

**Hall Cross Academy Trust**  
**Annual Report and Financial**  
**Statements**

**For the Year Ended**

**31 August 2013**

Company Limited by Guarantee  
Registration Number 07902880  
(England and Wales)

## Hall Cross Academy Trust

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## Hall Cross Academy Trust

### Reference and Administrative Details

#### Trustees

Mr P Marshall	Member - (Chair)
Mr D Aldred	Parent Trustee - resigned 12 November 2012
Rev K Armstrong	
Mr P Benstead	Staff Trustee - appointed 1 April 2013
Mrs J M Caughey	Parent Trustee – resigned 1 September 2012
Mr D Cox	(Vice-Chair)
Mr K Cox*	Parent Trustee - resigned 31 December 2012
Mr R C Davies	Parent Trustee - resigned 31 December 2012
Ms P Dodgshon*	Headteacher and Accounting Officer
Mrs J Foxtan	Member
Mrs J Flynn*	Staff Trustee
Mr D George	Parent Trustee – elected 1 July 2013
Mr B Marshall*	Member - (Chairman Finance & Resources Committee)
Mrs E Morriss	Parent Trustee – elected 1 July 2013
Ms J Riordan	Staff Trustee – resigned 31 March 2013
Mr P Round	Staff Trustee
Mr A Townsend*	Parent Trustee – elected 1 September 2013
Mr R M Williams*	Member

\* Members of the Finance and Resources Committee

#### Company Secretary

Mr M E Swift

#### Senior Management Team

Ms P Dodgshon	(Headteacher and Accounting Officer)
Mr G Watts	(Deputy Headteacher)
Mrs S M Carroll	(Assistant Headteacher)
Mr M J Catrall	(Assistant Headteacher)
Ms J E Croskell	(Assistant Headteacher)
Mr D W Douglass	(Assistant Headteacher)
Miss S W Stockham	(Assistant Headteacher)
Mr S J Swain	(Assistant Headteacher)
Mrs A Whittaker	(Assistant Headteacher)
Mr M E Swift	(Assistant Headteacher & Business Manager)
Mr T Goodchild	(Associate Assistant Headteacher)
Mr J Harris	(Associate Assistant Headteacher)

#### Principal and Registered Office :

Thorne Road  
Doncaster  
DN1 2HY

#### Company Registration Number:

7902880 (England and Wales)

**Hall Cross Academy Trust****Reference and Administrative Details****Independent Auditor**

Allotts Business Services Ltd  
Chartered Accountants  
Registered Auditors  
Sidings Court  
Lakeside  
Doncaster  
DN4 5NU

**Bankers**

Barclays Bank PLC  
Ten Pound Walk  
Doncaster  
DN4 5HJ

**Solicitors**

Wrigleys Solicitors  
19 Cookridge Street  
Leeds  
LS2 3AG

## **Hall Cross Academy Trust**

### **Trustees' Report**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1 September 2012 to 31 August 2013.

#### **Structure, Governance and Management**

##### **Constitution**

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

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

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

##### **Members' Liability**

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

##### **Trustees' Indemnities**

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

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

##### **Principal Activities**

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. 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.

## Hall Cross Academy Trust

### Trustees' Report (Continued)

#### 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.

#### 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 four times per year)
- Curriculum and Standards Committee (meets at least four times per year)
- Health & Safety and Premises Committee (meets at least four times per year)
- Pupil and Staff Well-Being Committee (meets at least four times per year)

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

During the Academic year the Board of Trustees have undertaken a full review of the committee structure for Governance and will operate within the new agreed structure from September 2013. The revised committee includes:-

## Hall Cross Academy Trust

### Trustees' Report (Continued)

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

The Trustees have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Headteacher, 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.

In the Summer term, The Headteacher undertook a review of the Leadership Team which provides for a Principal, three Vice-Principals, five Assistant Principals and two Associate Assistant Principals. The revised structure was approved by the Trustees and following a consultation period will be implemented during the Autumn Term 2013.

The Headteacher 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

#### 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.

## Hall Cross Academy Trust

### Trustees' Report (Continued)

#### Connected Organisations including Related Party Relationships

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

The Yorkshire Education Trusts, 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.

The Trust is currently supporting Armthorpe Academy in special measures.

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

- ITT Consortium (DRAFTTs) of 11 Doncaster secondary schools, formed to deliver School Direct and SCITT – currently supporting 30 trainees – 4 at Hall Cross. A bid for 10 trainees for 2014/15 has been submitted to the DfE.
- Collaboration with Wickersley Teaching School Alliance/Learners First to access, design and deliver NPQML. Subscription for 2013-14 to the Leadership Licence potentially providing access to training at all career stages from pre-entry in to the profession to NPQH. Currently supporting staff on NPQML & NPQSL programmes.
- Delivery of MLDP through the Doncaster South MLDP partnership with Hexthorpe Primary School. The final cohort will complete in November 2013 (includes 7 Hall Cross Staff)
- A partnership with Horbury Academy, Ossett Academy and 6th Form College and Armthorpe Academy on various projects including shared training day activities, NQT and middle leader collaboration.
- The Central Learning Partnership with three other Doncaster schools; Danum Academy, Armthorpe Academy and Outwood Academy for the delivery of 'PRU' programmes for students with behavioural needs at key stage 4.

## **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.

## Hall Cross Academy Trust

### Trustees' Report (Continued)

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

## Hall Cross Academy Trust

### Trustees' Report (Continued)

#### Happy and Successful

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

#### Objectives, Strategies and Activities

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

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

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

#### Public Benefit

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

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

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

### **Achievements and Performance**

#### **Review of Activities**

##### ***Academic results***

In the period leading up to 31<sup>st</sup> August 2013 the following were achieved:

- At Key Stage 4, 66% of Pupils achieved 5 A\*-C including English & Maths.
- 90% of Pupils achieved 5 A\*-C GCSEs.
- 97% of students achieved at least one A level grade.
- Levels of progress in English and Maths were as follows:-

3 or more levels of progress in English	75%
3 or more levels of progress in Maths	73%
4 or more levels of progress in English	32%
4 or more levels of progress in Maths	26%

## Hall Cross Academy Trust

### Trustees' Report (Continued)

#### ***Rewards***

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

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

#### ***Duke of Edinburgh Award Scheme - DoE***

The DoE Award Scheme is offered to students at Key Stage 4 & 5 working towards the Bronze, Silver and Gold award helps create independent, socially aware team workers. Now in its fifth year of operating, this very popular programme now has 120 students enrolled.

#### ***Magistrates Court Mock Trial Competition***

Students in Years 8 & 9 have for the past three years won the local heat of the competition. Two years ago they reached the regional final and last year progressed to the national finals in Nottingham.

#### ***Youth Parliament***

A number of Hall Cross students are area wide representatives in the Local Authority Youth Parliament.

#### ***BBC School Report***

Having participated in this event for three years, we have hosted this year's 5 Live coverage with presenter Shelagh Fogarty, drawing national recognition for our students' intelligent insightful comments on world events.

#### ***Sport***

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

#### ***Yorkshire Enterprise Trust – Collaboration***

As well as staff professional development, students of the four Academies have participated in joint student voice workshops and a Performing Arts event, with more in the pipe-line.

#### ***Flowers 125 Health Programme***

We continue to run the Flowers 125 Health Programme for years 8 and 9. This is a structured 12 week course delivered through interactive workshops, using action based methods and activities. Aimed at those more vulnerable students or those with low self-esteem it has been effective in reducing problematic behaviours that produce barriers to learning.

#### ***Phoenix Group***

The Phoenix group was set up in order to provide academic enrichment and increased challenge for the most able students in Years 7 & 8. It runs once a week, after school, currently has 19 members and is covering topics such as philosophy, critical thinking and advanced essay-writing skills, as well as a Book Club and newspaper project. The impact seen so far on these students is an increase in

## Hall Cross Academy Trust

### Trustees' Report (Continued)

their ability to discuss more complex ideas, confidence in helping and leading classmates and an interest and enthusiasm to attempt more adult, challenging written arguments.

#### ***Enterprise***

A busy and successful year involving numerous activities including:-

- Tickhill Christmas Market selling crafts (lower school) and cakes (upper school).
- Doncaster Outdoor market – Duke of Edinburgh students made bird boxes which they sold, together with cards and crafts made by other students.
- KS4 visit to the NEC to garner ideas for enterprise.
- Numerous cake sales to raise money for charity.
- T-Shirt design competition – run by Technology.

All these events were hugely successful and very well supported.

In addition, there were very successful Enterprise days held for Years 7, 10 and 11 and a Christmas shopping trip to the Trafford Centre organised for staff and their families.

#### ***Capital Developments***

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

- Fire Alarm system installed and fully operational.
- The 6<sup>th</sup> Form Area refurbished and decorated – including new furniture.
- Technology rooms refurbished and decorated – also purchase of two laser cutters.
- STEAM rooms refurbished and decorated.
- Christ Church House refurbished and decorated.
- Wireless Access points upgraded throughout both sites.
- Introduction of cashless catering on both sites.

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies on page 23.

#### **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.

#### **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.

## Hall Cross Academy Trust

### Trustees' Report (Continued)

The grants received from the DfE during the period ended 31 August 2013 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 2005) and the Academies Accounts Direction 2013, 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 2013 the Academy received income of £11,415K from the DfE in respect of General Annual Grant and other Government funding, £974K in the form of DfE capital and maintenance grants. It also generated its own income of £624K as shown in note 3 to the accounts.

Total expenditure for the period amounted to £12,923K which included £1,148K of depreciation.

The net surplus for the period before actuarial movements arising from the Local Government Pension Scheme was £499K.

At 31 August 2013 the net book value of fixed assets was £19,250K and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy held total fund balances at 31 August 2013 of £16,419K comprising a surplus of £195K on restricted general funds, a surplus of £218K on unrestricted general funds and £19,250K on the fixed asset funds. The Local Government Pension Scheme (LGPS) was in deficit by £3,244K at the year end.

#### Financial and Risk Management Objectives and Policies

In the previous year the Academy formalised its risk management arrangements. In the Summer term 2013 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 auditors and Responsible Officer. During 2013 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.

**Hall Cross Academy Trust**  
**Trustees' Report (Continued)**

Principal Risks and Uncertainties

The Academy Trust established a Risk Management Strategy and Risk Register last year 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.

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 2013 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 2013 the Academy Trust held total restricted general funds of £195K, which it plans to use in part as a component of that medium term financial plan.

Under Accounting Standard FRS17 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our non-teaching staff to a specific restricted reserve. As at 31 August 2013 the deficit on this reserve amounted to £3,244K. It should be noted however that this does not present the Academy Trust with a current liquidity problem.

Investment Policy

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

**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.

For the forthcoming financial year, the Academy plans to implement the following key objectives:

- Implement new Governing Body committee structure.
- Implement revised and agreed Senior Leadership Team structure.
- Continue to refine the Key Stage 3 and Key Stage 4 curriculum changes.
- Upgrade to English and Maths blocks.
- Upgrade the Boiler systems on both sites - the Academy secured Central Government capital funding of £1,022K in this regard.

**Funds held as Custodian Trustee on behalf of others**

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

## Hall Cross Academy Trust

### Trustees' Report (Continued)

#### **Employees and disabled persons**

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

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

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

#### **Auditor**

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by order of the members of the Board of Trustees on 16<sup>th</sup> December 2013 and signed on its behalf by:



.....  
Mr P Marshall

(Chair)

## Hall Cross Academy Trust

### Governance Statement

#### 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 seven times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Mr P Marshall	7	7
Mr D Aldred - resigned 12 November 2012	1	1
Rev K Armstrong	7	7
Mr P Benstead – appointed 1 April 2013	2	2
Mrs A V Chapman – resigned 31 August 2013	7	7
Mr D Cox	5	7
Mr K Cox - resigned 31 December 2012	1	2
Mr R C Davies - resigned 31 December 2012	0	2
Ms P Dodgshon	7	7
Mrs J Flynn	3	7
Mrs J Foxton	7	7
Mr D George – elected 1 July 2013	1	1
Mr B Marshall	6	7
Mrs E Morriss – elected 1 July 2013	1	1
Ms J Riordan – resigned 31 March 2013	1	5
Mr P Round	6	7
Mr R M Williams	6	7

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.

## Hall Cross Academy Trust

### Governance Statement (Continued)

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

Trustee	Meetings Attended	Out of a possible
Ms P Dodgshon	3	4
Mrs J Flynn	3	4
Mrs J Foxton	3	4
Mr B Marshall [Chair]	4	4
Mr R M Williams	3	4
Associate members;		
Mr M Swift	4	4
Mr G Watts	2	4

#### **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 2012 to 31 August 2013 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 2012 to 31 August 2013 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. Following the resignation of Mr K Cox as Trustee and Responsible Officer (RO), the Trustees have appointed Allotts Business Services Ltd to fulfil the RO role within the Academy.

## Hall Cross Academy Trust

### Governance Statement (Continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO 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.

No material control issues have been identified.

#### **Review of Effectiveness**

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

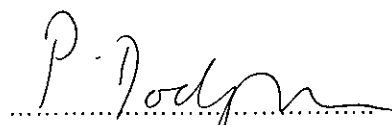
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 16 December 2013 and signed on its behalf by:



Mr P Marshall  
(Chair)



Ms P Dodgshon  
(Accounting Officer)

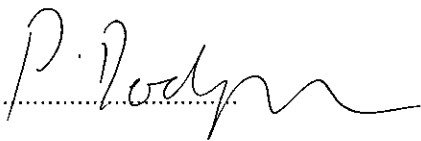
**Hall Cross Academy Trust**

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Hall Cross Academy Trust I have considered my responsibility to notify the Academy Trust 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 Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non compliance have been discovered to date.

A handwritten signature in black ink, appearing to read 'P. Dodgshon', written over a dotted horizontal line. The signature is cursive and extends to the right of the line.

Ms P Dodgshon  
(Accounting Officer)

## Hall Cross Academy Trust

### Statement of Trustees' Responsibilities

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 Trustees' Report 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFADfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 16 December 2013 and signed on its behalf by:



Mr P Marshall  
(Chair)

## Hall Cross Academy Trust

### Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hall Cross Academy Trust

We have audited the financial statements of Hall Cross Academy Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its 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 Trustees' Responsibilities Statement set out on page 18, the Trustees (who are also the directors of the Academy 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 Trustees' Report to identify material inconsistencies with the audited financial statements. 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**Hall Cross Academy Trust**

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

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

In our opinion the information given in the Trustees' Report 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:

- the Academy Trust has not kept adequate accounting records; 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 the audit.



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

...16 December 2013

## Hall Cross Academy Trust

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

In accordance with the terms of our engagement letter dated 20 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, 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 2012 to 31 August 2013 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 Accountant**

The Accounting Officer is responsible, under the requirements of Hall Cross Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 2012 to 31 August 2013 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 2013 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 academy trust'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

**Hall Cross Academy Trust**

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

**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 2012 to 31 August 2013 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 (Senior Statutory Auditor)  
for and on behalf of  
Allotts Business Services Ltd  
Chartered Accountants  
Statutory Auditor  
Sidings Court  
Lakeside  
Doncaster  
South Yorkshire  
DN4 5NU

.....16..... December 2013

Hall Cross Academy Trust

Statement of Financial Activities For the Year Ended 31 August 2013

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	NOTES	Unrestricted Funds 2013 £000	Restricted General Funds 2013 £000	Restricted Fixed Asset Funds 2013 £000	Total 2013 £000	Total 2012 £000
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income -transfer from Local Authority on conversion	2	-	-	-	-	16,361
Voluntary income - other	2	1	2	400	403	-
Activities for generating funds	3	144	480	-	624	309
Investment income	4	6	-	-	6	1
<b>Incoming resources from charitable activities:</b>						
Funding for the Academy's educational operations	5	-	11,415	974	12,389	6,821
<b>TOTAL INCOMING RESOURCES</b>		<u>151</u>	<u>11,897</u>	<u>1,374</u>	<u>13,422</u>	<u>23,492</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds:</b>						
Costs of generating voluntary income	6	-	-	-	-	-
<b>Charitable activities:</b>						
Academy trust educational operations	7	39	11,689	1,169	12,897	7,306
<b>Governance costs</b>	8	-	26	-	26	37
<b>TOTAL RESOURCES EXPENDED</b>	6	<u>39</u>	<u>11,715</u>	<u>1,169</u>	<u>12,923</u>	<u>7,343</u>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		112	182	205	499	16,149
Gross transfers between funds	16	10	(349)	339	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<u>122</u>	<u>(167)</u>	<u>544</u>	<u>499</u>	<u>16,149</u>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	175	-	175	(404)
<b>NET MOVEMENT IN FUNDS</b>		<u>122</u>	<u>8</u>	<u>544</u>	<u>674</u>	<u>15,745</u>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward at 1 September 2012	16	96	(3,057)	18,706	15,745	-
<b>Total funds carried forward at 31 August 2013</b>		<u>218</u>	<u>(3,049)</u>	<u>19,250</u>	<u>16,419</u>	<u>15,745</u>

All of the Academy's activities derive from continuing operations during the above two financial periods.

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


The notes attached form part of these financial statements.

**Hall Cross Academy Trust**  
**(Company Number 07902880)**

**Balance Sheet as at 31 August 2013**

	NOTES	2013		2012	
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Tangible assets	12		19,217		18,706
<b>CURRENT ASSETS</b>					
Stock	13		1		9
Debtors	14		935		162
Cash at bank and in hand			573		1,333
			<u>1,509</u>		<u>1,504</u>
<b>LIABILITIES:</b>					
Creditors: Amounts falling due within one year	15		<u>1,063</u>		<u>1,197</u>
<b>NET CURRENT ASSETS</b>			<u>446</u>		<u>307</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			19,663		19,013
Pension scheme liability	22		(3,244)		(3,268)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u><u>16,419</u></u>		<u><u>15,745</u></u>
 <b>FUNDS OF THE ACADEMY TRUST</b>					
<b>RESTRICTED INCOME FUNDS</b>					
Fixed asset fund	16		19,250		18,706
General fund	16		195		211
Pension reserve	16		(3,244)		(3,268)
<b>TOTAL RESTRICTED FUNDS</b>			<u>16,201</u>		<u>15,649</u>
<b>UNRESTRICTED INCOME FUNDS</b>					
General fund	16		218		96
<b>TOTAL UNRESTRICTED FUNDS</b>			<u>218</u>		<u>96</u>
<b>TOTAL FUNDS</b>			<u><u>16,419</u></u>		<u><u>15,745</u></u>

The financial statements on pages 23 to 42 were approved by the Trustees, and authorised for issue on 16 December 2013 and are signed on their behalf by

  
 .....  
 Mr P Marshall  
 (Chair of Trustees)

The notes attached form part of these financial statements.

**Hall Cross Academy Trust****Cash Flow Statement for the Year Ended 31 August 2013**

	Notes	2013 £000	2012 £000
<b>Net cash (outflow) / inflow from operating activities:</b>	<b>1</b>	(60)	1,286
Returns on investments and servicing of finance:	<b>2</b>	6	1
Cash transferred on conversion to an academy trust		-	56
Capital expenditure:	<b>3</b>	(706)	(10)
<b>(Decrease) / Increase in cash and cash equivalents</b>	<b>4</b>	<u>(760)</u>	<u>1,333</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>Net funds at 1 September 2012</b>		1,333	-
<b>Net funds at 31 August 2013</b>		<u>573</u>	<u>1,333</u>

The cash flows in the previous period all derived from acquisitions during that period.

**Notes to the Cash Flow Statement**

	2013 £000	2012 £000	
<b>1. Reconciliation of net income to net cash inflow from operating activities:</b>			
Net income	499	16,149	
Depreciation charges	1,148	463	
Loss on disposal of fixed assets	21	-	
(Assets)/liabilities transferred on conversion	-	(16,361)	
Capital grants received	(974)	(60)	
Interest received	(6)	(1)	
FRS17 pension costs less contributions payable	42	8	
FRS17 pension finance costs	109	62	
(Increase) in debtors	(773)	(162)	
(Decrease) / increase in creditors	(134)	1,197	
Decrease / (increase) in stocks	8	(9)	
<b>Net cash (outflow) / inflow from operating activities</b>	<u>(60)</u>	<u>1,286</u>	
<b>2. Returns on investments and servicing of finance</b>			
Bank interest received	6	1	
<b>Net cash inflow from returns on investment and serving of finance</b>	<u>6</u>	<u>1</u>	
<b>3. Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(1,680)	(70)	
Capital grants received	974	60	
<b>Net cash (outflow) from capital expenditure and financial investment</b>	<u>(706)</u>	<u>(10)</u>	
<b>4. Analysis of changes in net funds</b>			
	<b>At 1 September 2012 £000</b>	<b>Cash Flows £000</b>	<b>At 31 August 2013 £000</b>
Cash at hand and in bank	<u>1,333</u>	<u>(760)</u>	<u>573</u>

## Hall Cross Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 1. ACCOUNTING POLICIES

##### a) Basis of Preparation

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

##### b) Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### c) Incoming Resources

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

##### Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Accounting Grant (GAG) has been used for the purpose for which it was intended and in compliance with the academy's funding agreement. Any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

##### Donations

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

##### Other income

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

##### Donated Services and gifts in kind

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

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

**Hall Cross Academy Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2013**

**1. ACCOUNTING POLICIES (CONTINUED)**

**d) Resources Expended**

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

**Costs of generating funds**

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

**Charitable activities**

These are costs incurred on the academy trust's educational operations.

**Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**e) 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 and licences	over 3 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.

**f) Leased Assets**

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

**g) Stock**

Stock of school uniform is valued at the lower of cost or net realisable value.

## Hall Cross Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### h) 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 Chapter 3 Part 11 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.

##### i) Pension 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

##### j) Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects 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 the funder where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Hall Cross Academy TrustNotes to the Financial Statements for the Year Ended 31 August 2013**2. VOLUNTARY INCOME**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
<b>Transfer from Local Authority</b>				
Land and buildings	-	-	-	17,987
Fixtures & equipment	-	-	-	393
Computer equipment	-	-	-	319
Motor vehicles	-	-	-	6
Library books	-	-	-	394
School Fund cash balance	-	-	-	8
Cash surplus from local authority	-	-	-	48
Pension deficit	-	-	-	(2,794)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,361</u>
	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
<b>Other voluntary income</b>				
Insurance receipts	1	400	401	-
Private sponsorship	-	1	1	-
Other donations	-	1	1	-
	<u>1</u>	<u>402</u>	<u>403</u>	<u>-</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
Music Tuition Income	1	6	7	5
Catering	-	340	340	133
Trips	-	74	74	22
Uniforms	-	24	24	39
Lettings	110	-	110	59
Exam fees	-	19	19	14
Sundry income	33	17	50	37
	<u>144</u>	<u>480</u>	<u>624</u>	<u>309</u>

**Hall Cross Academy Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2013**

**4. INVESTMENT INCOME**

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>Investment income:</b>				
Bank interest received	6	-	6	1

**5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>DfE/EFA capital grants</b>				
EFA capital grants	-	974	974	106
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	10,396	10,396	6,422
Other EFA grants	-	478	478	164
	-	10,874	10,874	6,586
<b>Other government grants</b>				
SEN funding	-	45	45	13
Other grants	-	496	496	116
	-	541	541	129
	-	12,389	12,389	6,821

**6. RESOURCES EXPENDED**

	Staff Costs £000	Premises £000	Other Costs £000	Total 2013 £000	Total 2012 £000
Costs of generating voluntary income	-	-	-	-	-
Academy's educational operations:					
Direct costs	7,983	1,169	778	9,930	5,572
Allocated support costs	1,253	924	790	2,967	1,734
	9,236	2,093	1,568	12,897	7,306
Governance costs	-	-	26	26	37
<b>Total</b>	9,236	2,093	1,594	12,923	7,343

**Incoming / (outgoing) resources for the year include:**

	Total 2013 £000	Total 2012 £000
Operating leases	45	9
Fees payable to auditor	9	8
audit		
other services	6	6
Depreciation	1,148	463
Loss on disposal of fixed assets	21	-

## Hall Cross Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2013

## 7. CHARITABLE ACTIVITIES - ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>Direct costs</b>				
Teaching staff costs	-	7,983	7,983	4,603
Depreciation	-	1,148	1,148	463
Loss on disposal of fixed assets	-	21	21	-
Student support	-	28	28	56
Examination fees	-	182	182	149
Staff development	-	35	35	17
ICT Costs	-	127	127	173
Educational supplies	1	294	295	59
Trips	-	67	67	25
Other direct costs	-	44	44	27
	<u>1</u>	<u>9,929</u>	<u>9,930</u>	<u>5,572</u>
<b>Allocated support costs</b>				
Support staff costs	27	1,226	1,253	575
Recruitment and support	-	11	11	5
Maintenance of premises and equipment	8	502	510	193
Cleaning	-	120	120	56
Insurance	-	85	85	51
Utilities	2	207	209	235
Security and transport	-	63	63	53
Catering	-	327	327	181
Pension finance costs	-	109	109	62
Other support costs	1	279	280	323
	<u>38</u>	<u>2,929</u>	<u>2,967</u>	<u>1,734</u>
	<u>39</u>	<u>12,858</u>	<u>12,897</u>	<u>7,306</u>

## 8. GOVERNANCE COSTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Legal and professional fees	-	11	11	23
Auditor's remuneration				
- audit of financial statements	-	9	9	8
- other audit costs	-	-	-	-
- non-audit services	-	6	6	6
Trustees' reimbursed expenses	-	-	-	-
	<u>-</u>	<u>26</u>	<u>26</u>	<u>37</u>

## 9. STAFF COSTS

Staff costs during the period were:

	2013 £000	2012 £000
Wages and salaries	7,445	4,275
Social Security costs	546	319
Pension costs	1,059	557
FRS 17 pension adjustment	42	8
	<u>9,092</u>	<u>5,159</u>
Supply teacher costs	144	19
	<u>9,236</u>	<u>5,178</u>

## Hall Cross Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 9. STAFF COSTS (CONTINUED)

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

	2013 No.	2012 No.
<b>Charitable Activities</b>		
Teachers and educational support	200	181
Administration and support	47	42
Leadership and management	8	9
	255	232

The number of employees whose emoluments fell within the following bands was:

	2013 No.	2012 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £24,616.

#### 10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

Head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

	2013	2012 (7 months only)
Ms P Dodgshon, Headteacher and trustee	£100,000 - £105,000	£55,000 - £60,000
Mr P Round, staff trustee	£45,000 - £50,000	£25,000 - £30,000
Ms J Flynn, staff trustee	£25,000 - £30,000	£15,000 - £20,000
Ms J Riordan, staff trustee	£15,000 - £20,000	£15,000 - £20,000
Mr P Benstead	£15,000 - £20,000	-

There were no trustee expenses paid during the year (2012: nil).

Other related party transactions involving trustees are set out in note 23.

#### 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 £2.5M on any one claim and the cost for the year was £1,968 (2012: Not singularly identifiable).

Hall Cross Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

**12. TANGIBLE ASSETS**

	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment & Licences	Motor Vehicles	Library Books	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2012	17,987	453	329	6	394	19,169
Additions	-	1,468	206	6	-	1,680
Disposals	-	-	-	-	(22)	(22)
At 31 August 2013	<u>17,987</u>	<u>1,921</u>	<u>535</u>	<u>12</u>	<u>372</u>	<u>20,827</u>
<b>Depreciation</b>						
At 1 September 2012	323	52	64	1	23	463
Charge for the year	553	379	177	2	37	1,148
Eliminated on disposal	-	-	-	-	(1)	(1)
At 31 August 2013	<u>876</u>	<u>431</u>	<u>241</u>	<u>3</u>	<u>59</u>	<u>1,610</u>
<b>Net Book Values</b>						
At 31 August 2013	<u>17,111</u>	<u>1,490</u>	<u>294</u>	<u>9</u>	<u>313</u>	<u>19,217</u>
At 31 August 2012	<u>17,664</u>	<u>401</u>	<u>265</u>	<u>5</u>	<u>371</u>	<u>18,706</u>

**13. STOCK**

	2013 £000	2012 £000
Clothing and uniforms	1	9
	<u>1</u>	<u>9</u>

**14. DEBTORS ( all due within one year )**

	2013 £000	2012 £000
Trade debtors	11	13
Prepayments and accrued income	37	17
Other debtors	887	132
	<u>935</u>	<u>162</u>

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

	2013 £000	2012 £000
Trade creditors	172	265
Other taxes and social security	-	-
Accruals and deferred income	186	62
Other creditors	705	870
	<u>1,063</u>	<u>1,197</u>
<i>Deferred income</i>		
Deferred income at 1 September 2012	33	-
Resources deferred in the year	27	33
Amounts released from previous years	(33)	-
Deferred income at 31 August 2013	<u>27</u>	<u>33</u>

At the balance sheet date the Academy Trust was holding trip monies received in advance of £24,000 and bursary income received in advance of £3,000

## Hall Cross Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2013

16. FUNDS	Balance 01/09/2012 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance 31/08/2013 £000
<b>Restricted general funds</b>					
General annual grant (GAG)	112	10,396	(10,094)	(316)	98
Other EFA grants	26	478	(470)	(23)	11
Other grants	70	541	(526)	(10)	75
Other income	3	482	(474)	-	11
Pension reserve	(3,268)	-	(151)	175	(3,244)
	<u>(3,057)</u>	<u>11,897</u>	<u>(11,715)</u>	<u>(174)</u>	<u>(3,049)</u>
<b>Restricted fixed asset funds</b>					
Inherited assets	18,645	-	(797)	-	17,848
EFA grants and capital expenditure from GAG	61	1,374	(372)	339	1,402
	<u>18,706</u>	<u>1,374</u>	<u>(1,169)</u>	<u>339</u>	<u>19,250</u>
<b>Total restricted funds</b>	<u>15,649</u>	<u>13,271</u>	<u>(12,884)</u>	<u>165</u>	<u>16,201</u>
<b>Unrestricted funds</b>	<u>96</u>	<u>151</u>	<u>(39)</u>	<u>10</u>	<u>218</u>
<b>Total funds</b>	<u>15,745</u>	<u>13,422</u>	<u>(12,923)</u>	<u>175</u>	<u>16,419</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 31 August 2013.

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

Other grants include the following:

Special Educational Needs grants - for the educational support and development of targeted special needs students

Staff Funding - this is where the academy has funding to take on graduate teachers or student teachers

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

DMBC Young Apprenticeship - funding to assist getting young people into work.

### 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	19,217	19,217
Current assets	218	1,258	33	1,509
Current liabilities	-	(1,063)	-	(1,063)
Pension scheme liability	-	(3,244)	-	(3,244)
<b>Total net assets</b>	<u>218</u>	<u>(3,049)</u>	<u>19,250</u>	<u>16,419</u>

### 18. CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

<b>2013</b>	<b>2012</b>
<b>£000</b>	<b>£000</b>

-	-
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**Hall Cross Academy Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2013**

**19. FINANCIAL COMMITMENTS**

**Operating leases**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	2013 £000	2012 £000
<b>Land and buildings</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<hr/>	<hr/>
	-	-
<b>Other</b>		
Expiring within one year	6	16
Expiring within two and five years inclusive	37	37
Expiring in over five years	-	-
	<hr/>	<hr/>
	43	53

**20. CONTINGENT LIABILITIES**

There are no contingent liabilities (2012: Nil).

**21 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

**22. PENSIONS AND SIMILAR OBLIGATIONS**

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

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion in 2012 from maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who were transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Hall Cross Academy TrustNotes to the Financial Statements for the Year Ended 31 August 2013**22. PENSIONS 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

**Hall Cross Academy Trust****Notes to the Financial Statements for the Year Ended 31 August 2013****22 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57<sup>th</sup>; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

## Hall Cross Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 22. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions for the period ended 31 August 2013 were £473,000 (2012: £220,000), of which employers contributions totalled £359,000 (2012: £166,000) and employees contributions totalled £114,000 (2012: £54,000). The agreed contribution rates for future years are 12.1% for employers and between 5.5% and 12.5% for employees.

The academy trust has entered into an agreement to make additional contributions into the scheme of £104,300 per annum for 2013/14.

Principal actuarial assumptions	At 31 August 2013 %	At 31 August 2012 %
Discount rate	5.0	4.3
Rate of increase for pensions	2.4	2.2
Rate of increase in salaries	4.15	3.95
Rate of CPI inflation	2.4	2.2
Expected return on assets	5.86	5.57

Commutation of pension for lump sum on retirement:  
50% take maximum cash, 50% take 3/80ths cash.

##### Sensitivity Analysis

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

	Central	Sensitivity 1 +0.1% pa discount rate	Sensitivity 2 +0.1% pa inflation	Sensitivity 3 1 year increase in life expectancy
	£000	£000	£000	£000
Liabilities	6,334	6,211	6,460	6,448
Assets	(3,090)	(3,090)	(3,090)	(3,090)
Deficit/ (Surplus)	3,244	3,121	3,370	3,358
Projected Service Cost for next year	401	390	413	411
Projected Expected Return on Assets for next year	(194)	(194)	(194)	(194)
Projected Interest Cost for next year	296	297	302	302

**Hall Cross Academy Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2013**

**22. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

**Local Government Pension Scheme (continued)**

**Life expectancy assumptions**

The average future life expectancies at the age of 65 are summarised below

	<b>At 31 August 2013 years</b>	<b>At 31 August 2012 years</b>
Male current pensioner age 65 now	21.8	21.8
At 65 for a male future pensioner aged 45 now	23.7	23.6
Female current pensioner age 65 now	24.7	24.6
At 65 for a female future pensioner aged 45 now	26.6	26.5

**Share of assets and rate of return**

The academy's share of the assets and liabilities of the scheme and the expected rate of return were:

	<b>Long-term rate of return expected as at 31 August 2013 %</b>	<b>Fair value as at 31 August 2013 £000</b>	<b>Long-term rate of return expected as at 31 August 2012 %</b>	<b>Fair value as at 31 August 2012 £000</b>
Equities	7.0	1,878	7.0	1,505
Property	6.0	294	6.0	222
Government bonds	2.5	426	2.5	335
Other bonds	3.4	204	3.4	190
Cash	0.5	62	0.5	60
Other	7.0	226	7.0	-
Expenses deduction	0.2	-	0.2	-
<b>Total</b>	<b>5.86</b>	<b>3,090</b>	<b>5.57</b>	<b>2312</b>
		<b>£000</b>		<b>£000</b>
Fair value of assets		3,090		2,312
Present value of liabilities		(6,334)		(5,580)
(Deficit) in the scheme.		(3,244)		(3,268)

The actual return on scheme assets was £317,000 (2012: £53,000).

The expected rate of return on plan assets is based on market assumptions, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the assumptions appropriate to the individual classes weighted by the proportion of the assets in the particular asset class.

**Hall Cross Academy Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2013**

**22. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

**Local Government Pension Scheme (continued)**

**Movement in deficit**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2012	-	
Inherited on conversion	(3,268)	(2,794)
Current service charge	(401)	(174)
Employer contributions	359	166
Past service gain/(cost)	-	-
Net interest/return on assets	(109)	(62)
Actuarial gain/(loss)	175	(404)
At 31 August 2013	<u>(3,244)</u>	<u>(3,268)</u>

**Net (interest)/return on assets**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Expected return on assets	142	71
Interest on liabilities	(251)	(133)
	<u>(109)</u>	<u>(62)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £229,000 loss.

**Amounts recognised in the statement of financial activities**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Current service cost (net of employee contributions)	401	174
Past service cost	-	-
Total operating charge	<u>401</u>	<u>174</u>

**Analysis of pension finance income / (costs)**

Expected return on pension scheme assets	142	71
Interest on pension liabilities	(251)	(133)
Pension finance income / (costs)	<u>(109)</u>	<u>(62)</u>

**Experience adjustments**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Experience gains / (losses) on assets	<u>175</u>	<u>(17)</u>
Experience gains / (losses) on liabilities	<u>-</u>	<u>-</u>

**Hall Cross Academy Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2013**

**22. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

**Local Government Pension Scheme (continued)**

**Movements in the present value of defined benefit obligations were:**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2012	5,580	4,858
Current service cost	401	174
Interest cost	251	133
Employee contributions	114	54
Benefits / transfers paid	(12)	(26)
Actuarial (gain) /loss on liabilities	-	387
At 31 August 2013	<u>6,334</u>	<u>5,580</u>

**Movements in the fair value of academy's share of scheme assets were :**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2012	2,312	2,064
Expected return on assets	142	71
Employee contributions	114	54
Employer contributions	359	166
Benefits / transfers paid	(12)	(26)
Actuarial gain / (loss) on assets	175	(17)
At 31 August 2013	<u>3,090</u>	<u>2,312</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £346,000.

**Government Guarantee**

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.

**23. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account.

## Hall Cross Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 24. CONVERSION TO AN ACADEMY TRUST

On 1 February 2012 Hall Cross School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hall Cross Academy Trust from Doncaster Metropolitan Borough Council for nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Fund £000</b>	<b>TOTAL £000</b>
Land and buildings	-	-	17,987	17,987
Other tangible fixed assets	-	-	1,112	1,112
Budget Surplus on LA Funds	42	6	-	48
School Fund surplus	8	-	-	8
LGPS pension (deficit)	-	(2,794)	-	(2,794)
Net assets/(liabilities)	<u>50</u>	<u>(2,788)</u>	<u>19,099</u>	<u>16,361</u>

The above net assets/(liabilities) include £56,118 that was transferred in cash.