

Report of the Trustees and  
Financial Statements For The Year Ended 31 August 2016  
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

Contents of the Financial Statements  
For The Year Ended 31 August 2016

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 11
Governance Statement	12 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees Responsibilities	16
Report of the Independent Auditors	17
Independent Auditor's Report on Regularity	18
Statement of Financial Activities	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Statement of Cash Flows	22
Notes to the Financial Statements	23 to 37

**Hall Cross Academy Trust**

**Reference and Administrative Details**  
**For The Year Ended 31 August 2016**

<b>MEMBERS</b>	B Marshall J Foxton R M Williams
<b>TRUSTEES</b>	D Cox (Chair and Community Trustee) 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 Foxton R M Williams A Townsend (Parent Trustee) T Drabble I Trevillion (Parent Trustee) D Westwood S Masterman (Parent Trustee) (appointed 14.12.2015)
<b>COMPANY SECRETARY</b>	M E Swift
<b>SENIOR MANAGEMENT TEAM</b>	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)
<b>REGISTERED OFFICE</b>	Hall Cross Academy Thorne Road Doncaster DN1 2HY
<b>REGISTERED COMPANY NUMBER</b>	07902880 (England and Wales)
<b>AUDITORS</b>	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 2016

**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 2016

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1 September 2015 to 31 August 2016. 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.

#### **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.

**Hall Cross Academy Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2016**

**OBJECTIVES AND ACTIVITIES**

- 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.

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 and have assured compliance with this guidance.

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 2016 the following were achieved:

**Key Stage 4**

- Progress 8 score of -0.02
- 55.63% of Pupils achieved 5 A\*-C GCSEs including English & Maths.
- 63.38% of Pupils achieved 5 A\*-C GCSEs.
- 92.96% of Pupils achieved 5 A\*-G GCSEs.
- 75.61% Expected level of progress in English.
- 70.60% Expected level of progress in Maths.

**Key Stage 5**

- APS per entry 215.58
- APS per student 669.54
- 23.80% A\*-A.
- 71.10% A\*-C.
- 98.90% A\*-G.
- +0.05 Academic LAT
- +0.52 Vocational LAT

**Magistrates Court Mock Trial Competition**

In April, Year 8 and 9 won the Doncaster Heat of the Mock Trial competition. They were narrowly beaten in the regional final held in Bradford. The students were commended by the judges for their teamwork, courtroom persona and the dedication they had shown to extra-curricular activities within school.

**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.

**Trips & Visits**

Students took part in a wide ranging number of trips, visits and activities throughout the year including:-

- A cycle ride along the Trans Pennine Trail
- Languages visit to Seville
- A visit to the Yorkshire Wildlife Park
- Dance Experience Day at Lincoln University
- Geography visit to Berlin

**Hall Cross Academy Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2016**

## **STRATEGIC REPORT**

### **Achievement and performance - continued**

- Philosophy Film Club
- Barcelona Sports Tour
- Geneva trip to visit and learn about CERN
- Visit to the Royal Armouries in Leeds
- Holocaust Witness Survivor Testimony
- Doncaster Book Awards
- Science trip to Orlando
- Year 12 Politics at the University of Sheffield

In total students experienced over 150 day visits and 20 residential.

### **Performing Arts**

The Academy has been pleased to invest in boosting Performing Arts, as a key signature of excellence and opportunity. Last year saw the launch of our ICA-Perform "school" and a large number of outstanding performances, together with increased Post 16 recruitment into the arts.

### **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.

The prize giving capped off a successful first year of the new rewards system and included the following:

- 63,457 points were awarded to students.
- 1,045 students earned bronze badges.
- 167 students received silver badges.
- 2 students were awarded gold badges.
- 4,205 prizes were purchased in the shop.

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.

### **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.

The department undertake a range of out of hours activities, including:-

- Monday: KS4/5 Cricket (After School), KS3 Hockey (After School), KS3 Netball League (Lunchtime)
- Tuesday: KS3 Gymnastics (Lunch), KS3 Basketball (After School)
- Wednesday: KS3 Badminton (Before School), KS3 Cricket (After School), KS3 Rounders (After School)
- Thursday: KS3 Hockey (Lunchtime), KS3/4/5 Athletics @ Keepmoat (After School)
- Friday: GCSE Revision/Catch Up (After School)

### **'Shakespeare' Festival 2016**

Congratulations to all KS3 students who took part in the Rotherham Shakespeare Festival at the Magna. The hard work and commitment from everyone involved was clear to see, especially when the all-day event was concluded with an outstanding performance from Hall Cross students and Willow Academy.

### **Linacre Institute**

The Linacre Institute aims to assist our most able students with applications to the most competitive universities.

Ten of our students were successful in applying to the Linacre Institute programme, which involves two residential summer schools, intensive application support and one-to-one tuition. Additionally, the institute provides wider guidance for students who are not successful in applying to their programme, but have high aspirations. Furthermore, staff within the Sixth Form team receive training from the institute on supporting the most able.

This year, both the attainment of our highest ability students, and the proportion of students achieving top grades, were higher than in previous years. We have been successful in securing students places at Oxbridge for three consecutive years, and many of our students secured places at the most competitive Russell Group universities and courses.

**Hall Cross Academy Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2016**

**STRATEGIC REPORT**

**Achievement and performance - continued**

**Enterprise**

A busy and successful year involving numerous activities including:-

- An outstanding production of Jesus Christ Superstar- 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
- 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 Business Studies area.
- Refurbishment and re-decoration of the Upper Library and provision of laptops.
- Upgrade to the Lower School South and West blocks.
- All whiteboard PC's have been updated to Windows 10 and the latest Office and Sims has been deployed. Several rooms have had new whiteboards and projectors fitted and we have deployed nearly 200 new PC's and laptops over both sites.
- 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.

**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.

**Financial Review**

Most of the Academy'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 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015) and the Academies Accounts Direction 2016, 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 2016 the Academy received income of £10,941K (2015: £11,525K) from the DfE in respect of General Annual Grant and other Government funding, and £86K (2015: £41K) in the form of capital and maintenance grants. It also generated its own income of £1,004K (2015: £922K) as shown in note 5 to the accounts.

Total expenditure for the period amounted to £13,348K (2015: £13,391) which included £1,200K (2015: £1,266K) of depreciation.

The net deficit for the period before actuarial movements arising from the Local Government Pension Scheme was £1,312K (2015: deficit of £897k).

At 31 August 2016 the net book value of fixed assets was £16,341K and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

## Hall Cross Academy Trust

### Report of the Trustees For The Year Ended 31 August 2016

#### STRATEGIC REPORT

##### **Financial review - continued**

The Academy held total fund balances at 31 August 2016 of £11,388K (2015: £15,076K) comprising a surplus of £315K on restricted general funds, a surplus of £581K on unrestricted general funds and £16,390K on the fixed asset funds. The Local Government Pension Scheme (LGPS) was in deficit by £5.898K 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 2016 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 2016 the Academy Trust held total restricted general funds of £315K, which it plans to use in part as a component of that medium term financial plan.

Under Accounting Standard FRS102 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 2016 the deficit on this reserve amounted to £5,898K. It should be noted however that this does not present the Academy Trust with a current liquidity problem.

The DfE expects academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, if the trust has a substantial surplus, a clear plan is in place for how it will be used to benefit their pupils. To that end, budget forecasts are sent to the EFA to declare any unspent funds expected to be carried forward at the end of the financial year. The EFA will verify the sums of unspent funds when it checks the trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

Reserves are the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically, reserves are incomes which become available to the Academy and are to be spent at the trustees' discretion in furtherance of any of the Academy's objectives.

Fundamentally reserve funds allow the organisation to survive periods where income may be adversely affected, giving time to explore other funding options or development of new or changed services which might be funded.

##### Management, Monitoring and Review

On-going fund management will be the responsibility of the Business Manager. Monitoring of reserves will be continuous and the subject of a report by the Business Manager to the Finance and Resources Committee on a termly basis.

Reserve funding is reviewed on an annual basis by the EFA via the Academies Budget Forecast form and the annual return; together with an assessment of appropriate future reserve levels by the Business Manager, to the Finance and Resources Committee.

##### Investment Policy

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

##### **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.

## Hall Cross Academy Trust

### Report of the Trustees For The Year Ended 31 August 2016

#### STRATEGIC REPORT

##### Financial review - continued

##### 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.

##### **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.

**Hall Cross Academy Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2016**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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.

**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 Headteacher) 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 Headteacher (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 2016

## 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 Principal is the Academy Accounting Officer.

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.

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

The Academy follows the agreed Pay Policy which is approved by the Governing Body annually and determines the pay progression and setting of pay for the Principal and other Leadership posts. With regard to the Principal the Governing Body will assign a seven point Individual School Range (ISR) having regard to the complexities and responsibilities of the post, in particular the financial and resources responsibilities, and taking into account market factors for jobs of a similar status/responsibility. Progression of the Principal up the Leadership Spine will be determined by the Chair of Governors following a successful review as advised by the Academy's School Improvement Plan. The Chair of Governors will make recommendations to the Governing Body.

### Other Leadership posts

The Governing Body will determine a 5 point pay range for all other leadership posts from within the leadership scale contained in the School Teachers' Pay and Conditions Document. The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts. A post with a designated Vice Principal role in the absence of the Principal will be remunerated accordingly above the range for other leadership posts.

The Governing Body will ensure that there is no overlap of pay points between the Principal and any other leadership post.

**Hall Cross Academy Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2016**

Related Party and other Connected Charities and Organisations

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 11 Doncaster secondary schools, Doncaster ITT Partnership (accredited provider) and Hull University. We are licensed to deliver School Direct and SCITT. Currently we are supporting 23 trainees (6 at Hall Cross). The bid for the 2017/18 cohort has been approved and recruitment begins in November.
- Continued collaboration with Teach First through Sheffield Hallam University support recruitment in hard to fill subjects. Currently 4 participants.
- Reduced collaboration with Wickersley Teaching School Alliance/Learners First as 4 staff complete their NPQML this year.

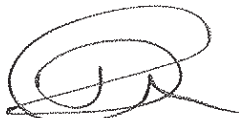
**AUDITOR**

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 12 December 2016 and signed on the board's behalf by:



D Cox - Chair

## Hall Cross Academy Trust

### Governance Statement For The Year Ended 31 August 2016

#### **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:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
D Cox (Chair)	4	5
Rev K Armstrong	5	5
P Benstead	4	5
P Dodgshon	5	5
T Drabble	5	5
J Foxtton	5	5
J Flynn	1	5
B Marshall	5	5
S Masterman	3	5
I Trevellion	3	5
A Townsend	4	5
D Westwood (Vice-Chair)	4	5
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:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
P Dodgshon	3	4
J Foxtton	3	4
B Marshall (Chair)	4	4
R M Williams	4	4
<b>Associate Members;</b>		
M Swift	4	4

#### **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.

## Hall Cross Academy Trust

### Governance Statement For The Year Ended 31 August 2016

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 2015 to 31 August 2016 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 2015 to 31 August 2016 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.

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.

Hall Cross Academy Trust

Governance Statement  
For The Year Ended 31 August 2016

**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 12 December 2016 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 2016**

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 2015.

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 2015.

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

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

12 December 2016

**Hall Cross Academy Trust**

**Statement of Trustees Responsibilities**  
**For The Year Ended 31 August 2016**

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 Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 12 December 2016 and signed on its behalf by:



D Cox - Chair

**Report of the Independent Auditors 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 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2015 to 2016 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 2016 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 Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**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 2016

**Independent Reporting Auditor'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 2015 to 2016, 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 2015 to 31 August 2016 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 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
- 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
- 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 2015 to 31 August 2016 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  
Allotts Business Services Ltd  
Chartered Accountants  
Sidings Court  
Lakeside  
Doncaster  
South Yorkshire  
DN4 5NU

14 December 2016

Hall Cross Academy Trust

Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
For The Year Ended 31 August 2016

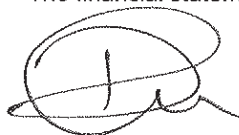
	Note	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset fund £'000	2016 Total funds £'000	2015 Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	3	-	-	86	86	41
<b>Charitable activities</b>						
Funding for the academy's educational operations	4	-	10,941	-	10,941	11,525
Other trading activities	5	281	723	-	1,004	922
Investment income	6	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>6</u>
<b>Total</b>		286	11,664	86	12,036	12,494
 <b>EXPENDITURE ON Charitable activities</b>						
Academy's educational operations	8	<u>168</u>	<u>12,021</u>	<u>1,159</u>	<u>13,348</u>	<u>13,391</u>
<b>NET INCOME/(EXPENDITURE)</b>		118	(357)	(1,073)	(1,312)	(897)
<b>Transfers between funds</b>	20	(16)	(38)	54	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(2,376)</u>	<u>-</u>	<u>(2,376)</u>	<u>(255)</u>
<b>Net movement in funds</b>		102	(2,771)	(1,019)	(3,688)	(1,152)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>479</u>	<u>(2,812)</u>	<u>17,409</u>	<u>15,076</u>	<u>16,228</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>581</u>	<u>(5,583)</u>	<u>16,390</u>	<u>11,388</u>	<u>15,076</u>

The notes form part of these financial statements

**Balance Sheet**  
**At 31 August 2016**

	Notes	2016 £'000	2015 £'000
<b>FIXED ASSETS</b>			
Tangible assets	13	<u>16,341</u>	<u>17,369</u>
<b>CURRENT ASSETS</b>			
Stocks	14	11	4
Debtors	15	322	202
Cash at bank and in hand		<u>1,154</u>	<u>1,483</u>
		1,487	1,689
<b>CREDITORS</b>			
Amounts falling due within one year	16	(542)	(631)
<b>NET CURRENT ASSETS</b>			
		<u>945</u>	<u>1,058</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		17,286	18,427
<b>PENSION LIABILITY</b>	21	(5,898)	(3,351)
<b>NET ASSETS</b>			
		<u>11,388</u>	<u>15,076</u>
<b>FUNDS</b>			
<b>Unrestricted funds:</b>	20		
General fund		581	479
<b>Restricted funds:</b>			
Fixed Asset fund		16,390	17,409
General fund		315	539
Pension reserve		<u>(5,898)</u>	<u>(3,351)</u>
		<u>10,807</u>	<u>14,597</u>
<b>TOTAL FUNDS</b>			
		<u>11,388</u>	<u>15,076</u>

The financial statements were approved by the Board of Trustees on 12 December 2016 and were signed on its behalf by:



D Cox -Chair

**Hall Cross Academy Trust**

**Statement of Cash Flows  
For The Year Ended 31 August 2016**

	Notes	2016 £'000	2015 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>(289)</u>	<u>530</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(289)</u>	<u>530</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(174)	(106)
Capital grants from DfE/EFA		86	41
Sale of tangible fixed assets		43	-
Interest received		<u>5</u>	<u>6</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(40)</u>	<u>(59)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(329)	471
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,483</u>	<u>1,012</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>1,154</u>	<u>1,483</u>

The notes form part of these financial statements

Hall Cross Academy Trust

Notes to the Statement of Cash Flows  
For The Year Ended 31 August 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £'000	2015 £'000
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(1,312)	(897)
<b>Adjustments for:</b>		
Depreciation	1,200	1,266
Capital grants from DfE/EFA	(86)	(41)
Profit on disposal of fixed assets	(41)	-
Interest received	(5)	(6)
Increase in stocks	(7)	-
(Increase)/decrease in debtors	(120)	44
(Decrease)/increase in creditors	(89)	58
Difference between pension charge and cash contributions	<u>171</u>	<u>106</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(289)</u>	<u>530</u>

## Hall Cross Academy Trust

### Notes to the Financial Statements For The Year Ended 31 August 2016

#### 1. STATEMENT OF ACCOUNTING POLICIES

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

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Hall Cross Academy Trust meets the definition of a public benefit entity under FRS 102.

##### **First time adoption of FRS 102**

These financial statements are the first financial statements of Hall Cross Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Hall Cross Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

##### **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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Grants**

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

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

Capital grants are recognised when there is entitlement 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 are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

##### **Other income**

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

##### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

## Hall Cross Academy Trust

### Notes to the Financial Statements - continued For The Year Ended 31 August 2016

#### 2. ACCOUNTING POLICIES - continued

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's accounting 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.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

#### **Charitable activities**

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

#### **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.

## Hall Cross Academy Trust

### Notes to the Financial Statements - continued For The Year Ended 31 August 2016

#### 2. ACCOUNTING POLICIES - continued

##### **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.

##### **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.

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 unit credit method. As stated in the Pension and Similar Obligations note, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

##### **Liabilities**

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

##### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **Leased assets**

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

##### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

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

**Hall Cross Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2016**

**2. ACCOUNTING POLICIES - continued**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the Pension and Similar Obligations note, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability

**3. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Grants	<u>-</u>	<u>86</u>	<u>86</u>	<u>41</u>

Grants received, included in the above, are as follows:

	2016 £'000	2015 £'000
Capital grants	<u>86</u>	<u>41</u>

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	9,982	9,982	10,516
Other DfE/EFA grants	<u>-</u>	<u>771</u>	<u>771</u>	<u>811</u>
	-	10,753	10,753	11,327
<b>Other government grant</b>				
Local authority grants	-	183	183	198
<b>Other income from the academy trust's educational operations</b>				
Other grants	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
	<u>-</u>	<u>10,941</u>	<u>10,941</u>	<u>11,525</u>

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Hire of facilities	117	-	117	116
Catering income	-	358	358	430
Trips	-	223	223	154
Other events and activities	-	21	21	19
Books, uniforms etc	-	7	7	10
Sundry income	<u>164</u>	<u>114</u>	<u>278</u>	<u>193</u>
	<u>281</u>	<u>723</u>	<u>1,004</u>	<u>922</u>

**6. INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Interest	<u>5</u>	<u>-</u>	<u>5</u>	<u>6</u>

**Hall Cross Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2016**

**7. EXPENDITURE**

		Non-pay expenditure		2016	2015
	Staff costs	Premises	Other costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	8,437	553	1,526	10,516	10,430
Allocated support costs	<u>1,454</u>	<u>726</u>	<u>652</u>	<u>2,832</u>	<u>2,961</u>
	<u>9,891</u>	<u>1,279</u>	<u>2,178</u>	<u>13,348</u>	<u>13,391</u>

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£'000	£'000
Auditors' remuneration	9	9
Legal & professional fees	3	9
Other non-audit services	6	3
Depreciation - owned assets	1,200	1,265
Surplus on disposal of fixed asset	(41)	-
Operating leases	<u>55</u>	<u>79</u>

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
	£'000	£'000	£'000	£'000
<b>Direct costs</b>	45	10,471	10,516	10,430
<b>Support costs</b>	<u>123</u>	<u>2,709</u>	<u>2,832</u>	<u>2,961</u>
	<u>168</u>	<u>13,180</u>	<u>13,348</u>	<u>13,391</u>

	2016 Total	2015 Total
	£'000	£'000
<b>Analysis of support costs</b>		
Support staff costs	1,454	1,395
Premises costs	726	793
Other support costs	634	752
Governance costs	<u>18</u>	<u>21</u>
<b>Total support costs</b>	<u>2,832</u>	<u>2,961</u>

Hall Cross Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2016

**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 (2015: £100,000 - £105,000)

Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

Mr P Benstead (staff trustee)

Remuneration £50,000 - £55,000 (2015: £50,000 - £55,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Ms J Flynn (staff trustee)

Remuneration £25,000 - £30,000 (2015: £25,000 - £30,000)

Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

**Trustees' expenses**

During the year ended 31 August 2016, travel and subsistence expenses totalling £1,306 (2015 - £1,317) were reimbursed or paid directly to 2 trustees (2015 - 3) 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 2016

10. STAFF

a. Staff costs

	2016	2015
	£'000	£'000
Wages and salaries	7,650	7,724
Social security costs	640	567
Other pension costs	<u>1,463</u>	<u>1,265</u>
	9,753	9,556
Supply teacher costs	76	42
Staff restructuring costs	<u>62</u>	<u>89</u>
	<u>9,891</u>	<u>9,687</u>

Staff restructuring costs comprise:

	2016	2015
	£'000	£'000
Contractual severance payments	49	32
Non-contractual severance payments	13	57
	<u>62</u>	<u>89</u>

b. Non- statutory / non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments, made following due process and legal consultation, totalling £13,457 (2015: £56,722). Individually the payments were: £11,607 and £1,850.

c. Staff numbers

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

	2016	2015
Teachers and educational support	226	234
Administration and support	78	85
Management	<u>9</u>	<u>11</u>
	<u>313</u>	<u>330</u>

d. Higher paid staff

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

	2016	2015
£60,001 - £70,000	5	5
£70,001 - £80,000	1	1
£100,001 - £110,000	<u>1</u>	<u>1</u>
	<u>7</u>	<u>7</u>

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £916,084 (2015: £831,317).

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 2016 was not separately identifiable (2015: 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 2016

12. **COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	-	41	41
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	11,525	-	11,525
Other trading activities	278	644	-	922
Investment income	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
<b>Total</b>	284	12,169	41	12,494
<b>EXPENDITURE ON Charitable activities</b>				
Academy's educational operations	<u>185</u>	<u>11,940</u>	<u>1,266</u>	<u>13,391</u>
<b>NET INCOME/(EXPENDITURE)</b>	99	229	(1,225)	(897)
<b>Transfers between funds</b>	20	(125)	105	-
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(255)</u>	<u>-</u>	<u>(255)</u>
<b>Net movement in funds</b>	119	(151)	(1,120)	(1,152)
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	360	(2,661)	18,529	16,228
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>479</u>	<u>(2,812)</u>	<u>17,409</u>	<u>15,076</u>

**Hall Cross Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2016**

**13. TANGIBLE FIXED ASSETS**

	Leasehold land and buildings £'000	Furniture, equipment & library books £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
<b>COST</b>					
At 1 September 2015	17,987	2,768	20	764	21,539
Additions	-	48	4	122	174
Disposals	-	-	(3)	(31)	(34)
At 31 August 2016	<u>17,987</u>	<u>2,816</u>	<u>21</u>	<u>855</u>	<u>21,679</u>
<b>DEPRECIATION</b>					
At 1 September 2015	1,982	1,518	9	661	4,170
Charge for year	553	526	4	117	1,200
Eliminated on disposal	-	-	(2)	(30)	(32)
At 31 August 2016	<u>2,535</u>	<u>2,044</u>	<u>11</u>	<u>748</u>	<u>5,338</u>
<b>NET BOOK VALUE</b>					
At 31 August 2016	<u>15,452</u>	<u>772</u>	<u>10</u>	<u>107</u>	<u>16,341</u>
At 31 August 2015	<u>16,005</u>	<u>1,250</u>	<u>11</u>	<u>103</u>	<u>17,369</u>

**14. STOCKS**

	2016 £'000	2015 £'000
Catering	6	-
Clothing	<u>5</u>	<u>4</u>
	<u>11</u>	<u>4</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £'000	2015 £'000
Trade debtors	8	11
Other debtors	158	106
VAT recoverable	50	26
Prepayments and accrued income	<u>106</u>	<u>59</u>
	<u>322</u>	<u>202</u>

**Hall Cross Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2016**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£'000	£'000
Trade creditors	78	173
Taxation and social security	188	162
Other creditors	152	137
Accruals and deferred income	<u>124</u>	<u>159</u>
	<u>542</u>	<u>631</u>
<b>Deferred income</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Deferred Income at 1 September 2015	66	44
Resources deferred in the year	24	66
Amounts released from previous years	<u>(66)</u>	<u>(44)</u>
Deferred Income at 31 August 2016	<u>24</u>	<u>66</u>

At the balance sheet date the academy trust was holding 1st day provision grant monies received in advance of £15,000 and rates rebate income received in advance of £9,000.

**17. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£'000	£'000
Amounts due within one year	78	66
Amounts due between one and five years	289	254
Amounts due after five years	<u>330</u>	<u>385</u>
	<u>697</u>	<u>705</u>

**18. 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.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted	Restricted	Fixed Asset	2016	2015
	fund	funds	fund	Total	Total
	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	16,341	16,341	17,369
Current assets	581	857	49	1,487	1,689
Current liabilities	-	(542)	-	(542)	(631)
Pension liability	<u>-</u>	<u>(5,898)</u>	<u>-</u>	<u>(5,898)</u>	<u>(3,351)</u>
	<u>581</u>	<u>(5,898)</u>	<u>16,390</u>	<u>11,388</u>	<u>15,076</u>

**Hall Cross Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2016**

**20. MOVEMENT IN FUNDS**

	Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2016 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	336	9,982	(10,109)	(43)	166
Pupil premium	-	521	(521)	-	-
Other EFA grants	41	80	(37)	(74)	10
Other income	32	611	(676)	63	30
Other grants	2	76	(78)	-	-
Central Learning Centre (CLC)	128	394	(429)	16	109
Pension reserve	(3,351)	-	(171)	(2,376)	(5,898)
	<u>(2,812)</u>	<u>11,664</u>	<u>(12,021)</u>	<u>(2,414)</u>	<u>(5,583)</u>
<b>Restricted fixed asset funds</b>					
Inherited & gifted assets	16,357	-	(619)	-	15,738
EFA grants & insurance receipts	780	86	(401)	-	465
Capital expenditure from GAG	272	-	(139)	54	187
	<u>17,409</u>	<u>86</u>	<u>(1,159)</u>	<u>54</u>	<u>16,390</u>
<b>Total restricted funds</b>	<u>14,597</u>	<u>11,750</u>	<u>(13,180)</u>	<u>(2,360)</u>	<u>10,807</u>
<b>Unrestricted funds</b>	<u>479</u>	<u>286</u>	<u>(168)</u>	<u>(16)</u>	<u>581</u>
<b>Total funds</b>	<u>15,076</u>	<u>12,036</u>	<u>(13,348)</u>	<u>(2,376)</u>	<u>11,388</u>

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 the year end.

Other EFA grants include 16-19 Bursary, Summer School funding .

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

CLC: this is funding for a Central Learning Centre (KS3 & KS4) in collaboration with three other academy schools.

**21. 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 latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £151,706 were payable to the schemes at 31 August 2016 (2015: £135,949) and are included within creditors.

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2016

21. **PENSION AND SIMILAR OBLIGATIONS**  
- continued

**Teachers' pension scheme**

**Introduction**

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

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

*Valuation of the Teachers' Pension Scheme*

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

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

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

The employer's pension costs paid to TPS in the period amounted to £892,905 (2015: £774,931).

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

Under the definitions set out in FRS 102, 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 2016 was £513,000 (2015: £498,000), of which employer's contributions totalled £397,000 (2015: £379,000) and employees' contributions totalled £116,000 (2015: £119,000). The agreed contribution rates for future years are 14.7 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 £128,633 for the year ended 31 August 2016. Additional contributions are expected to be £134,700 for 2016/2017.

Hall Cross Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2016

21. PENSION AND SIMILAR OBLIGATIONS  
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Present value of funded obligations	(10,837)	(7,073)
Fair value of plan assets	<u>4,939</u>	<u>3,722</u>
	<u>(5,898)</u>	<u>(3,351)</u>
Deficit	<u>(5,898)</u>	<u>(3,351)</u>
Liability	<u>(5,898)</u>	<u>(3,351)</u>

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

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Current service cost	434	426
Net interest from net defined benefit asset/liability	<u>134</u>	<u>59</u>
	<u>568</u>	<u>485</u>
Actual return on plan assets	<u>782</u>	<u>97</u>

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

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
At 1 September	(7,073)	(6,277)
Current service cost	(434)	(426)
Employee contributions	(116)	(119)
Interest cost	(284)	(259)
Actuarial gain /(loss)	(3,000)	(152)
Benefits paid	<u>70</u>	<u>160</u>
	<u>(10,837)</u>	<u>(7,073)</u>

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

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
At 1 September	3,722	3,287
Employer contributions	397	379
Employee contributions	116	119
Expected return on assets	-	200
Interest on plan assets	150	-
Actuarial gain / (loss)	624	(103)
Benefits paid	<u>(70)</u>	<u>(160)</u>
	<u>4,939</u>	<u>3,722</u>

**Hall Cross Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2016**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2016	2015
	<u>£'000</u>	<u>£'000</u>
Actuarial gains / (losses)	<u>(2,376)</u>	<u>(255)</u>

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

	Defined benefit pension plans	
	2016	2015
	<u>£'000</u>	<u>£'000</u>
Equities	2,885	2,211
Property	543	428
Government Bonds	741	532
Other Bonds	306	220
Cash	84	67
Other	<u>380</u>	<u>264</u>
	<u>4,939</u>	<u>3,722</u>

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

	2016	2015
Discount rate	2.1%	4%
Rate of increase in salaries	3.55%	4.05%
Rate of CPI inflation	1.8%	2.3%
Rate of increase for pensions <sup>0</sup>	1.9%	2.3%

**Sensitivity Analysis**

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

	£000	£000	£000	£000	£000
	Central	+0.1% pa discount rate	+0.1% pa inflation	0.1% pa pay growth	1 year increase in life expectancy
Liabilities	10,837	10,599	11,079	10,927	11,025
Assets	(4,939)	(4,939)	(4,939)	(4,939)	(4,939)
Deficit / (Surplus)	5,898	5,660	6,140	5,988	6,086
Projected Service Cost for next year	664	645	683	664	677
Projected Net Interest Cost for next year	119	120	125	121	123

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 2016	At 31 August 2015
Retiring today		
Males	23.0	23.0
Females	25.7	25.6
Retiring in 20 years		
Males	25.4	25.3
Females	28.5	28.4

**Hall Cross Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2016**

**22. CONTINGENT LIABILITIES**

There are no contingent liabilities (2015: NIL).

**23. CAPITAL COMMITMENTS**

There were no capital commitments contracted for, but not provided in the financial statements (2015: NIL).

**24. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust 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, other than certain trustees' remuneration and expenses already disclosed in note 9, (2015: None).

**25. FIRST YEAR ADOPTION**

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015 a number of policies have changed to comply with those standards.

The trustees have examined the changes to the accounting policies and have deemed that any adjustments to prior year figures in respect of outstanding employee benefits and LGPS interest costs are not material to the accounts and would have no impact on the understanding of the accounts. As a result the comparative figures have not been restated.