities	51	51
Income from ancillary trading activities	238	238
	<u>289</u>	<u>289</u>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Short term deposits	<u>1</u>	<u>1</u>

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Educational activities:				
Direct costs	14,373	-	1,226	15,599
Allocated support costs	4,138	1,538	1,502	7,178
	<u>18,511</u>	<u>1,538</u>	<u>2,728</u>	<u>22,777</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational activities	<u>15,599</u>	<u>7,178</u>	<u>22,777</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £000	Total funds 2020 £000
Pension income	137	137
Staff costs	4,138	4,138
Depreciation	197	197
Catering	333	333
Recruitment and support	38	38
Maintenance of premises and equipment	348	348
Cleaning	480	480
Rent and rates	148	148
Energy costs	288	288
Insurance	36	36
Security and transport	161	161
Technology costs	257	257
Office overheads	98	98
Professional costs	358	358
Pension administration costs	3	3
Other costs	158	158
	<u>7,178</u>	<u>7,178</u>

Included within professional fees are legal costs relating to academy conversions and transfers of £26,000 and other professional costs relating to other matters (including HR support, the provision of payroll services and other professional costs) of £332,000. Prior to conversion, the Schools had spent amounts totalling £57,000 on legal costs relating to academy conversions.

9. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	2020 £000
Operating lease rentals	27
Depreciation of tangible fixed assets	238
Fees paid to auditor for:	
- audit	13
- other services	5
	<u>5</u>

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10. Staff

a. Staff costs

Staff costs during the period were as follows:

	2020 £000
Wages and salaries	12,789
Social security costs	1,262
Pension costs	4,075
	18,126
Agency staff costs	385
	18,511

b. Non-statutory/non-contractual staff severance payments

There were no instances of non-statutory / non-contractual staff severance payments in the period, or any other staff restructuring cost.

c. Staff numbers

The average number of persons employed by the Company during the period was as follows:

	2020 No.
Teachers	250
Administration and support	267
Management	11
	528
	528

The average headcount expressed as full-time equivalents was:

	2020 No.
Teachers	215
Administration and support	160
Management	11
	386
	386

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Higher paid staff

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

	2020 No.
In the band £60,001 - £70,000	9
In the band £70,001 - £80,000	2
In the band £80,001 - £90,000	1
In the band £90,001 - £100,000	1
In the band £100,001 - £110,000	1
	1

e. Key management personnel

The key management personnel of the Company comprise the Directors 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 Company was £927,000.

11. Directors' remuneration and expenses

During the period, no Directors received any remuneration or other benefits.

During the period ended 31 August 2020, no Director expenses have been incurred.

12. Directors' and Officers' insurance

In accordance with normal commercial practice, the Company has purchased insurance to protect Directors 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 period ended 31 August 2020 was £813. The cost of this insurance is included in the total insurance cost.

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13. Central services

The Company has provided the following central services to its academies during the period:

- Appointment of a full time Catholic Senior Executive Leader (CSEL) for Holy Cross Multi-Academy Company to work closely with the MAC Board of Directors;
- Appointment of a full time Chief Finance and Operating Officer (CFOO) to act as Chief Financial Officer and provide financial support and advice to Headteachers, Governors and finance staff;
- Appointment of a full time MAC Finance Manager to oversee the finances of the MAC and it's schools and to assist with financial control and forecasting;
- Central project management to set up the MAC and manage any future additions to the MAC (time limited);
- Installation of the new Financial IT system (PS Financials);
- Training for Governors/finance staff during the first year following conversion to ensure a full understanding of their new responsibilities as academy schools;
- To arrange the MAC end of year statutory accounts and liaise with external auditors;
- Provision of an internal audit service across the MAC at no cost to the member schools;
- An ongoing programme of procurement services to realise economies of scale across the Company including running MAC wide tenders for areas such as Catering, cleaning, MFDs/Photocopiers, Health and Safety, and Waste Disposal;
- Clerk to MAC Board and committees;
- Communications and marketing to promote all schools within the MAC.

The Company charges for these services on the following basis:

- flat percentage of 2.3% of the General Annual Grant (GAG).

The actual amounts charged during the period were as follows:

	2020 £000
St Elizabeth's Catholic Primary School	23
St John Vianney Catholic Primary School	21
St Augustine's Catholic Primary School	41
St Thomas More Catholic Primary School	38
Bishop Ullathorne Catholic School	125
Cardinal Newman Catholic School	164
Christ The King Catholic Primary School	40
Total	452

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14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
Additions	109	152	250	-	511
Acquired on conversion	131	15	125	26	297
At 31 August 2020	240	167	375	26	808
Depreciation					
Charge for the period	82	30	80	5	197
At 31 August 2020	82	30	80	5	197
Net book value					
At 31 August 2020	158	137	295	21	611

15. Debtors

	2020
	£000
Due within one year	
Trade debtors	9
Other debtors	3
Prepayments and accrued income	793
VAT recoverable	277
	1,082

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16. Creditors: Amounts falling due within one year

	2020 £000
Other loans	22
Trade creditors	392
Other taxation and social security	295
Other creditors	333
Accruals and deferred income	375
	1,417
	1,417
	2020 £000
Resources deferred during the period	42
	42

Deferred income at the balance sheet date is represented by other educational activities funds received in advance which relate to activities that will be undertaken during the year ending 31 August 2021

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

	2020 £000
Other loans	165
	165

Other loans of £187,000 are represented by amounts owing to the Birmingham Diocesan Education Service which were inherited on conversion in relation to unpaid School contributions towards property works at Bishop Ullathorne Catholic School. The loan is free of interest, and after an initial catch up payment of £22,000 will be repayable at a rate of £5,000 per year.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds				
General Funds	1,906	(646)	-	1,260
Restricted general funds				
General Annual Grant (GAG)	18,852	(17,887)	-	965
Start Up Grant	175	(175)	-	-
Pupil Premium	912	(912)	-	-
Other Grants	1,907	(1,907)	-	-
Pension reserve	(7,947)	(1,053)	(655)	(9,655)
	<u>13,899</u>	<u>(21,934)</u>	<u>(655)</u>	<u>(8,690)</u>
Restricted fixed asset funds				
Transfer on conversion	535	(169)	-	366
DfE Group capital grants	1,193	(28)	-	1,165
	<u>1,728</u>	<u>(197)</u>	<u>-</u>	<u>1,531</u>
Total Restricted funds	<u>15,627</u>	<u>(22,131)</u>	<u>(655)</u>	<u>(7,159)</u>
Total funds	<u><u>17,533</u></u>	<u><u>(22,777)</u></u>	<u><u>(655)</u></u>	<u><u>(5,899)</u></u>

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

The General Annual Grant funding must be used for the normal running costs of the Company in line with the Company's charitable objects and the terms and conditions of the Trust's funding agreement.

The pupil premium funding must be used to support children from families on low income or children in care.

Other grants and income, which include other ESFA / DfE grants (including Universal Infant Free School Meal grants, Teacher Pay grants and Teachers' Pension grants), Local Authority funding, and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Company on conversion of the Schools within the Company and the value of fixed assets transferred from academies joining the Company in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000
St Elizabeth Catholic Primary School	61
St John Vianney Catholic Primary School	191
St Augustine's Catholic Primary School	234
St Thomas More Catholic Primary School	147
Bishop Ullathorne Catholic School	47
Cardinal Newman Catholic School	1,117
Christ the King Catholic Primary School	384
Central Services	44
	2,225
Total before fixed asset funds and pension reserve	2,225
Restricted fixed asset fund	1,531
Pension reserve	(9,655)
	(5,899)
Total	(5,899)

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

Total cost analysis by academy

Expenditure incurred by each academy during the period was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000
St Elizabeth Catholic Primary School	830	166	48	151	1,195
St John Vianney Catholic Primary School	667	113	56	142	978
St Augustine's Catholic Primary School	1,499	249	109	210	2,067
St Thomas More Catholic Primary School	1,342	263	138	195	1,938
Bishop Ullathorne Catholic School	3,879	860	227	780	5,746
Cardinal Newman Catholic School	4,622	1,070	501	806	6,999
Christ the King Catholic Primary School	1,382	310	128	246	2,066
Central Services	152	194	20	172	538
Company	14,373	3,225	1,227	2,702	21,527

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

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	611	611
Current assets	1,260	2,360	1,107	4,727
Creditors due within one year	-	(1,395)	(22)	(1,417)
Creditors due in more than one year	-	-	(165)	(165)
Provisions for liabilities and charges	-	(9,655)	-	(9,655)
Total	<u>1,260</u>	<u>(8,690)</u>	<u>1,531</u>	<u>(5,899)</u>

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £000
Net (expenditure)/income for the period (as per Statement of financial activities)	(5,244)
Adjustments for:	
Depreciation	197
Capital grants from DfE and other capital income	(1,193)
Interest receivable	(1)
Defined benefit pension scheme obligation inherited	7,947
Defined benefit pension scheme cost less contributions payable	916
Defined benefit pension scheme finance cost	137
Increase in debtors	(1,082)
Increase in creditors	1,395
Fixed assets from local authority on conversion	(297)
Net cash provided by operating activities	<u>2,775</u>

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21. Cash flows from financing activities

	2020 £000
Cash inflows from new borrowing	187
Net cash provided by financing activities	187

22. Cash flows from investing activities

	2020 £000
Dividends, interest and rents from investments	1
Purchase of tangible fixed assets	(511)
Capital grants from DfE Group	1,193
Net cash provided by investing activities	683

23. Analysis of cash and cash equivalents

	2020 £000
Cash in hand	3,645
Total cash and cash equivalents	3,645

24. Analysis of changes in net debt

	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash at bank and in hand	3,645	-	3,645
Debt due within 1 year	-	(22)	(22)
Debt due after 1 year	(187)	22	(165)
	3,458	-	3,458

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25. Conversion to an academy trust

On 1 September 2019 St Elizabeth's Catholic Primary School, St John Vianney Catholic Primary School, St Augustine's Catholic Primary School, St Thomas More Catholic Primary School, Bishop Ullathorne Catholic School, Cardinal Newman Catholic School and Christ The King Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	131	131
Other tangible fixed assets	-	-	166	166
Current assets				
Cash - representing budget surplus on LA funds	1,422	142	-	1,564
Cash - representing budget surplus on capital funds	-	-	425	425
Current liabilities				
Diocesan loans	-	-	(22)	(22)
Non-current liabilities				
Diocesan loans	-	-	(165)	(165)
LGPS deficits	-	(7,947)	-	(7,947)
Net assets/(liabilities)	<u>1,422</u>	<u>(7,805)</u>	<u>535</u>	<u>(5,848)</u>

All Schools listed above occupy Diocesan land & buildings under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The Company is not able to exercise control over this property and therefore no tangible fixed asset has been recognised in these financial statements on conversion.

Other fixed assets, including furnishings and equipment were recognised on transfer and have been recognised as tangible fixed assets in these financial statements on conversion.

Included above in LGPS deficits is (£331,000) transferred on conversion in respect of Central Services.

The following tables show the amounts transferred by each School individually.

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25. Conversion to an academy trust (continued)

On 1 September 2019 St Elizabeth's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	11	11
Other tangible fixed assets	-	-	7	7
Current assets				
Cash - representing budget surplus on LA funds	33	17	-	50
Cash - representing budget surplus on capital funds	-	-	33	33
Non-current liabilities				
LGPS deficits	-	(845)	-	(845)
Net assets/(liabilities)	<u>33</u>	<u>(828)</u>	<u>51</u>	<u>(744)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Conversion to an academy trust (continued)

On 1 September 2019 St John Vianney Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Other tangible fixed assets	-	-	15	15
Current assets				
Cash - representing budget surplus on LA funds	162	18	-	180
Cash - representing budget surplus on capital funds	-	-	32	32
Non-current liabilities				
LGPS deficits	-	(266)	-	(266)
Net assets/(liabilities)	<u>162</u>	<u>(248)</u>	<u>47</u>	<u>(39)</u>

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25. Conversion to an academy trust (continued)

On 1 September 2019 St Augustine's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Other tangible fixed assets	-	-	8	8
Current assets				
Cash - representing budget surplus on LA funds	210	34	-	244
Cash - representing budget surplus on capital funds	-	-	40	40
Non-current liabilities				
LGPS deficits	-	(1,109)	-	(1,109)
Net assets/(liabilities)	<u>210</u>	<u>(1,075)</u>	<u>48</u>	<u>(817)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Conversion to an academy trust (continued)

On 1 September 2019 St Thomas More Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Other tangible fixed assets	-	-	43	43
Current assets				
Cash - representing budget surplus on LA funds	75	33	-	108
Cash - representing budget surplus on capital funds	-	-	21	21
Non-current liabilities				
LGPS deficits	-	(931)	-	(931)
Net assets/(liabilities)	<u>75</u>	<u>(898)</u>	<u>64</u>	<u>(759)</u>

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25. Conversion to an academy trust (continued)

On 1 September 2019 Bishop Ullathorne Catholic School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	19	19
Other tangible fixed assets	-	-	35	35
Current assets				
Cash - representing budget surplus on LA funds	49	-	-	49
Cash - representing budget surplus on capital funds	-	-	98	98
Current liabilities				
Diocesan loans	-	-	(22)	(22)
Non-current liabilities				
Diocesan loans	-	-	(165)	(165)
LGPS deficits	-	(1,754)	-	(1,754)
Net assets/(liabilities)	<u>49</u>	<u>(1,754)</u>	<u>(35)</u>	<u>(1,740)</u>

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25. Conversion to an academy trust (continued)

On 1 September 2019 Cardinal Newman Catholic School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	101	101
Other tangible fixed assets	-	-	55	55
Current assets				
Cash - representing budget surplus on LA funds	487	-	-	487
Cash - representing budget surplus on capital funds	-	-	138	138
Non-current liabilities				
LGPS deficits	-	(2,122)	-	(2,122)
Net assets/(liabilities)	<u>487</u>	<u>(2,122)</u>	<u>294</u>	<u>(1,341)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Conversion to an academy trust (continued)

On 1 September 2019 Christ The King Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Cross Catholic Multi Academy Company from Coventry City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	3	3
Current assets				
Cash - representing budget surplus on LA funds	406	40	-	446
Cash - representing budget surplus on capital funds	-	-	63	63
Non-current liabilities				
LGPS deficits	-	(647)	-	(647)
Net assets/(liabilities)	<u>406</u>	<u>(607)</u>	<u>66</u>	<u>(135)</u>

HOLY CROSS CATHOLIC MULTI ACADEMY COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

The Company'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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

As described above the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from maintained schools during the year or from academies transferred to the Academy Trust during the year 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 or who transferred to the Academy Trust in the year represents their cumulative service at both the predecessor schools and academies and the Academy Trust at the balance sheet date.

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 £328,000 were payable to the schemes as at 31 August 2020 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.

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
- 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.

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26. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £2,787,000.

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 Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Company 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 period ended 31 August 2020 was £1,509,000, of which employer's contributions totalled £1,288,000 and employees' contributions totalled £221,000. The agreed contribution rates for future years are 5.5% - 12.5% per cent for employers and per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the Company, 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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Company 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.

Principal actuarial assumptions

	2020 %
Rate of increase in salaries	3.25 - 3.30
Rate of increase for pensions in payment/inflation	2.25 - 2.30
Discount rate for scheme liabilities	1.60 - 1.65

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

	2020 Years
<i>Retiring today</i>	
Males	21.9
Females	24.1
<i>Retiring in 20 years</i>	
Males	23.8
Females	26

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26. Pension commitments (continued)

Sensitivity analysis

	2020 £000
Discount rate +0.1%	11,338
Discount rate -0.1%	(11,898)
Mortality assumption - 1 year increase	(12,156)
Mortality assumption - 1 year decrease	11,721
CPI rate +0.1%	(11,533)
CPI rate -0.1%	11,448
	11,448

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

	2020 £000
Equities	4,504
Gilts	870
Corporate bonds	311
Property	604
Cash	533
Other	1,197
Total market value of assets	8,019

The actual return on scheme assets was £633,000.

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

	2020 £000
Current service cost	(449)
Past service cost	(464)
Interest income	123
Interest cost	(260)
Net liabilities transferred on conversion	(7,947)
Administrative expenses	(3)
Total amount recognised in the Statement of Financial Activities	(9,000)

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26. Pension commitments (continued)

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

	2020 £000
Conversion of academy trusts	13,854
Current service cost	1,737
Interest cost	260
Employee contributions	221
Actuarial losses/(gains)	1,165
Benefits paid	(27)
Past service costs	464
At 31 August	17,674

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

	2020 £000
Conversion of academy trusts	5,907
Interest income	123
Actuarial gains	510
Employer contributions	1,288
Employee contributions	221
Benefits paid	(27)
Administrative expenses	(3)
At 31 August	8,019

27. Operating lease commitments

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

	2020 £000
Not later than 1 year	60
Later than 1 year and not later than 5 years	113
	173

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28. Members' liability

Each member of the 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.

29. Related party transactions

Owing to the nature of the Company and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors 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 Company's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Company paid £14,424 to the Birmingham Diocesan Education Service, an organisation in which the Directors of the Company are connected to, for charges in relation to the Schools religious and ethical character.

An amount of £14,471 has been prepaid in relation to charges relating to the next financial period.

These payments are deemed to be at cost for connected party rules.

An amount of £187,000 is recognised in other loans in respect of a balance inherited on conversion owing to the Birmingham Diocesan Education Service, in relation to unpaid School contributions towards property works at Bishop Ullathorne Catholic School. The loan is free of interest, and after an initial catch up payment of £22,000 will be repayable at a rate of £5,000 per year.

30. Agency arrangements

The Company distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the Company received £33,000 and disbursed £32,000 from the fund. An amount of £1,000 is included in other creditors relating to undistributed funds that are repayable to the ESFA.