

**Report of the Trustees and
Financial Statements For The Year Ended 31 August 2015
for
Hall Cross Academy Trust**

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Hall Cross Academy Trust

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For The Year Ended 31 August 2015

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Hall Cross Academy Trust

Reference and Administrative Details
For The Year Ended 31 August 2015

MEMBERS	B Marshall J Foxtan R M Williams
TRUSTEES	D Cox (Chair and Community Trustee) P Marshall (Chair - resigned 21.9.2014) P Dodgshon (Principal and Accounting Officer) B Marshall (Chairman Finance & Resources Committee) Rev K Armstrong (Community Trustee) P Benstead (Staff Trustee) J Flynn (Staff Trustee) J Foxtan R M Williams A Townsend (Parent Trustee) D George (Parent Trustee) (resigned 16.10.2014) E Morris (Parent Trustee) (resigned 3.2.2015) P R Round (Staff Trustee) (resigned 8.12.2014) T Drabble (appointed 25.2.2015) I Trevillion (Parent Trustee) (appointed 18.5.2015) D Westwood (appointed 15.12.2014)
COMPANY SECRETARY	M E Swift
SENIOR MANAGEMENT TEAM	P Dodgshon (Principal and Accounting Officer) S J Swain (Deputy Principal) A Whittaker (Deputy Principal) S M Carroll (Assistant Principal) M J Catrall (Assistant Principal) T Goodchild (Assistant Principal) J Harris (Assistant Principal) S W Stockham (Assistant Principal) N Watts (Assistant Principal) M E Swift (Business Manager)
REGISTERED OFFICE	Hall Cross Academy Thorne Road Doncaster DN1 2HY
REGISTERED COMPANY NUMBER	07902880 (England and Wales)
AUDITORS	Allotts Business Services Ltd, Statutory Auditor Chartered Accountants Sidings Court Lakeside Doncaster South Yorkshire DN4 5NU

Hall Cross Academy Trust
Reference and Administrative Details
For The Year Ended 31 August 2015

SOLICITORS

Wrigleys Solicitors
19 Cookridge Street
Leeds
LS2 3AG

BANKERS

Barclays Bank Plc
Ten Pound Walk
Doncaster
DN4 5NU

Hall Cross Academy Trust

Report of the Trustees For The Year Ended 31 August 2015

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The principal activity of the Charitable Company is the operation of Hall Cross Academy to provide education for pupils and students of a range of ability between the ages of 11-18 serving a catchment area in central Doncaster. The Academy operates from two sites at Thorne Road, Doncaster (Upper School) and St. Michael's Road, Doncaster (Lower School). This is the primary object of the Academy Trust as set out in paragraph 4 of the Articles of Association of the Company Limited by Guarantee.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 9 January 2012 and opened as an Academy on 1 February 2012. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Hall Cross Academy Trust also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Hall Cross Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

As required by Chapter 7, Section 236 of the Companies Act, we disclose that every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to affairs of the Academy Trust.

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 in any one year.

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust has the following capacity for Trustees:

- A minimum of two Parent Trustees which have to be elected by parents of registered pupils at the Academy.
- Staff Trustees - the Members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the number of Trustees.
- Up to three Trustees can be co-opted by the Board of Trustees.
- The Principal (deemed Principal).
- Members can then appoint up to eight Trustees.
- Whilst additional Trustee(s) can be appointed by the Secretary of State, the Secretary of State has not exercised this right for the Hall Cross Academy Trust.

The number of Trustees shall be not less than three but shall not be subject to any maximum.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience.

Where necessary induction will include training on educational, legal and financial matters. All new Trustees will be given the opportunity to tour the Academy and have the chance to meet with staff and students.

All Trustees are also provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role. Since there is expected to be only a small number of new Trustees a year, induction will be carried out informally and will be tailored specifically to the individual.

Hall Cross Academy Trust
Report of the Trustees
For The Year Ended 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Academy's organisational structure consists of two primary levels: the Trustees and the Senior Management Team. Below the Senior Management Team is the Middle Leaders Group which consists of Heads of Department, senior Pastoral Staff and other staff holding teaching & learning responsibility points.

The Board of Trustees' primary role is to approve the strategic direction and objectives of the Academy and monitor its progress towards those objectives. To do this effectively, the Board of Trustees has created various committees:-

- Strategic Committee - includes the Chair of Trustees, the Vice-Chair and the Chair of each Committee
- Finance and Resources Committee (meets at least three times per year)
- Standards & Progress (meets at least three times per year)
- Provisions Committee (meets at least three times per year)
- Pupil Welfare Committee (meets at least three times per year)

All of these committees report to the Full Board of Trustees which meets five times per year.

The Trustees have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Principal, to the lowest level. Trustees are responsible for setting general policy, approving the strategic plan, adopting and approving the annual plan and budget and making major decisions about the direction of the Academy including capital expenditure and major staff appointments.

The Senior Management Team control the Academy at an executive level, implement the policies approved by Trustees and report to Trustees through the various Committees and at the Full Board of Trustees' meetings.

The Academy's Development Plan is reviewed annually and has established specific targets in the following areas:

- **Achievement:** the climate in the school engenders a desire to do one's best and provides the conditions for continual progress.
- **The Quality of Teaching:** teaching provides a range of stimulating and engaging learning experiences and promotes independent learning and personal growth. Teaching is always at least good and students make rapid and sustained progress.
- **Leadership:** the climate established by the school leadership is one of collective, purposeful professionalism, based on mutual respect and clearly linked to common aims.
- **The Climate for Learning:** students and staff work in a mutually tolerant, positive and safe environment which in turn elicits good responses and provides the conditions for engagement and collaboration. People are recognised for their efforts and feel valued.

Connected Organisations including Related Party Relationships

The Academy operates within an Umbrella Trust with Horbury Academy, Ossett Academy and 6th Form College, in Wakefield and Armthorpe Academy in Doncaster.

The Yorkshire Education Trust, which is a partnership of the four secondary schools, is used to provide additional opportunity for the staff and students of Hall Cross Academy and contributes to a mutual accountability framework. Projects are established within the partnership of schools, involving a range of staff, to review outcomes for different cohorts of learners and use findings to improve delivery of teaching and learning. There is a development plan for the Consortium, ensuring its growth and providing the basis for each partner to achieve excellence.

In addition, the Academy operates within other partnerships, including:-

- Lead School liaising with UCAS on behalf of the DRAFTTs ITT Consortium. Working alongside 13 Doncaster secondary schools and Doncaster ITT Partnership (accredited provider) we are licensed to deliver School Direct and SCITT. Currently we are supporting 28 trainees across 12 schools - 5 at Hall Cross. The bid for the 2016/17 cohort has been approved and recruitment will begin in November.
- Continued collaboration with Sheffield Hallam University - its PGCE programme (Maths and Science) and the Teach First programme (English) to further support recruitment in hard to fill subjects.
- Collaboration with the newly formed secondary teaching school alliance, Partners in Learning. Currently we have staff participating in its NQT and RQT programmes, and there is much scope for further collaboration to support teaching and learning.
- Continued collaboration with Wickersley Teaching School Alliance/Learners First to access, design and deliver NPQML. Subscription to its Leadership Licence potentially provides access to training at all career stages from pre-entry in to the profession to headship. Recently enrolled 4 staff on NPQML & 2 staff are continuing with the NPQSL programme. Membership of Learners First will be reviewed this year in light of the new local teaching school alliance and Hall Cross's capacity to deliver bespoke middle leadership training.
- The Central Learning Partnership with three other Doncaster schools; Danum Academy, Armthorpe Academy and Outwood Academy for the delivery of 'PRU' programmes for students with behavioural needs at key stage 4.

Hall Cross Academy Trust

Report of the Trustees For The Year Ended 31 August 2015

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal aim and activity of the Academy Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education.

We aim to raise standards of learning by providing students with the knowledge, skills and understanding that they need to make healthy, positive life and lifestyle choices; enabling them to play an active and constructive role in their school and local community.

It provides a balanced and broad curriculum and meets the requirements of the Schools Admissions Code.

Our Mission in support of all our learners:

- To develop and define a sense of identity as they move from childhood to young adulthood and to take their place in the World.
- To refine their interests academically so that they can move confidently towards identified goals.
- To be able to participate fully in an exciting community and feel valued for their contributions.
- To make sense of the World as global citizens.
- To have access to wide ranging opportunities and experiences beyond the classroom.
- To enjoy a safe, secure and positive environment, confident that the adults know them and care for them as individuals.
- To experience success and be recognised and rewarded.

We believe that we must all hold each other to account to contribute to a dignified and mutually respectful environment. The belief underpins the standards and expectations we have for everyone at the Academy.

Academic Mission

- At our core is aspiration for academic success. Building on our proud history, we offer a diverse modern curriculum, personalised to the preferences and aspirations of every learner.
- Learners are supported in their progress and in their choices by experienced and well qualified professionals to advise and guide them in their next steps.
- Our teaching aims to stimulate authentic enjoyment of learning that is resilient and cultivates life-long interests.
- Results have risen rapidly over the last few years and are now significantly above National Averages in key categories.
- Our teachers see themselves as part of a professional learning community, pursuing continuous innovation and improvement on behalf of the students.

Variety of Experience

We aim to be more than just a school for our young people, with excellent opportunities for enrichment and personal development. Our dedicated staff provide many opportunities for participation beyond the classroom, including:-

- A wide range of high quality sporting activities and teams
- Creative, presentation and performance opportunities
- Leadership development and taking responsibility
- Work related learning and enterprise
- Curriculum and extra-curricular trips and visits
- Community and charity involvement
- Global citizenship and links with international schools

Collaboration

Students are encouraged to work collaboratively, to identify their strengths as team contributors, cultivating:

- Mutual respect and support
- Personal confidence
- Skills to express oneself and ideas appropriately
- The ability to represent diverse viewpoints
- A culture of caring

Happy and Successful

- We believe that when we share in the celebration of individuals' success, we are all elevated and feel pride in ourselves and the school. Everyone participates in celebrations and awards events.
- We promise to see each person as an individual and allow them to shine and to feel valued for who they are, recognising whatever skills and talents they possess.

Hall Cross Academy Trust

Report of the Trustees For The Year Ended 31 August 2015

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace.

Our aim is an Academy which provides an atmosphere for learning based on equal opportunities for all and which incorporates the multi-cultural nature of the school and society.

- To give all students equal access to the whole curriculum and amenities of the school in order to achieve their full potential.
- To help pupils to understand the world in which they live and its cultural diversity.
- To prevent pupils being stereotyped or discriminated against in any way - by race, religion, gender or disability.
- To increase staff awareness of all aspects of equal opportunities and associated under-achievement.
- To involve all staff and all pupils in the effective implementation of the Equal Opportunities policy.

Public Benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The key public benefit delivered by the Trust is the provision of a high quality of education to its students. The Academy seeks to provide the cultural, physical, spiritual as well as academic development of students.

The Academy is used heavily as a resource by the local community. Both sites are frequently used by community groups ranging from swimming clubs and churches to theatre groups, conferences and meetings. The Academy's lettings policy provides discounted rates for community groups.

STRATEGIC REPORT

Achievement and performance

Academic results

In the period leading up to 31st August 2015 the following were achieved:

- At Key Stage 4, 52% of Pupils achieved 5 A*-C including English & Maths.
- 62% of Pupils achieved 5 A*-C GCSEs.
- 92% of Pupils achieved 5 A*-G GCSEs.
- 99% of students achieved at least one A level grade.

Levels of progress in English and Maths were as follows:-

3 or more levels of progress in English	57%
3 or more levels of progress in Maths	61%

Rewards

At Hall Cross Academy we place great emphasis on the importance of helping our students develop personal and social skills, leadership skills and a desire to help others in our school community. Our Rewards System is one way in which we celebrate students' achievements in these areas. By helping at school events, taking part in sporting activities, competitions, concerts, organising activities, mentoring younger students, achieving excellence or making great improvement, students can be awarded certificates and gift vouchers.

We hold an annual whole school awards evening, termly achievement reward assemblies for each year group and a graduation ceremony for Year 7s for our Hall Cross Baccalaureate programme.

Duke of Edinburgh Award Scheme - DoE

The DoE Award Scheme is offered to students at Key Stage 4 & 5 working towards the Bronze, Silver and Gold award helps create independent, socially aware team workers.

On the 15th July 2015, seventeen Hall Cross students and 6 members of staff went on a trip of a lifetime, to complete the Duke of Edinburgh Gold award in Norway. Nothing could have prepared them for what was to come as they stepped off the aeroplane and onto Norwegian soil. The fundraising events, numerous meetings, fitness tests and practice expeditions were all just part of the build up to the expedition.

All the students were amazing despite the conditions!

Magistrates Court Mock Trial Competition

Students from Year 8 and 9 won the Doncaster Heat of the Mock Trial competition beating teams from Hungerhill, Rossington All Saints and The King's School, all the way from Wakefield. The victory on Saturday 21st March at Doncaster Magistrates Court was the sixth year in a row that Hall Cross have won!

Hall Cross Academy Trust

Report of the Trustees For The Year Ended 31 August 2015

STRATEGIC REPORT

Achievement and performance (continued)

Sport

The Academy has a sporting tradition, with very large numbers of students engaged in extra-curricular sport and frequently represented in regional and national competitions in disciplines including Hockey, Netball, Tennis, Rugby, Football, Swimming and Athletics. We have continued to hold a very successful annual 'Olympics' in the local athletics stadium for the last few years and our student sports leaders help out in local primary and special schools.

'Shakespeare' day

Last year, the entire Year 9 cohort participated in a 'Shakespeare' day, during which, Open Minds Theatre Company, came into school and worked with the students. Throughout the morning, they ran a series of drama workshops which focused each form group on a specific part of Romeo and Juliet - this culminated in the students performing the entire play in the afternoon, with each class showcasing their section. Students demonstrated an increased engagement with Shakespeare, as they enjoyed the active approach to the play, leading to a secure base for further study and examination at KS4.

Linacre Institute

Ten Hall Cross Sixth Form students won places on the Linacre Institute programme this year. The Linacre Institute is an organisation that seeks to support students with applications to elite universities.

The students spent one week in central London and one week in Cambridge attending lectures, a visit to the House of Lords and the Royal Institute were highlights of the two weeks.

Year 7 Fashion Day with a Difference!

Year 7 studied the 4 classical elements of Air, Water, Earth and Fire with a twist. Each week saw an element under the microscope to see what they could find about how we use it, or sadly, abuse it.

Our eco-friendly Year 7 students were given the challenge of turning "rubbish" into something brilliant to wear on the catwalk - a true triumph in recycling and re-using. The Earth would be so proud!

Enterprise

A busy and successful year involving numerous activities including:-

- A highly successful Christmas Fayre held at our Lower Site. The Fayre attracted a number of local people who booked stalls. Hall Cross students provided refreshments and one member of staff dressed as Father Christmas.
- An outstanding production of Les Misérables- students were heavily involved in marketing the production, including selling mugs and T shirts as well as teas, coffees and sweets
- Numerous cake sales both at the Upper and Lower sites to raise money for charity.
- A McMillan Coffee morning raised over £500.
- A number of non-Uniform days.
- T-Shirt design competition - run by the Technology Department.

All these events were hugely successful and very well supported.

Capital Developments

During the period under review, the school completed the following projects:-

- Upgrade and re-decoration to the Upper School Maths and English Blocks.
- Refurbishment and re-decoration of the Careers Area.
- Upgrade to the Lower School CCTV.
- Speed bumps installed at the Lower site.
- Re-modelled the KS3 Café outdoor area.
- Re-decoration of corridors and numerous teaching rooms throughout the School.

Key Financial Performance Indicators

The Academy acknowledges that its ability to continue to provide for students the continuing advancement of education is reliant upon the agreed public funding levels, distributed to the Academy in the form of a General Annual Grant (GAG) and it pays due regard to the known future reduction in that funding for students who are in school years 12 and 13 (aged 16-18).

The Academy accepts that its planned level of expenditure must not exceed its known income now and the future forecast income. In doing so it pays due regard to the high proportion of costs based on salaries and any forces influencing rising wage costs.

Hall Cross Academy Trust
Report of the Trustees
For The Year Ended 31 August 2015

STRATEGIC REPORT

Achievement and performance (continued)

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies on page 22.

Financial review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grant, the use of which is restricted to particular purposes and included within the Funding Agreement between the Secretary of State for Education and Hall Cross Academy Trust.

The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005) and the Academies Accounts Direction 2014, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2015 the Academy Trust received income of £11,525K (2014: £11,494K) from the DfE in respect of General Annual Grant and other Government funding, and £41K (2014: £334K) in the form of DfE capital and maintenance grants. It also generated its own income of £922K (2014: £790K) as shown in note 3 to the accounts.

Total expenditure for the period amounted to £13,391K (2014: £13,210K) which included £1,266K (2014: £1,295K) of depreciation.

The net deficit for the period before actuarial movements arising from the Local Government Pension Scheme was £897K (2014: deficit of £588K).

At 31 August 2015 the net book value of fixed assets was £17,369K and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy Trust held total fund balances at 31 August 2015 of £15,076K (2014: £16,228K) comprising a surplus of £539K on restricted general funds, a surplus of £479K on unrestricted general funds and £17,409K on the fixed asset funds. The Local Government Pension Scheme (LGPS) was in deficit by £3,351K at the year end.

Reserves Policy

The Board of Trustees reviews the reserve levels of the Academy Trust annually at the year-end and as a part of its budget planning process. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As a part of its monitoring of in-year financial performance the Board of Trustees reviews the forecast impact on reserves and considers this as a part of its medium term financial planning. During 2015 the Board of Trustees planned to establish a reasonable level of restricted general reserves at the year-end in order to enable it to both manage unforeseen emergencies and also to enable planned use over the medium term to lessen any budget shortfalls.

As at 31 August 2015 the Academy Trust held total restricted general funds of 539K, which it plans to use in part as a component of that medium term financial plan.

Under Accounting Standard FRS17 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our non-teaching staff to a specific restricted reserve. As at 31 August 2015 the deficit on this reserve amounted to £3,351K. It should be noted however that this does not present the Academy Trust with a current liquidity problem.

Investment Policy

The Trustees have resolved to invest any funds available in a short term and low risk bank deposit account.

Hall Cross Academy Trust
Report of the Trustees
For The Year Ended 31 August 2015

STRATEGIC REPORT

Principal Risks and Uncertainties

The Academy Trust has established a Risk Management Strategy and Risk Register as reported within the Statement of Internal Control. Top financial risks that it has identified and are managing include: the ever present difficulties in achieving planned increases in student numbers and inability to deliver forecast necessary savings over the medium term and maintain sustainable improvements in student performance. The Academy Trust has initiated actions in order to mitigate these risks.

Risk Management

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

The key controls used by the Academy Trust include:

- Formal agendas for Trustees' meetings.
- Detailed terms of reference for all committees
- A clear Development Plan identifying key strategic planning objectives and the resources required to achieve them.
- Comprehensive budget planning, monitoring and review.
- Clear financial delegation levels.
- Formal written policies reviewed on a regular basis.
- Performance Management and Staff Training programme.
- Clear safeguarding and vetting procedures as required by law to protect children and young people.
- Rigorous review of educational achievement to ensure continuing high standards.
- Comprehensive planning and review of admissions processes.

Financial and Risk Management Objectives and Policies

In 2013 the Academy formalised its risk management arrangements. In the Summer term 2015 it both approved a Risk Management Strategy and reviewed the Strategic Risk Register. The Strategic Risk Register will be reviewed at least annually by the Trustees Finance & Resources committee.

The Risk Management Policy forms part of the Academy's internal control and governance arrangements and aims to identify the likelihood of a risk occurring, its impact and actions that are being taken to mitigate the risk.

Risks included on the Register are varied but include:-

- Strategic and Reputational
- Operational
- Compliance
- Financial

In addition the register records existing and proposed controls to minimise risk. The Academy also has a Data Disaster Recovery Policy in case of ICT failure. Some significant financial risks such as public and employee liability are covered by Insurance.

The Academy operates systems of internal financial control and checks and these are examined periodically by the Academy Trust's external auditors. During 2015 a number of improvements were put in place to strengthen the Academy's internal controls. The Academy regularly and closely monitors its current and projected cash/liquidity position and requirements.

The Academy also produces a Statement of Internal Control which relates to financial management and effectiveness of financial systems.

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of its students in all areas and will continue its efforts to ensure all students are secure in their next steps on leaving the Academy with regard to employment or continuing in training or formal education. The Academy continuously strives to be at the forefront of innovation in education and we are perpetually revising our curriculum offer to suit the needs of our students.

As the Academy continues to go from strength to strength, we are better able to exploit partnerships with local schools. We are keen to further develop our partnerships with our local primary schools, to work on innovative models of delivery and share our expertise and facilities.

Hall Cross Academy Trust

Report of the Trustees
For The Year Ended 31 August 2015

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Hall Cross Academy Trust and its Trustees do not act as third party custodial trustees.

EMPLOYEES AND DISABLED PERSONS

The Academy Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we actively combat bigotry.

The Academy Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The Academy Trust works with employee trade unions and professional associations and engages in consultation, as required, to ensure that all aspects of the Academy affecting its employees, including financial and economic factors, are discussed, conveyed and consulted on with them.

AUDITOR

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware.
- The Trustees 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.

Allotts Business Services Ltd, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies 2006, unless the Charitable Company receives notice under section 488(1) of the Companies Act 2006.

Report of the trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 14 December 2015 and signed on the Board's behalf by:



D Cox - Chair

Hall Cross Academy Trust
Governance Statement
For The Year Ended 31 August 2015

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Hall Cross Academy Trust and the Secretary of State for Education.

They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met five 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
D Cox	4	5
Rev K Armstrong	5	5
P Benstead	5	5
P Dodgshon	5	5
T Drabble	3	3
J Foxton	5	5
J Flynn	5	5
D George - resigned 16.10.2014	1	1
B Marshall	3	5
E Morriss - resigned 3.2.2015	2	2
P Round - resigned 8.12.2014	1	1
I Trevellion - appointed 18.5.2015	1	2
A Townsend	4	5
D Westwood - appointed 15.12.2014	2	4
R M Williams	5	5

Review of Governance

The current members of the Trust have continued to review the membership and effectiveness of both the Full Board and the several committees. Members have been aligned to serve on a committee which better matches their specific skill set and expertise.

During the year, the Governing Body also reviewed the terms of reference for each committee.

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

- To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.
- To refer major issues to the full Board of Trustees for ratification.

Attendance during the year at meetings of the Finance & Resources Committee was as follows:

Trustee	Meetings Attended	Out of a possible
P Dodgshon	2	4
J Foxton	3	4
B Marshall [Chair]	4	4
A Townsend	2	2
R M Williams - appointed 15.12.2014	1	2
Associate Members;		
M Swift	4	4

Hall Cross Academy Trust
Governance Statement
For The Year Ended 31 August 2015

Review of Value for Money

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

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

- Ensuring adherence to Financial Regulations.
- Incorporating recommendations from the internal reviewer and external auditor for improved management of Academy finances.
- Complying with the Scheme of Delegation and obtaining more than one quote for larger items of expenditure.
- Monitoring the needs of students and ensuring the support they received was appropriate.
- Targeted resourcing in key subject areas such as English and Maths

The Academy regularly benchmarks financial performance against other Academy Trusts to demonstrate that the Trust provides good value for money.

The Trust has internal controls in place to ensure strict financial procedures are followed. The Executive Group receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste.

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 Hall Cross Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy 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 period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance & Resources 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.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trustees have appointed Allotts Business Services Ltd, the external auditor, to perform additional checks.

Hall Cross Academy Trust
Governance Statement
For The Year Ended 31 August 2015

Allotts Business Services Ltd's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, Allotts Business Services Ltd will report to the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The checks carried out included:

- testing payroll;
- testing purchase systems;
- testing income;
- testing control accounts/bank reconciliations;
- testing management information;
- testing of EFA returns.

No material control issues were identified for the period under review.

Review of Effectiveness

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

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

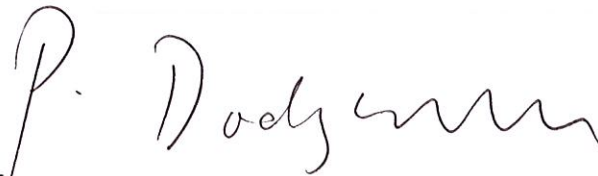
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



D Cox - Chair

P Dodgshon - Accounting Officer



Hall Cross Academy Trust

Statement on Regularity, Propriety and Compliance
For The Year Ended 31 August 2015


As Accounting Officer of Hall Cross Academy Trust I have considered my responsibility to notify the charitable company Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company 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.

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

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

P Dodgshon - Accounting Officer

14 December 2015

A handwritten signature in black ink, appearing to read 'P. Dodgshon', written in a cursive style.

Hall Cross Academy Trust

Statement of Trustees Responsibilities
For The Year Ended 31 August 2015

The trustees (who act as governors of Hall Cross Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 to 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 the EFA/DfE have been applied for the purposes intended.

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

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



D Cox - Chair

**Independent Auditor's Report on the Financial Statements to the Members of
Hall Cross Academy Trust**

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Jacqueline Saunders BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

14 December 2015

**Independent Reporting Accountant's Assurance Report on Regularity to
Hall Cross Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 11 August 2014 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Cross Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hall Cross Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hall Cross Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hall Cross Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hall Cross Academy Trust's Accounting Officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of Hall Cross Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2012 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

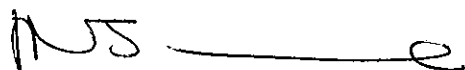
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the charitable company's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Enquiry of officers of the Academy Trust
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the Academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the Academy Trust
- Review of the delegated authorities set out in the Academies Financial Handbook

Conclusion

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



Jacqueline Saunders BA FCA DChA
Reporting Accountant
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

14 December 2015

Hall Cross Academy Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 August 2015**

	Note	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset fund £'000	2015 Total funds £'000	2014 Total funds £'000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	-	-	-	-	58
Activities for generating funds	3	278	644	-	922	731
Investment income	4	6	-	-	6	5
Incoming resources from charitable activities						
Funding for the Academy Trust's educational operations	5	<u>-</u>	<u>11,525</u>	<u>41</u>	<u>11,566</u>	<u>11,828</u>
Total incoming resources		284	12,169	41	12,494	12,622
RESOURCES EXPENDED						
Charitable activities						
Academy Trust's educational operations	7	185	11,919	1,266	13,370	13,197
Governance costs	8	<u>-</u>	<u>21</u>	<u>-</u>	<u>21</u>	<u>13</u>
Total resources expended	6	185	11,940	1,266	13,391	13,210
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		99	229	(1,225)	(897)	(588)
Gross transfers between funds	19	<u>20</u>	<u>(125)</u>	<u>105</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		119	104	(1,120)	(897)	(588)
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes	20	<u>-</u>	<u>(255)</u>	<u>-</u>	<u>(255)</u>	<u>397</u>
Net movement in funds		119	(151)	(1,120)	(1,152)	(191)
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September 2014		360	(2,661)	18,529	16,228	16,419
Total funds carried forward at 31 August 2015		<u>479</u>	<u>(2,812)</u>	<u>17,409</u>	<u>15,076</u>	<u>16,228</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes form part of these financial statements

Hall Cross Academy Trust (Registered number: 07902880)

Balance Sheet
At 31 August 2015

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	12	17,369	18,529
CURRENT ASSETS			
Stocks	13	4	4
Debtors	14	202	246
Cash at bank and in hand		<u>1,483</u>	<u>1,012</u>
		1,689	1,262
LIABILITIES			
Creditors: Amounts falling due within one year	15	(631)	(573)
		<u>1,058</u>	<u>689</u>
NET CURRENT ASSETS			
		<u>1,058</u>	<u>689</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,427	19,218
PENSION SCHEME LIABILITY	20	(3,351)	(2,990)
		<u>15,076</u>	<u>16,228</u>
NET ASSETS INCLUDING PENSION LIABILITY			
		<u>15,076</u>	<u>16,228</u>
FUNDS	19		
Unrestricted funds:			
General fund		479	360
Restricted funds:			
Fixed Asset fund		17,409	18,529
General fund		539	329
Pension reserve		<u>(3,351)</u>	<u>(2,990)</u>
		<u>14,597</u>	<u>15,868</u>
TOTAL FUNDS		<u>15,076</u>	<u>16,228</u>

The financial statements were approved by the Board of Trustees on 14 December 2015 and were signed on its behalf by:



D Cox -Chair

The notes form part of these financial statements

Hall Cross Academy Trust
Cash Flow Statement
For The Year Ended 31 August 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow from operating activities	1	530	709
Returns on investments and servicing of finance	2	6	5
Capital expenditure and financial investment	2	(65)	(275)
		<u> </u>	<u> </u>
Increase in cash in the period		<u>471</u>	<u>439</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>471</u>	<u>439</u>
Change in net funds resulting from cash flows		<u>471</u>	<u>439</u>
Movement in net funds in the period		471	439
Net funds at 1 September		<u>1,012</u>	<u>573</u>
Net funds at 31 August		<u>1,483</u>	<u>1,012</u>

The notes form part of these financial statements

Hall Cross Academy Trust

Notes to the Cash Flow Statement
For The Year Ended 31 August 2015

1. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£'000	£'000
Net outgoing resources	(897)	(588)
Depreciation charges	1,266	1,295
Loss on disposal of fixed assets	-	3
Capital grants from DfE/EFA	(41)	(334)
Interest received	(6)	(5)
Increase in stocks	-	(3)
Decrease in debtors	44	689
Increase/(decrease) in creditors	58	(490)
Difference between pension charge and cash contributions	<u>106</u>	<u>142</u>
Net cash inflow from operating activities	<u>530</u>	<u>709</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	<u>6</u>	<u>5</u>
Net cash inflow for returns on investments and servicing of finance	<u>6</u>	<u>5</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(106)	(609)
Capital grants from DfE/EFA	<u>41</u>	<u>334</u>
Net cash outflow for capital expenditure and financial investment	<u>(65)</u>	<u>(275)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.14	Cash flow	At 31.8.15
	£'000	£'000	£'000
Net cash:			
Cash at bank and in hand	1,012	471	1,483
	<u> </u>	<u> </u>	<u> </u>
Total	<u>1,012</u>	<u>471</u>	<u>1,483</u>

Hall Cross Academy Trust

Notes to the Financial Statements For The Year Ended 31 August 2015

1. **ACCOUNTING POLICIES**

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

The Academy's land and buildings are on a 125 year lease from Doncaster Metropolitan Borough Council. No premium was paid and the rent is one peppercorn. The building was valued on conversion at depreciated replacement cost and is depreciated over the remainder of its expected life. Land was valued at the market value and is depreciated over the length of the lease.

Other fixed assets transferred on conversion were valued at original cost less depreciation to the date of conversion.

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

Hall Cross Academy Trust

Notes to the Financial Statements - continued For The Year Ended 31 August 2015

1. ACCOUNTING POLICIES - continued

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	over 125 years, being the length of the lease
Inherited buildings	over 29 years, being the remainder of the life of the buildings
Fixtures, fittings and equipment	over 5 years
Computer equipment	over 3 years
Motor vehicles	over 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Stocks

Unsold uniforms are valued at the lower of cost or net realisable value.

Taxation

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Pension and Similar Obligations note, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments and are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Insurance proceeds & other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Hire of facilities	115	-	115	119
Catering income	-	430	430	390
Trips	-	154	154	95
Other events and activities	-	19	19	13
Books, uniforms etc	-	10	10	31
Sundry income	<u>163</u>	<u>31</u>	<u>194</u>	<u>83</u>
	<u>278</u>	<u>644</u>	<u>922</u>	<u>731</u>

4. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Interest	<u>6</u>	<u>-</u>	<u>6</u>	<u>5</u>

Hall Cross Academy Trust

**Notes to the Financial Statements - continued
For The Year Ended 31 August 2015**

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	10,516	10,516	10,603
Other DfE/EFA grants	-	811	811	653
	-	11,327	11,327	11,256
DfE/EFA capital grant				
Capital grants	-	41	41	334
Other government grant				
Local authority grants	-	198	198	238
	-	11,566	11,566	11,828

6. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	2015 Total £'000	2014 Total £'000
Academy Trust's educational operations					
Direct costs	8,292	553	1,585	10,430	10,221
Allocated support costs	1,395	793	752	2,940	2,976
	9,687	1,346	2,337	13,370	13,197
Governance costs including allocated support costs	-	-	21	21	13
	9,687	1,346	2,358	13,391	13,210

Net resources are stated after charging/(crediting):

	2015 £'000	2014 £'000
Auditors' remuneration	9	9
Auditors' remuneration for non-audit work	3	3
Depreciation - owned assets	1,266	1,295
Loss on disposal of fixed asset	-	3
Operating leases	79	57

7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Direct costs - educational operations				
Teaching and educational support staff	31	8,261	8,292	8,108
Depreciation	-	1,266	1,266	1,295
Loss on sale of assets	-	-	-	3
Technology costs	14	81	95	94
Educational supplies	1	268	269	283
Carried forward	46	9,876	9,922	9,783

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - continued

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Direct costs - educational operations				
Brought forward	46	9,876	9,922	9,783
Examination fees	-	188	188	194
Staff development	-	54	54	32
Trips	-	167	167	84
Other direct costs	<u>-</u>	<u>99</u>	<u>99</u>	<u>128</u>
	46	10,384	10,430	10,221
Support costs - educational operations				
Support staff costs	-	1,395	1,395	1,419
Recruitment and support	-	8	8	22
Maintenance of premises and equipment	5	230	235	296
Cleaning	-	44	44	38
Rent and rates	-	120	120	121
Energy costs	129	195	324	261
Insurance	-	91	91	87
Security and transport	-	59	59	59
Catering	-	372	372	351
Other support costs	<u>6</u>	<u>286</u>	<u>292</u>	<u>322</u>
	140	2,800	2,940	2,976
	<u>186</u>	<u>13,184</u>	<u>13,370</u>	<u>13,197</u>
Total direct and support costs				

8. GOVERNANCE COSTS

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Auditors' remuneration	-	9	9	9
Auditors' remuneration for non-audit work	-	3	3	3
Legal and professional fees	<u>-</u>	<u>9</u>	<u>9</u>	<u>1</u>
	<u>-</u>	<u>21</u>	<u>21</u>	<u>13</u>

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received benefits from an employment with the Academy Trust.

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Ms P Dodgshon (Principal and trustee)

Remuneration £100,000 - £105,000 (2014: £100,000 - £105,000)
Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

Mr P Round (staff trustee)

Remuneration £10,000 - £15,000 (2014: £45,000 - £50,000)
Employer's pension contributions £0 - £5,000 (2014: £10,000 - £15,000)

Mr P Benstead (staff trustee)

Remuneration £50,000 - £55,000 (2014: £45,000 - £50,000)
Employer's pension contributions £5,000- £10,000 (2014: £5,000 - £10,000)

Ms J Flynn (staff trustee)

Remuneration £25,000 - £30,000 (2014: £25,000 - £30,000)
Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

Trustees' expenses

During the year ended 31 August 2015, travel and subsistence expenses totalling £1,317 (2014 - £1,974) were reimbursed or paid directly to 3 trustees (2014 - 2) who worked for the school.

Other transactions

Other related party transactions involving the trustees are set out in the Related Party Disclosures note.

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

10. STAFF

a. Staff costs

Staff costs during the period were:

	2015	2014
	£'000	£'000
Wages and salaries	7,724	7,628
Social security costs	567	558
Other pension costs	<u>1,265</u>	<u>1,244</u>
	9,556	9,430
Supply teacher costs	42	67
Staff restructuring costs	<u>89</u>	<u>30</u>
	<u>9,687</u>	<u>9,527</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £56,722 (2014: £30,100). Individually the payments were: £26,722 and £30,000.

c. Staff numbers

The average number of persons (including senior management team) employed by the charitable company during the year expressed as full time equivalents was as follows:

	2015	2014
Teachers and educational support	198	204
Administration and support	52	58
Management	<u>11</u>	<u>8</u>
	<u>261</u>	<u>270</u>

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015	2014
£60,001 - £70,000	5	4
£70,001 - £80,000	1	1
£100,001 - £110,000	<u>1</u>	<u>1</u>
	<u>7</u>	<u>6</u>

All of the above employees (2014: 6) participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £70,108 (2014: £59,277).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was not separately identifiable (2014: not separately identifiable). The cost of this insurance is included in the total insurance cost.

Hall Cross Academy Trust

**Notes to the Financial Statements - continued
For The Year Ended 31 August 2015**

12. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Furniture, equipment & library books £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST					
At 1 September 2014	17,987	2,744	12	691	21,434
Additions	-	25	8	73	106
At 31 August 2015	<u>17,987</u>	<u>2,769</u>	<u>20</u>	<u>764</u>	<u>21,540</u>
DEPRECIATION					
At 1 September 2014	1,429	1,002	5	469	2,905
Charge for year	<u>553</u>	<u>517</u>	<u>4</u>	<u>192</u>	<u>1,266</u>
At 31 August 2015	<u>1,982</u>	<u>1,519</u>	<u>9</u>	<u>661</u>	<u>4,171</u>
NET BOOK VALUE					
At 31 August 2015	<u>16,005</u>	<u>1,250</u>	<u>11</u>	<u>103</u>	<u>17,369</u>
At 31 August 2014	<u>16,558</u>	<u>1,742</u>	<u>7</u>	<u>222</u>	<u>18,529</u>

13. STOCKS

	2015 £'000	2014 £'000
Clothing	<u>4</u>	<u>4</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade debtors	11	21
Other debtors	106	100
VAT recoverable	26	77
Prepayments and accrued income	<u>59</u>	<u>48</u>
	<u>202</u>	<u>246</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade creditors	173	109
Taxation and social security	162	160
Other creditors	137	134
Accruals and deferred income	<u>159</u>	<u>170</u>
	<u>631</u>	<u>573</u>

	2015 £'000	2014 £'000
Deferred income		
Deferred Income at 1 September 2014	44	27
Resources deferred in the year	66	44
Amounts released from previous years	<u>(44)</u>	<u>(27)</u>
Deferred Income at 31 August 2015	<u>66</u>	<u>44</u>

At the balance sheet date the Academy Trust was holding trip monies received in advance of £31,000 and income received in advance for the new KS4 learning centre of £35,000.

Hall Cross Academy Trust

**Notes to the Financial Statements - continued
For The Year Ended 31 August 2015**

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2015	2014
	£'000	£'000
Expiring:		
Within one year	6	11
Between one and five years	43	35
	49	46

17. 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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Fixed Asset fund	2015 Total funds	2014 Total funds
	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	17,369	17,369	18,529
Current assets	479	1,170	40	1,689	1,262
Current liabilities	-	(631)	-	(631)	(573)
Pension liability	-	(3,351)	-	(3,351)	(2,990)
	479	(2,812)	17,409	15,076	16,228

19. MOVEMENT IN FUNDS

	Balance at 1 September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General Annual Grant (GAG)	150	10,516	(10,213)	(117)	336
Other EFA grants	17	675	(651)	-	41
Other income	15	644	(637)	10	32
Other grants	3	61	(62)	-	2
Central Learning Centre (CLC)	144	273	(271)	(18)	128
Pension reserve	(2,990)	-	(106)	(255)	(3,351)
	(2,661)	12,169	(11,940)	(380)	(2,812)
Restricted fixed asset funds					
Inherited & gifted assets	17,074	-	(717)	-	16,357
EFA grants & insurance receipts	1,139	41	(400)	-	780
Capital expenditure from GAG	316	-	(149)	105	272
	18,529	41	(1,266)	105	17,409
Total restricted funds	15,868	12,210	(13,206)	(275)	14,597
Unrestricted funds	360	284	(185)	20	479
Total funds	16,228	12,494	(13,391)	(255)	15,076

Hall Cross Academy Trust

Notes to the Financial Statements - continued For The Year Ended 31 August 2015

19. MOVEMENT IN FUNDS - continued

GAG may only be spent in compliance with the Academy's funding agreement. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other EFA grants include Pupil Premium, 16-19 Bursary, Summer School funding and Year 7 Catch Up funding.

Other grants include the following funding received from the local authority in respect of Special Educational Needs grants and NQT grants

Central Learning Centre (CLC) : this is funding for a Central Learning Centre (KS3) in collaboration with three other Academy schools.

20. PENSION AND SIMILAR OBLIGATIONS

The Academy Trust'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 South Yorkshire Pensions Authority. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £135,949 (2014: £0) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earning growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

The pension costs paid to the TPS in the period amounted to £774,931 (2014: £746,058).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust 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 2015 was £498,000 (2014: £472,000), of which employer's contributions totalled £379,000 (2014: £355,000) and employees' contributions totalled £119,000 (2014: £117,000). The agreed contribution rates for future years are 13.8 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

The scheme is in deficit and the Academy has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels. Additional contributions were £118,292 for the year ended 31 August 2015. Additional contributions are expected to be £124,300 per annum for 2015/2016 and £134,700 for 2016/2017.

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

	2015	2014
Discount rate	4%	4%
Rate of increase for pensions	2.3%	2.2%
Rate of increase in salaries	4.05%	3.95%
Rate of CPI inflation	2.3%	2.2%

Sensitivity Analysis

The sensitivities regarding the principal assumptions to measure the scheme liabilities are set out below:

	£000 Central	£000 +0.1% pa discount rate	£000 0.1% pa inflation	£000 1 year increase in life expectancy
Liabilities	6,277	6,139	6,417	6,386
Assets	(3,722)	(3,722)	(3,722)	(3,722)
Deficit / (Surplus)	3,351	3,196	3,509	3,474
Projected Service Cost for next year	440	426	453	449
Projected Expected Return on Assets for next year	(209)	(209)	(209)	(209)
Projected Interest Cost for next year	291	292	298	296

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males	23.0	22.9
Females	25.6	25.5
Retiring in 20 years		
Males	25.3	25.2
Females	28.4	28.3

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Equities	2,211	2,011
Property	428	355
Government Bonds	532	431
Other Bonds	220	217
Cash	67	59
Other	<u>264</u>	<u>214</u>
	<u><u>3,722</u></u>	<u><u>3,287</u></u>

The major categories of scheme assets and the expected rate of return on each asset is as follows:

	Defined benefit pension plans	
	2015	2014
	%	%
Equities	6.5	7.0
Property	6.1	6.2
Government Bonds	2.5	2.9
Other Bonds	3.6	3.8
Cash	0.5	0.5
Other	<u>6.5</u>	<u>7.0</u>
Overall expected rate of return	<u><u>5.56</u></u>	<u><u>6.01</u></u>

A building block approach is used to determine the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each class of asset is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at the accounting date.

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Actual return on plan assets	<u>97</u>	<u>381</u>

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Present value of funded obligations	(7,073)	(6,277)
Fair value of plan assets	<u>3,722</u>	<u>3,287</u>
Deficit in the scheme	<u>(3,351)</u>	<u>(2,990)</u>
Liability at 31 August 2015	<u>(3,351)</u>	<u>(2,990)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Current service cost	426	396
Interest cost	259	296
Expected return on assets	(200)	(194)
	<u>485</u>	<u>498</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is an £87,000 loss (2014: £168,000 gain).

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
At 1 September	(6,277)	(6,334)
Current service cost	(426)	(396)
Employee contributions	(119)	(117)
Interest cost	(259)	(296)
Actuarial (gain) / loss	(152)	828
Benefits paid	<u>160</u>	<u>38</u>
At 31 August	<u>(7,073)</u>	<u>(6,277)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
At 1 September	3,287	3,090
Employer contributions	379	355
Employee contributions	119	117
Expected return on assets	200	194
Actuarial gain / (loss)	(103)	(431)
Benefits paid	<u>(160)</u>	<u>(38)</u>
At 31 August	<u>3,722</u>	<u>3,287</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £410,000.

Hall Cross Academy Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

The history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000
Present value of defined benefit obligations	(7,073)	(6,277)	(6,334)
Fair value of share of scheme assets	3,722	3,287	3,090
Deficit in the scheme	<u>(3,351)</u>	<u>(2,990)</u>	<u>(3,244)</u>
Experience adjustments on scheme liabilities	-	1,117	-
Experience adjustments on scheme assets	(103)	(431)	175

21. CONTINGENT LIABILITIES

There are no contingent liabilities (2014: NIL).

22. CAPITAL COMMITMENTS

There were no capital commitments contracted for, but not provided in the financial statements (2014: NIL).

23. RELATED PARTY DISCLOSURES

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

No related party transactions took place in the period of account (2014: none).