

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
(A company limited by guarantee)

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

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

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**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	The Right Reverend A Williams The Brentwood Diocesan Trust Mrs M Hicks
<b>Trustees</b>	Miss E Heaphy, Headteacher Mr S Gleeson, Chair of Governors, Foundation Governor Mrs J Delves, Community Governor, Chair of Finance Mr J Collins, Chair of Audit, Foundation Governor Mrs N Balloqui, Foundation Governor Mrs K Hay, Chair of Curriculum and Pupils, Chair of Admissions, Foundation Governor Mrs M Hicks, Chair of Canteen & Premises, Foundation Governor Father B Soley, Foundation Governor Mrs S Ahmed-Holloway, Parent Governor Mr G Osei, Staff Governor Ms S Martino, Parent Governor Mr S Whelan, Staff Governor
<b>Company registered number</b>	07694563
<b>Company name</b>	St. Mark's West Essex Catholic School
<b>Registered and principal office</b>	Tripton Road Harlow Essex CM18 6AA
<b>Company Secretary</b>	Mrs O Akinsanmi
<b>Accounting Officer</b>	Miss E Heaphy
<b>Senior Strategic Leadership Team</b>	Miss E Heaphy, Headteacher  Mr J Taylor Mrs O Akinsanmi
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds TSB East Gate Harlow PO BOX 1000 BX1 1LT

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors present their Annual Report together with the financial statements and Auditor's Report of St Mark's West Essex Catholic School for the year ended 31 August 2020. The Annual Report serves the purposes of both a Governors' Report, and a Directors' Report under company law.

The Trust operates an Academy School for pupils aged 11 to 18 serving a catchment area in Harlow. It has a pupil capacity of 860 for year 7 to 11 plus the Sixth Form and had a roll of 863 and a Sixth Form of 176 (1,039 in total) in the 2019 autumn school census.

**Structure, Governance and Management**

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Governors of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as St Mark's West Essex Catholic School (the School).

Details of the Governors who served during the year are included in the Reference and Administrative Details section.

**Members' Liability**

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

**Governors and Officers' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides unlimited professional indemnity cover, third party public liability and employer's liability cover.

**Method of Recruitment and Appointment or Election of Governors**

The arrangements are as set out in the Articles and Funding Agreement.

Governors are appointed for a fixed term; the Foundation Governors being appointed by the Diocese. The Headteacher is an ex officio Member of the Governing Body. Parent Governors and the staff Governors are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 20 Governors (11 Foundation, 4 Parents, 2 staff, 2 others plus the Headteacher).

**Policies and Procedures Adopted for the Induction and Training of Governors**

The Charitable Company is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the School provides access to an internal programme continued professional development led by School staff and links with a number of local training providers.

All new Governors are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Governors and Headteacher followed by a tour of the School. All Governors are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Governors. Each Governor is automatically a member of all committees, but will be asked to indicate a specific committee in which they have a particular interest to ensure that each committee has a regular core membership.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Organisational Structure**

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Governors, which meets on at least 3 occasions per year and is supported by each individual committee which meet at least 3 times per year (the exception is the Audit Committee which meets twice a year), is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis, supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Governors as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

**Arrangements for setting pay and remuneration of key management personnel**

Key management personnel include Academy Governors and those staff to whom the Governors have delegated significant authority and responsibility in the day-to-day running of the Academy.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size; ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Academy's pay policy.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Governors.

**Trade union facility time**

The number of employees who were relevant union officials during the period was two. The full-time equivalent was two.

During the year there was nothing spent on union facility time.

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The Academy cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Diocese of Brentwood.
- Aspire Academy Trust (Now called 'The Beckmead Trust')
- Paringdon Education and Training

The Academy does not have a formal sponsor.

### **Objectives and Activities**

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 18.

### **Objectives, Strategies and Activities**

The Academy's mission is to ensure that all pupils have access to a broad and balanced curriculum; enabled to fulfil their potential in a caring supportive environment; and prepared for the world of work with the skills and values necessary to contribute to and help form the society in which they live.

In line with the Academy's mission statement, we aim to establish high quality provision in:

- teaching, learning and assessment;
- curriculum provision and other extra-curricular activities;
- care, guidance and support of pupils; and
- leadership and management.

As a result, the Academy seeks to ensure high levels of pupil achievement, attainment and standards, as well as the personal development and well-being of each individual, and high levels of effectiveness, efficiency and inclusiveness.

### **Strategies and Activities**

During the year the Academy has continued to work towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care; this continued during the national lockdown by providing pupils with work for each subject according to their timetable and welfare calls to ensure their safety and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- conducting the Academy's business in accordance with the highest standards of integrity;
- designing the curriculum to meet the needs of the pupils;
- using performance management to target pupil improvement;
- recruiting and retaining highly qualified staff; and
- development planning to focus resources on School improvement.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Our success in fulfilling our aims can be measured by:

- Ofsted inspection, October 2017 very positive and reconfirmed the School as GOOD: Section 48 Inspection judged the School to be outstanding in November 2018
- an increase in the size of the School roll in years 7 -11;
- GCSE results for and maths were in line with national average;
- Sixth Form progression rates remained positive with most students completing their courses
- The successful provision of schooling for vulnerable and Key Worker children during lockdown:
- The reopening of the School for large numbers of Year 10 and 12 during June/ July 2020;
- The provision of work for all pupils during the national lockdown period.
- The welfare calls and checks made to ensure all pupils were safe
- The management of the examination process for GCSE and A level subjects.
- The planning for the full reopening of the School in September 2020.

### **Public Benefit**

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

### **Strategic Report**

#### **Achievements and Performance**

The Academy continued its mission to ensure that pupils achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided pupils in appropriate progression routes when they left the School.

During 2017 and again in 2018, we had successful Ofsted inspections where we were confirmed as a good / outstanding School.

As there were no league tables for this year, it's difficult to compare results with other schools in the town. Our headline figures and general pass rates were extremely resilient if compared with data from previous years (both national and local).

However, 67% of pupils achieved Maths and English at level 4+. The core subjects achieved outcomes at GCSE in line with national averages i.e. Maths, English, Science and R.E.

In the area of Sixth Form achievements, 95% of pupils passed their A2 (A Level) qualifications at A\* to E.

#### **Key Performance Indicators**

The Governors receive regular information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

In October 2017, the School had a section 8 Ofsted inspection and was again confirmed to be a good school. In November 2018, the School had a section 48 Inspection and was judged to be outstanding.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for January 2020 were 1,038, which represents an increase from the previous year.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2019/20 this was £4,739,989, (81% of income, excluding capital and year end actuarial adjustment, against 77% in 2018/19). The increase was predicted as the School recruited more teachers during the year.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Pupil performance: 67% of pupils achieved Maths and English at level 4+. (63% last year). The number of first choice places has increased and is oversubscribed. In addition, the School had a record number of mid-year applications.

The Finance and Premises Committees also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

### **Going Concern**

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

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

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.3.

### **Financial Review**

The principal source of funding for the Academy is the GAG and other grants that it receives from the Education, Skills Funding agency (ESFA). For the year ended 31 August 2020, the Academy received £5,721,708 of GAG and other funding (excluding capital funding and notional rent). A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy spent £5,714,888 on general running expenses (excluding depreciation, notional rent and capital). The Academy brought forward from 18/19, £81,327 restricted funds (excluding donation in kind) and £1,230,159 unrestricted funding. The carry forward for 19/20 is £26,035 restricted funding and £1,252,307 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £2,872,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

### **Reserves Policy**

The Governors are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Governors monitor estimated year-end carry forward figures during the course of the meeting cycle and have identified expected use for these funds.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,252,307. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

However, our future plans have identified a number of ongoing issues that will need some investment. Governors have designated £200,000 to facilitate Sixth Form expansion and allow for the effects of funding changes to be assimilated and while we assess the impact on School roll as provision in the town changes. This will allow flexibility in the curriculum offer and staffing levels while we adjust to meet these new challenges. In addition, the Governors have designated £200,000 for capital improvements to the site. A further £200,000 is designated for the expenses and staffing of the expansion of School roll across years 7 to 11. In addition, the Governors have designated £189,904 for the updating of the IT infrastructure.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The Academy holds the equivalent of one and a half months gross salary expenditure and fixed overheads for in year contingencies and always plans to have sufficient carry forward to assist the Governors in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Academy's balance on restricted general funds (excluding pension reserve and donation in kind) plus the balance on unrestricted funds at 31 August 2020 was £1,278,342.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1,532,500. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Governors monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £576,000 to cover short term cash flow variances.

### **Investment Policy**

An Investment Policy was approved by the Board of Governors in December 2013 and is kept under annual review.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Governors do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

### **Principal Risks and Uncertainties**

The Governors maintain a risk register identifying the major risks to which the Academy is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to risks are monitored on behalf of the Governors at each meeting. The principal risks facing the Academy are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that pupil progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Academy is reliant on the quality of its staff and the Governors monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - the Academy has appointed Price Bailey to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All Finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Governors take these payments into account when setting the annual budget plan.

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

### **Fundraising**

The Academy only held small fundraising events for charity during the year. The Academy does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

### **Plans for Future Periods**

In line with the Mission Statement, the Academy will continue striving to improve the levels of achievement of its pupils at all levels, and will attempt to maintain its recent progress in ensuring the number of pupils on roll properly reflects the demand for places.

The Governors continue to work at enhancing and developing facilities in pursuance of the School's commitment to ensure that all pupils achieve their potential. It is recognised that to achieve this, pupils with differing abilities and aptitudes will have differing curricula requirements and that a range of learning experiences will be required to deliver these, and this is reflected in the budget allocations. The Sixth Form Partnership had initially led to the expansion of the Sixth Form. However, funding and staffing constraints in partner schools has limited effectiveness in the last few years and led to them having to withdraw from teaching subjects. However, partnership schools remain supportive and continue to promote the Sixth Form.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Governors have taken every opportunity to bid for additional capital resources resulting in significant improvements to the fabric of the School. They continue to work closely with the Academy architects to submit timely CIF bids and this year were awarded a grant of £911,350 in addition to £91,135 contribution from the governors for urgent drainage improvement. However, due to Covid-19, work did not commence during the year as no money was received for the project during the year and the first payment is now expected in November 2020. Future bids will concentrate on a new building to replace 4 demountable buildings which have come to the end of their service and an electrical and fire safety improvement. However, such funding remains limited and becoming more difficult to access.

Governors are aware of the funding pressures that may arise in future years and will continue to aim to produce balanced budgets in the light of changes to the allocation, particularly concerning the 16 to 18 funding levels. Budget projections and models are reviewed to reflect these changes and the challenge of changing provision in the town.

**Auditor**

Insofar as the Governors are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- The Governors 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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 December 2020 and signed on its behalf by:

**Mr S Gleeson**  
Chair of Trustees

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mark's West Essex Catholic School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Miss E Heaphy, Headteacher	6	6
Mr S Gleeson, Chair of Governors, Foundation Governor	4	4
Mrs J Delves, Community Governor, Chair of Finance	6	6
Mr J Collins, Chair of Audit, Foundation Governor	2	6
Mrs N Balloqui, Foundation Governor	6	6
Mrs K Hay, Chair of Curriculum and Pupils, Chair of Admissions, Foundation Governor	6	6
Mrs M Hicks, Chair of Canteen & Premises, Foundation Governor	6	6
Father B Soley, Foundation Governor	1	3
Mrs S Ahmed-Holloway, Parent Governor	1	3
Mr G Osei, Staff Governor	5	5
Ms S Martino, Parent Governor	0	3
Mr S Whelan, Staff Governor	6	6

**Review of year:**

During the year, we had the resignation of Mrs M Hicks as the chair of governors, and the appointment of Mr S Gleeson as the new Chair of Governors. Mrs Hicks however continues to be a member of the board of governors.

A member of staff is still receiving safeguarded remuneration and this is due to come to an end in August 2021.

**Governance reviews:**

Governors carried out a self-evaluation in December 2019. Each academic year, the Governors instruct Price Bailey to carry out two internal reviews based on the ESFA 'musts' and Governance and Internal Financial Controls and Procedures, in addition to an external review. Based on the self-evaluation review from the previous academic year which highlighted the need for extra Governors, two Foundation Governors were put forward during the year. However, due to Covid-19, their appointment has been delayed.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

A self-evaluation is carried out every two years and the next evaluation is due to take place in December 2021.

The Governors also carried a School Resource Management Self-Assessment during the year.

**Committees**

The Finance Committee is a sub-committee of the Board of Trustees. Its purpose is to:

- Constantly review and monitor all aspects of the School's finances and considers possible risks to this
- Analyse the monthly expenditure profiles and cumulative expense analysis and take corrective action if the urgency of the situation demands it
- Have control over re-prioritising of expenditure from any budget surplus
- Make or anticipate the making of decisions concerning the virement of funds in accordance with the authority vested in the Committee

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Delves	2	2
Mrs S Ahmed-Holloway	2	2
Mr S Gleeson	1	2
Mrs K Hay	2	2
Miss E Heaphy	2	2
Mrs M Hicks	2	2
Mr J Collins	2	2
Mr G Osei	2	2
Mr S Whelan	2	2

The Audit Committee is also a sub-committee of the Board of Trustees. Its purpose is to:

- Constantly review and monitor all aspects of the School's finances and considers possible risks to this
- Meet annually with the School's Auditors to discuss the annual accounts and management letter
- Refer all recommendations with financial implications to the Finance Committee
- Consider the reports from the Internal Review carried out by Price Bailey

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Gleeson	1	1
Mrs J Delves	2	3
Mrs K Hay	1	1
Miss E Heaphy	3	3
Mrs M Hicks	2	2
Mr J Collins	3	3

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Increase in pupil numbers
- Review of CIF project company and appointment of a new company
- Allocated money by the Governors to contribute to CIF bids, which would not have been awarded if this had not been given the financial support

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Marks's West Essex Catholic School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Trustees Report and financial statements.

**Capacity to handle risk**

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

**The risk and control framework**

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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

The Board of Trustees has decided to employ Price Bailey LLP as Internal Auditor. The Board of Trustees understands that following the new Ethical Standards, new internal scrutiny arrangements will need to be made for next year.

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

- checking compliance with the 'musts' in the Academies Financial Handbook
- payroll
- expenditure
- petty cash
- income (grant and non-grant)
- risk management
- business card usage

On a bi-annual basis, the Internal Auditor reports to the Board of Trustees through the Audit/Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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

The board of trustees has however considered the need for a specific internal audit function and has decided to appoint Azets (formerly known as Wilkins Kennedy) as internal auditor going forward.

**Review of effectiveness**

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

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

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

Approved by order of the members of the Board of Trustees on 30 December 2020 and signed on their behalf by:

**Mr S Gleeson**  
Chair of Trustees

**Miss E Heaphy**  
Accounting Officer

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of St. Mark's West Essex Catholic School I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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

**Miss E Heaphy**  
Accounting Officer  
Date: 30 December 2020

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 30 December 2020 and signed on its behalf by:

**Mr S Gleeson**  
Chair of Trustees

**Miss E Heaphy**  
Accounting Officer

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. MARK'S WEST ESSEX CATHOLIC SCHOOL (CONTINUED)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST.  
MARK'S WEST ESSEX CATHOLIC SCHOOL (CONTINUED)**

**Responsibilities of Trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

**Mr Gary Miller (Senior statutory auditor)**

for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

4 January 2021

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST. MARK'S WEST ESSEX CATHOLIC SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 August 2019 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 St. Mark's West Essex Catholic School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to St. Mark's West Essex Catholic School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St. Mark's West Essex Catholic School 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 St. Mark's West Essex Catholic School and ESFA, for our work, for this Report, or for the conclusion we have formed.

**Respective responsibilities of St. Mark's West Essex Catholic School's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of St. Mark's West Essex Catholic School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST. MARK'S WEST ESSEX CATHOLIC SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant  
**Price Bailey LLP**

Date: 4 January 2021

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	-	176,820	21,464	198,284	984,528
Charitable activities	4	170,326	5,497,073	-	5,667,399	5,334,733
Other trading activities	5	6,675	36,013	-	42,688	148,497
Investments	6	8,621	-	-	8,621	9,446
<b>Total income</b>		<u>185,622</u>	<u>5,709,906</u>	<u>21,464</u>	<u>5,916,992</u>	<u>6,477,204</u>
<b>Expenditure on:</b>						
Charitable activities	7	163,474	5,829,716	342,830	6,336,020	6,858,213
<b>Total expenditure</b>		<u>163,474</u>	<u>5,829,716</u>	<u>342,830</u>	<u>6,336,020</u>	<u>6,858,213</u>
<b>Net income/ (expenditure)</b>		<u>22,148</u>	<u>(119,810)</u>	<u>(321,366)</u>	<u>(419,028)</u>	<u>(381,009)</u>
Transfers between funds	17	-	(104,482)	104,482	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>22,148</u>	<u>(224,292)</u>	<u>(216,884)</u>	<u>(419,028)</u>	<u>(381,009)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(43,000)	-	(43,000)	(321,000)
<b>Net movement in funds</b>		<u>22,148</u>	<u>(267,292)</u>	<u>(216,884)</u>	<u>(462,028)</u>	<u>(702,009)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,230,159	(2,578,673)	932,309	(416,205)	285,804
Net movement in funds		22,148	(267,292)	(216,884)	(462,028)	(702,009)
<b>Total funds carried forward</b>		<u>1,252,307</u>	<u>(2,845,965)</u>	<u>715,425</u>	<u>(878,233)</u>	<u>(416,205)</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 50 form part of these financial statements.

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**

**(A company limited by guarantee)**

**REGISTERED NUMBER: 07694563**

**BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	660,513	578,280
		<u>660,513</u>	<u>578,280</u>
<b>Current assets</b>			
Debtors	14	745,774	990,084
Investments		710,562	703,527
Cash at bank and in hand		712,264	1,251,902
		<u>2,168,600</u>	<u>2,945,513</u>
Creditors: falling due within one year	15	(487,706)	(932,358)
<b>Net current assets</b>		<u>1,680,894</u>	<u>2,013,155</u>
<b>Total assets less current liabilities</b>		<u>2,341,407</u>	<u>2,591,435</u>
Creditors: amounts falling due after more than one year	16	(347,640)	(347,640)
<b>Net assets excluding pension liability</b>		<u>1,993,767</u>	<u>2,243,795</u>
Defined benefit pension scheme liability	23	(2,872,000)	(2,660,000)
<b>Total net assets</b>		<u><u>(878,233)</u></u>	<u><u>(416,205)</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	715,425	932,309
Restricted income funds	17	26,035	81,327
		<u>741,460</u>	<u>1,013,636</u>
Restricted funds excluding pension liability	17	741,460	1,013,636
Pension reserve	17	(2,872,000)	(2,660,000)
<b>Total restricted funds</b>	17	<u>(2,130,540)</u>	<u>(1,646,364)</u>
<b>Unrestricted income funds</b>	17	1,252,307	1,230,159
<b>Total funds</b>		<u><u>(878,233)</u></u>	<u><u>(416,205)</u></u>

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

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue on 30 December 2020 and are signed on their behalf, by:

**Mr S Gleeson**  
Chair of Trustees

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07694563**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

The notes on pages 25 to 50 form part of these financial statements.

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(436,742)	(107,102)
<b>Cash flows from investing activities</b>	20	(95,861)	(30,918)
<b>Change in cash and cash equivalents in the year</b>		(532,603)	(138,020)
Cash and cash equivalents at the beginning of the year		1,955,429	2,093,449
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<u>1,422,826</u>	<u>1,955,429</u>

The notes on pages 25 to 50 form part of these financial statements

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

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

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

**1.2 Company status**

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

The Academy's registered office is St. Mark's West Essex Catholic School, Tripton Road, Harlow, Essex, CM18 6AA

**1.3 Going concern**

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

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

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

In reaching their conclusions on the continued adoption of the going concern basis, the Trustees have taken into account of the fact that the financial statements show net liabilities of £878,233. These liabilities are caused by the LGPS pension deficit of £2,872,000. As noted in the Trustees Report, this deficit does not mean that an immediate liability for the amounts crystallises but does result in a cash flow effect in the form of increased employer contributions over a number of years, all of which are included within the Trust's normal operating budget.

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.4 Income**

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

• **Grants**

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

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

Capital grants, as a church Academy, can recognise when they are received. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when they are received and are not deferred over the life of the asset on which they are expended.

• **Donations**

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

• **Other income**

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

**1.5 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Interest receivable**

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

**1.8 Tangible fixed assets**

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

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

Capital Improvements to Diocesan owned property are recognised as expenditure.

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

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:

Furniture and equipment	- 4 - 10 years straight line
Motor vehicles	- 5 years straight line

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

**1.9 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.

**1.10 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.

**ST. MARK'S WEST ESSEX CATHOLIC SCHOOL**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.11 Liabilities**

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

**1.12 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.13 Operating leases**

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

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**1. Accounting policies (continued)**

**1.14 Pensions**

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

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

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

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

**1.15 Agency arrangements**

The Academy acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds.

Where the funds have not been fully applied in the accounting period then an amount will be included in the Balance Sheet as an other creditor.

**1.16 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	3,000	-	3,000	2,950
Notional rent	173,820	-	173,820	173,820
Capital grants	-	21,464	21,464	807,758
<b>Total 2020</b>	<u>176,820</u>	<u>21,464</u>	<u>198,284</u>	<u>984,528</u>
Total 2019	<u>176,770</u>	<u>807,758</u>	<u>984,528</u>	

In 2019, income from donations was £2,950 of which all was restricted.

In 2019, income from notional rent was £173,820 of which all was restricted.

In 2019, capital grants of £807,758 were in relation to restricted fixed assets.

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**4. Funding for the Academy's provision of education**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	4,956,949	4,956,949	4,815,359
Other DfE/ESFA grants	-	481,748	481,748	244,277
	-	5,438,697	5,438,697	5,059,636
<b>Other Government grants</b>				
Local Authority grants	-	44,393	44,393	41,755
	-	44,393	44,393	41,755
<b>Other funding</b>				
Catering income	170,326	-	170,326	233,342
	170,326	-	170,326	233,342
<b>Exceptional Government funding</b>				
Other Coronavirus funding	-	13,983	13,983	-
<b>Total 2020</b>	170,326	5,497,073	5,667,399	5,334,733
Total 2019	233,342	5,101,391	5,334,733	

In 2019, income from DfE/ESFA grants was £5,059,636 of which all was restricted.

In 2019, income from other Government grants was £41,755 of which all was restricted.

In 2019, income from catering was £233,342 of which all was unrestricted.

The Academy Trust has been eligible to claim additional funding in the 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 supports covers all £19,312 costs. These costs are included in notes 7 below as appropriate.

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**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	743	-	743	1,167
Other income	5,932	9,182	15,114	33,323
School trips income	-	26,831	26,831	114,007
<b>Total 2020</b>	<u>6,675</u>	<u>36,013</u>	<u>42,688</u>	<u>148,497</u>
Total 2019	<u>8,553</u>	<u>139,944</u>	<u>148,497</u>	

In 2019, rental income was £1,187 of which all was unrestricted.

In 2019, other income was £33,323 of which £7,386 was unrestricted and £25,937 restricted.

In 2019, school trip income was £114,007 of which all was restricted.

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	<u>8,621</u>	<u>8,621</u>	<u>9,446</u>

In 2019, the total income from investments was all unrestricted.

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**7. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	3,947,239	-	237,202	4,184,441	4,007,786
Support costs	913,642	496,049	741,888	2,151,579	2,850,427
<b>Total 2020</b>	<u>4,860,881</u>	<u>496,049</u>	<u>979,090</u>	<u>6,336,020</u>	<u>6,858,213</u>
Total 2019	<u>4,475,684</u>	<u>1,286,936</u>	<u>1,095,593</u>	<u>6,858,213</u>	

In 2020, of total expenditure, £163,474 (2019 - £224,401) was to unrestricted funds, £5,829,716 (2019 - £5,558,574) was to restricted funds and £342,830 (2019 - £1,075,238) was to restricted fixed asset funds.

In 2019, direct expenditure consisted of £3,589,151 staff costs and £418,635 other costs.

In 2019, support expenditure consisted of £886,533 staff costs, £1,286,936 premises costs and £676,958 other costs.

**8. Charitable activities**

	2020 £	2019 £
Direct costs	4,184,441	4,007,786
Support costs	2,151,579	2,850,427
	<u>6,336,020</u>	<u>6,858,213</u>

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**Charitable activities (continued)**

	2020	2019
	£	£
<b>Analysis of support costs</b>		
Support staff costs	913,642	886,533
Depreciation	22,249	17,503
Technology costs	64,283	64,253
Premises costs	444,719	1,286,936
Other support costs	691,076	569,673
Governance costs	15,610	13,515
	2,151,579	2,838,413
	2,151,579	2,838,413

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	2,223	4,762
Depreciation of tangible fixed assets	22,249	17,503
Fees paid to Auditors for:		
- Audit	7,100	6,895
- Other services	4,595	4,460
	7,695	11,355
	7,695	11,355

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	3,541,528	3,342,379
Social security costs	343,995	321,168
Pension costs	876,793	628,010
	4,762,316	4,291,557
Supply teacher costs	98,565	184,127
	4,860,881	4,475,684
	4,860,881	4,475,684

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**10. Staff (continued)**

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers	56	55
Administration and support	63	64
Management	5	5
	124	124

**c. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1
	4	4

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £419,715 (2019 - £364,304).

Included in this figure are employer national insurance contributions of £37,767 (2019 - £34,522) and employer pension contributions of £65,371 (2019 - £41,349).

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**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Miss E Heaphy, Headteacher	Remuneration	105,000 - 110,000	100,000 - 105,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000
Mr S Whelan, Staff Governor	Remuneration	45,000 - 50,000	35,000 - 40,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Mr G Osei, Staff Governor	Remuneration	40,000 - 45,000	35,000 - 40,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

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

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was included within other support costs.

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**13. Tangible fixed assets**

	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 September 2019	1,014,248	21,943	1,036,191
Additions	104,482	-	104,482
	<u>1,118,730</u>	<u>21,943</u>	<u>1,140,673</u>
At 31 August 2020	<u>1,118,730</u>	<u>21,943</u>	<u>1,140,673</u>
<b>Depreciation</b>			
At 1 September 2019	437,367	20,544	457,911
Charge for the year	21,781	468	22,249
	<u>459,148</u>	<u>21,012</u>	<u>480,160</u>
At 31 August 2020	<u>459,148</u>	<u>21,012</u>	<u>480,160</u>
<b>Net book value</b>			
At 31 August 2020	<u>659,582</u>	<u>931</u>	<u>660,513</u>
At 31 August 2019	<u>576,881</u>	<u>1,399</u>	<u>578,280</u>

**14. Debtors**

	2020 £	2019 £
<b>Due after more than one year</b>		
Notional rental debtor	347,640	347,640
	<u>347,640</u>	<u>347,640</u>
<b>Due within one year</b>		
Trade debtors	1,093	93
Notional rental debtor	173,820	173,820
Prepayments and accrued income	175,886	389,730
VAT receivable	47,335	78,801
	<u>745,774</u>	<u>990,084</u>
	<u>745,774</u>	<u>990,084</u>

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**15. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other taxation and social security	87,770	79,501
Notional rental creditor	173,820	173,820
Other creditors	137,297	103,070
Accruals and deferred income	88,819	575,967
	<u>487,706</u>	<u>932,358</u>

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

	2020 £	2019 £
Notional rental creditor	<u>347,640</u>	<u>347,640</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Designated funds</b>						
Sixth form fund	350,000	-	-	(100,000)	-	250,000
Capital improvements	388,636	-	-	(188,636)	-	200,000
Increase in roll fund	300,000	-	-	(100,000)	-	200,000
IT infrastructure	-	-	-	189,904	-	189,904
	<u>1,038,636</u>	<u>-</u>	<u>-</u>	<u>(198,732)</u>	<u>-</u>	<u>839,904</u>
<b>General funds</b>						
Unrestricted funds	191,523	185,622	(163,474)	198,732	-	412,403
<b>Total Unrestricted funds</b>	<u>1,230,159</u>	<u>185,622</u>	<u>(163,474)</u>	<u>-</u>	<u>-</u>	<u>1,252,307</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	81,327	4,956,949	(4,907,759)	(104,482)	-	26,035
Other DfE/ESFA grants	-	324,833	(324,833)	-	-	-
Pupil Premium	-	170,899	(170,899)	-	-	-
SEN funding	-	41,987	(41,987)	-	-	-
Educational visits	-	27,038	(27,038)	-	-	-
Notional rent	-	173,820	(173,820)	-	-	-
Other restricted income	-	11,974	(11,974)	-	-	-
Other government grants	-	2,406	(2,406)	-	-	-
Pension reserve	(2,660,000)	-	(169,000)	-	(43,000)	(2,872,000)
	<u>(2,578,673)</u>	<u>5,709,906</u>	<u>(5,829,716)</u>	<u>(104,482)</u>	<u>(43,000)</u>	<u>(2,845,965)</u>

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**17. Statement of funds (continued)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	578,280	-	(22,249)	104,482	-	660,513
Other DfE/ESFA capital grants	107,561	21,464	(74,113)	-	-	54,912
CIF	246,468	-	(246,468)	-	-	-
	<u>932,309</u>	<u>21,464</u>	<u>(342,830)</u>	<u>104,482</u>	<u>-</u>	<u>715,425</u>
<b>Total Restricted funds</b>	<u>(1,646,364)</u>	<u>5,731,370</u>	<u>(6,172,546)</u>	<u>-</u>	<u>(43,000)</u>	<u>(2,130,540)</u>
<b>Total funds</b>	<u><u>(416,205)</u></u>	<u><u>5,916,992</u></u>	<u><u>(6,336,020)</u></u>	<u><u>-</u></u>	<u><u>(43,000)</u></u>	<u><u>(878,233)</u></u>

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

**General Annual Grant (GAG)**

This represents funding from the ESFA to be used for the normal running costs of the Academy, including education and support costs.

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

**Other DfE/ESFA**

This represents non-GAG funding to be used for the normal running costs of the Academy, including education and support costs.

**Pupil Premium**

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

**SEN funding**

This represents funding from the Local Authority and it is used towards the education of pupils with special educational needs and disabilities.

**Educational visits**

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

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**17. Statement of funds (continued)**

**Pension reserve**

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

**Restricted Fixed asset fund**

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

**Devolved Formula Capital (DfE)/Conditional Improvement Fund (CIF)**

This represents funding received from ESFA for the maintenance and improvement of the Academy's buildings and facilities.

**Designated funds**

This represents funds that have been designated for sixth form funding, capital improvements and funds held for increased pupil numbers.

**Notional rent**

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

**Other restricted income**

This represents any other income generated not described above.

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**17. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Sixth form fund	500,000	-	-	(150,000)	-	350,000
Capital improvements	202,000	-	-	186,636	-	388,636
Increase in roll fund	-	-	-	300,000	-	300,000
	<u>702,000</u>	<u>-</u>	<u>-</u>	<u>336,636</u>	<u>-</u>	<u>1,038,636</u>
<b>General funds</b>						
Unrestricted funds	660,219	251,341	(224,401)	(495,636)	-	191,523
<b>Total Unrestricted funds</b>	<u>1,362,219</u>	<u>251,341</u>	<u>(224,401)</u>	<u>(159,000)</u>	<u>-</u>	<u>1,230,159</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	64,160	4,805,239	(4,771,708)	(16,364)	-	81,327
Other DfE/ESFA grants	-	89,486	(89,486)	-	-	-
Pupil Premium	-	166,691	(166,691)	-	-	-
SEN funding	-	39,975	(39,975)	-	-	-
Educational visits	-	115,864	(115,864)	-	-	-
Notional rent	-	173,820	(173,820)	-	-	-
Other restricted income	-	27,030	(27,030)	-	-	-
Pension reserve	(2,165,000)	-	(174,000)	-	(321,000)	(2,660,000)
	<u>(2,100,840)</u>	<u>5,418,105</u>	<u>(5,558,574)</u>	<u>(16,364)</u>	<u>(321,000)</u>	<u>(2,578,673)</u>

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**17. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	555,419	-	(17,503)	40,364	-	578,280
Other DfE/ESFA capital grants	34,448	74,113	(1,000)	-	-	107,561
CIF	434,558	733,645	(1,056,735)	135,000	-	246,468
	<u>1,024,425</u>	<u>807,758</u>	<u>(1,075,238)</u>	<u>175,364</u>	<u>-</u>	<u>932,309</u>
<b>Total Restricted funds</b>	<u>(1,076,415)</u>	<u>6,225,863</u>	<u>(6,633,812)</u>	<u>159,000</u>	<u>(321,000)</u>	<u>(1,646,364)</u>
<b>Total funds</b>	<u><u>285,804</u></u>	<u><u>6,477,204</u></u>	<u><u>(6,858,213)</u></u>	<u><u>-</u></u>	<u><u>(321,000)</u></u>	<u><u>(416,205)</u></u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	660,513	660,513
Debtors due after more than one year	347,640	-	-	347,640
Current assets	906,267	859,781	54,912	1,820,960
Creditors due within one year	(1,600)	(486,106)	-	(487,706)
Creditors due in more than one year	-	(347,640)	-	(347,640)
Provisions for liabilities and charges	-	(2,872,000)	-	(2,872,000)
<b>Total</b>	<u><u>1,252,307</u></u>	<u><u>(2,845,965)</u></u>	<u><u>715,425</u></u>	<u><u>(878,233)</u></u>

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restated Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	578,280	578,280
Debtors due after more than one year	-	347,640	-	347,640
Current assets	712,489	1,013,685	871,699	2,597,873
Creditors due within one year	517,670	(932,358)	(517,670)	(932,358)
Creditors due in more than one year	-	(347,640)	-	(347,640)
Provisions for liabilities and charges	-	(2,660,000)	-	(2,660,000)
<b>Total</b>	<u>1,230,159</u>	<u>(2,578,673)</u>	<u>932,309</u>	<u>(416,205)</u>

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(419,028)	(381,009)
<b>Adjustments for:</b>		
Depreciation	22,249	17,503
Interest receivable	(8,621)	(9,446)
Pension adjustments	169,000	174,000
Decrease in debtors	244,310	185,560
Decrease in creditors	(444,652)	(93,710)
<b>Net cash used in operating activities</b>	<u>(436,742)</u>	<u>(107,102)</u>

**20. Cash flows from investing activities**

	2020 £	2019 £
Interest receivable	8,621	9,446
Purchase of tangible fixed assets	(104,482)	(40,364)
<b>Net cash used in investing activities</b>	<u>(95,861)</u>	<u>(30,918)</u>

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**21. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	1,422,826	1,955,429
	1,422,826	1,955,429

**22. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,251,902	(539,638)	712,264
Liquid investments	703,527	7,035	710,562
	1,955,429	(532,603)	1,422,826

**23. Pension commitments**

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

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

Contributions amounting to £88,800 were payable to the schemes at 31 August 2020 (2019 - £64,702) and are included within creditors.

**Teachers' Pension Scheme**

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

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

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**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £614,739 (2019 - £376,993).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £171,000 (2019 - £184,000), of which employer's contributions totalled £138,000 (2019 - £150,000) and employees' contributions totalled £ 33,000 (2019 - £34,000). The agreed contribution rates for future years are 12.3 per cent for employers and 5.5 - 7.5 per cent for employees.

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

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

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**23. Pension commitments (continued)**

**Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	3.3	3.7
Discount rate for scheme liabilities	1.6	1.9
Inflation assumption (CPI)	2.3	2.2
Inflation assumption (RPI)	3.1	3.2

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

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

As at the 31 August 2020, the Academy had a pension liability of £2,872,000 (2019 - £2,660,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	(146,000)	(101,000)
Discount rate -0.1%	146,000	104,000
Mortality assumption - 1 year increase	42,000	183,000
Mortality assumption - 1 year decrease	(42,000)	(176,000)
CPI rate +0.1%	125,000	93,000
CPI rate -0.1%	(125,000)	(91,000)

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**23. Pension commitments (continued)**

**Share of scheme assets**

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

	2020 £	2019 £
Equities	1,446,000	1,248,000
Gilts & other bonds	231,000	220,000
Property	181,000	158,000
Cash and other liquid assets	63,000	58,000
Alternative assets	271,000	194,000
Other managed funds	142,000	102,000
<b>Total market value of assets</b>	<b>2,334,000</b>	<b>1,980,000</b>

The actual return on scheme assets was £54,000 (2019 - £148,000).

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

	2020 £	2019 £
Current service cost	(259,000)	(228,000)
Past service cost	-	(39,000)
Interest income	38,000	47,000
Interest cost	(86,000)	(103,000)
Administrative expenses	(1,000)	(1,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(308,000)</b>	<b>(324,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>4,640,000</b>	<b>3,890,000</b>
Current service cost	259,000	228,000
Interest cost	86,000	103,000
Employee contributions	33,000	34,000
Actuarial losses	257,000	422,000
Benefits paid	(69,000)	(76,000)
Past service costs	-	39,000
<b>At 31 August</b>	<b>5,206,000</b>	<b>4,640,000</b>

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**23. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	1,980,000	1,725,000
Interest income	38,000	47,000
Actuarial gains	214,000	101,000
Employer contributions	138,000	150,000
Employee contributions	33,000	34,000
Benefits paid	(69,000)	(76,000)
Admin expenses	-	(1,000)
<b>At 31 August</b>	<u>2,334,000</u>	<u>1,980,000</u>

**24. Operating lease commitments**

At 31 August 2020, the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Within 1 year	2,223	2,223
Between 1 and 5 years	-	1,667
	<u>2,223</u>	<u>3,890</u>

**25. Members' liability**

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

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**26. Related party transactions**

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

The Academy operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Dioceses, the Academy and the Secretary of State, the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £173,820 per annum, on this basis a donation from the Diocese of £173,820 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors and creditors is a donation in kind receivable and payable of £521,460 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

During the period, the Academy incurred expenditure of £11,093 (2019 - £11,186) in relation to educational support services from The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams, a member of St Mark's West Essex Catholic School, is a Director of The Brentwood Roman Catholic Diocesan Trust. At the period end no balance was due to The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams is entitled to exercise 10% of the voting power of the Brentwood Roman Catholic Diocesan Trust and has no financial or profit share entitlement so transactions with The Brentwood Roman Catholic Diocesan Trust are not subject to the 'at cost' rules set out in the Academies Financial Handbook.

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

**27. Agency arrangements**

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020, the Academy received £15,166 (2019 - £15,070) and disbursed £4,800 (2019 - £4,000) from the fund. An amount of £48,657 (2019 - £38,291) is included in other creditors relating to undistributed funds that is repayable to ESFA.