

THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	Diocese of Gloucester Education Trust (Company Number 07662129) The Very Revd S Lake The Revd DJS Munro Mr P Perks (resigned 11 November 2014) Mrs D Philpot (appointed 11 November 2014) Prof J Tann (appointed 11 November 2014)
Trustees	The Revd DJS Munro, Chairman Mrs M Adlard, Vice Chairman Canon H Arnold, Chief Executive Officer and Accounting Officer Mr D Brown (resigned 16 December 2014) Dr D Cowper Mr C Doran The Very Revd S Lake Dr K Lynch (appointed 24 February 2015) Mr P Perks Mrs M Wells (resigned 3 November 2014)
Company registered number	08149299
Principal and registered office	4 College Green Gloucester GL1 2LR
Chief Executive Officer/Accounting Officer	Canon H Arnold
Senior management team	Canon H Arnold, Chief Executive Officer and Accounting Officer Mrs K Brimfield, Chief Operating Officer Mr P Daniels, Principal, Dursley C of E Primary Academy Mr M Bragg, Principal, Hardwicke Parochial Primary Academy Mr N Moss, Principal, Minchinhampton C of E Primary Academy Mrs V Henson, Principal, Primrose Hill C of E Academy Mrs H Springett, Principal, Winchcombe Abbey C of E Primary School Mrs Z Carciere, Principal, Field Court C of E Infant Academy joined on 1 November 2015 Mrs P Cartwright, Principal, Longney C of E Primary Academy joined on 1 November 2015 Mrs J Burr, Principal, North Cerney C of E Primary Academy joined on 1 November 2015 Mrs D Bainbridge, Principal, Whiteshill Primary School joined on 1 November 2015
There is also a management committee, the Academy Development Body, which is chaired by the Chief Executive Officer.	
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Bankers Lloyds Bank PLC
 19 Eastgate Street
 Gloucester
 GL1 1NU

Solicitors Veale Wasbrough Vizards LLP
 Narrow Quay House
 Narrow Quay
 Bristol
 BS1 4QA

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Diocese of Gloucester Academies Trust ("The Trust") for the year from 1 September 2014 to 31 August 2015. The trustees confirm that the Annual Report and Financial Statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 (revised 2008). The Trust operates nine academies for pupils aged 4 to 11 across the County of Gloucestershire.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a charitable company limited by guarantee and an exempt charity. The company's memorandum and articles of association are the primary governing documents.

Its articles were adopted on 19 July 2012 and were subsequently amended by Special Resolution on 18 December 2012 and again on 9 September 2013. The liability of members is limited by guarantee.

Details of the trustees who served throughout the year, are included in the Reference and Administrative Details on pages 1 to 2.

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 they cease to be a member.

Trustees' Indemnities

The Trust provides indemnity insurance to cover the liability of trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust.

The insurance provides cover up to £2,000,000 on any one claim.

TRUSTEES

Method of recruitment and appointment or election of Members and Trustees

The members of the company comprise (i) The Diocese of Gloucester Education Trust, a private company limited by guarantee in England and Wales and registered with company number 07662129 (acting corporately by the hand of its director) (ii) two persons appointed by the Diocese of Gloucester Education Trust (iii) The Chairman of trustees. The members with the written consent of the Gloucester Diocesan Board of Education may agree unanimously in writing to appoint and remove such additional members as they think fit.

The articles provide that not less than 5 trustees shall be appointed by the members and for the following appointments: (i) The Chief Executive Officer for as long as they remain in office (ii) Up to 2 trustees co-opted with the consent of the Diocesan Board of Education.

Trustees comprise both representatives of Local Governing Bodies and trustees independently appointed for their skills and expertise.

Policies and Procedures adopted for the Induction and Training of Trustees

The trustees recognise the need to not only recruit trustees with appropriate skills and experience but also to ensure that new trustees are fully inducted into their roles and responsibilities. All new trustees receive an induction pack providing information regarding the responsibilities of charitable trustees and the operation of the Trust, including constitutional documents, annual accounts and minutes of meetings. New trustees are encouraged to visit Trust academies and participate in the training offered centrally for governors. New trustees are appointed on the basis of the skills and experience they bring to the Trust.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Organisational Structure

Whilst the trustees of the charitable company are responsible via the Funding Agreement and associated supplementary agreements for the performance of the Trust, each academy has its own Local Governing Body ("LGB"). Responsibilities are delegated by the Trust to the LGB through a Scheme of Delegation. The LGB includes the Principal of the Academy, parent and staff representatives and appointees of the Trust selected to provide specific skills and experience. The Trust Board has 1 subcommittee: an Audit Committee.

The Chief Executive Officer is the Accounting Officer and the Chief Operating Officer is the Chief Financial Officer.

Connected Organisations, including Related Party Relationships

The Trust is connected both to the Diocese of Gloucester Education Trust ("DGET") and to the Diocese of Gloucester Board of Education ("DBE"), which has the same membership. Neither DGET nor DBE receives any financial gain from the Trust.

In July 2013, the Voluntary Schools Fund ("VSF") agreed a grant of £0.5m over a three year period to support the work of the Trust. The trustees of the Voluntary Schools Fund are also trustees of DBE. VSF has no financial interest in and does not receive any financial gain from the Trust.

From 1 September 2013 the Trust has employed a part-time Chief Executive Officer (0.6FTE). The Chief Executive Officer is also employed by the Gloucester Diocesan Board of Finance ("GDBF") on a part-time basis as Director of Education ("DDE") (0.4FTE).

The Trust office is co-located with DBE by agreement with the GDBF.

The following trustees are also members of the DBE or GDBF:

Canon H Arnold	GDBF (employed as DDE)
Mrs M Adlard	GDBF
Mr P Perks	DBE
The Very Revd S Lake	DBE and GDBF

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's principal object is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing Church of England schools as academies, having regard to advice issued by the DBE. In addition, it can set up, maintain, manage and develop other academies with or without a designated religious character. In relation to each of its academies, the Trust will recognise and support its individual character and links to the local community which it serves.

Objectives, Strategies and Activities

The aim of the Trust is to provide children of all faiths and none with excellent educational provision which transforms lives within a caring and supportive Christian ethos. It is the trustees' objective to develop the whole child by offering a broad and enriching curriculum which develops character and ensures every pupil achieves the highest levels of progress and achievement. The Christian ethos of the Trust will underpin the work of its academies. The Trust will therefore seek to:

1. ensure a shared vision of excellence which is clearly articulated, shared, understood and acted on by all
2. ensure a culture and ethos of shared accountability where high expectations are the norm
3. ensure outstanding outcomes for all learners, including those in receipt of pupil premium or with special educational needs
4. ensure good and outstanding teaching across the Trust

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

5. ensure all staff make significant contributions to their academy and the wider Trust through the effective deployment of expertise and the retention of good and outstanding leaders
6. ensure robust self-evaluation drives policy and priorities
7. ensure effective partnerships with parents and carers, and the wider community within and beyond Gloucestershire
8. ensure effective stewardship of resource, through robust financial management and a clear business strategy

Public Benefit

The trustees confirm that they have complied with the guidance contained in the Charity Commission's general guidance on public benefit and relevant sub sector guidance on advancing education when reviewing the Trust's aims and objectives and planning its future activities.

The vision of the Trust is one of high aspirations, transformative leadership and the pursuit of excellence in all Trust activities. Each pupil is encouraged to flourish personally and academically.

STRATEGIC REPORT

Achievements and Performance

A Shared Vision of Excellence and Effective Partnerships

Developing the whole child is central to the Christian ethos of the Trust. The impact of Christian values on pupils' readiness to learn was evidenced in Dursley's recent Ofsted report which concluded that "Relationships between staff and children are strong and based on the academy's core Christian values. As a result, children settle quickly into academy life, grow in confidence and develop the skills needed to become good learners" (Ofsted, March 2015).

Local clergy regularly lead collective worship in academies and pupils increasingly play a role in leading and developing the Christian character of their academies. The 'Kaleidoscope Crew' at Primrose Hill and 'Spirituality Team' at Dursley are two such examples. Sixteen pupils from the 'Lighting the Candle' team at Hardwicke recently received a gold award as worship leaders.

Social, moral, spiritual and cultural development is central to the values and ethos of the Trust. To this end, academies participate in a range of additional curricular activities: sporting, musical and cultural. Primrose Hill is in receipt of the Bronze Sainsbury's School Games Award and Healthy Schools Award, whilst Winchcombe Abbey has been awarded the Silver Sainsbury's School Games Award and the Foundation International Schools Award. All Trust academies have taken advantage of the opportunity for their choirs to work with Gloucester Cathedral choristers, culminating in a performance at Gloucester Cathedral. Volunteering and charitable giving have been a strong feature of all academies. A total of £6,644 has been raised by Trust academies for a range of charities through activities ranging from cake sales to sponsored activities. In addition to fundraising, academies have made donations to foodbanks, made up shoeboxes of Christmas gifts for Children in Need and worked with Street Wardens to carry out neighbourhood surveys.

In order to develop effective partnerships with parents and ensure that every pupil reaches their potential, all Trust academies have embarked on Achievement for All; Winchcombe Abbey has achieved Lead Provider status.

In order to develop the whole child, the Trust also encourages academies to develop new approaches to learning which inspires pupils, promotes enquiring minds and helps all pupils to achieve. Three Trust academies have completed Philosophy for Children training and Dursley has achieved Sapere bronze accreditation. Two more academies will complete their training by the end of 2015.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Outcomes for Learners

There have been significant improvements in Early Years Foundation Stage in four academies. Dursley has seen the number of children making good levels of development rise from 49% to 73% and Minchinhampton has seen a similar improvement from 48% to 71%. Winchcombe Abbey has seen a 13% rise in the number of pupils making good levels of development, whilst Hardwicke has seen an 11% improvement in results.

All Trust academies exceeded the government floor target for 65% of pupils achieving a Level 4 in reading, writing and mathematics. On average 84% of pupils across the Trust achieved a Level 4 in reading, writing and mathematics. Trust academies have seen an overall improvement in securing better progress in mathematics, which has been a focus for all academies. On average 95% of pupils across the Trust made at least 2 levels of progress in mathematics (national floor target 93%). Performance at the end of Key Stage 2 has risen across all disciplines at Minchinhampton and Winchcombe Abbey and remains strong at Hardwicke. Performance at Dursley is consistent and steadily improving. However, standards have declined at Key Stage 2 in Primrose Hill. Securing improved outcomes at Key Stage 2 at Primrose Hill will be a Trust priority in the coming year.

High Expectations

The only academy to be inspected during the 2014/15 academic year was Dursley. The academy maintained a 'good' Ofsted judgement. The Ofsted report identified the shared ambition and capacity of leaders to further improve outcomes for pupils. The report highlighted the spiritual, moral, social and cultural development as a strength of the academy, alongside the quality of relationships between adults and pupils and work with parents. The report identified the need to support a number of newly appointed governors and ensure that occasional inconsistencies in teaching and pupil progress are addressed.

During the academic year, Winchcombe Abbey was awarded Lead School Status for Computer Science.

Good and Outstanding Teaching

On average 98.4% of teaching across Trust academies was judged by the Trust to be at least good. Seventeen teachers from Trust academies are currently participating in a six day staff development programme to develop outstanding practice.

Staff Development and Shared Accountability

Academy priorities have determined the focus for staff development. An extensive range of CPD has been accessed through a variety of local and national providers. This has included Ofsted training and accreditation for two Principals and Child Protection training for TA's and NQT's from Gloucestershire Local Authority. Academies have fully participated in training opportunities provided by the Trust, including: an Inaugural Conference; Outstanding Practice in Early Years Foundation Stage Learning; Change Management; Good to Outstanding Teaching and Effective Governance. Staff from two academies have completed Philosophy for Children Level 1 training.

The development of the Principals', Chairs of Governors' and Business Managers' Forums has led to the sharing of best practice, with the development of both Philosophy for Children (P4C) and Nurture provision across the Trust as well as more robust financial accounting procedures.

Following an internal promotion within the Trust, Mrs Vicki Henson was appointed Principal of Primrose Hill in September 2014. From September 2015, one Deputy Principal has been seconded to a Headship beyond the Trust for one term. In January 2015, a Finance Officer was appointed to support the centrally co-ordinated financial management of the Trust and a qualified accountant also joined the central staffing as part of maternity cover arrangements. In August 2015 the post of Head of Business and Finance (Chief Operating Officer) for the Trust was made a permanent post.

Central to the work of the Trust is the facilitation of networked advice and support. Special Education Needs Co-ordinators have undertaken Pupil Premium Reviews in each other's academies and RE co-ordinators have come together to explore best practice in both curriculum delivery and assessment. All Trust academies have received support from one another in areas ranging from ICT to 'Talk for Writing'.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Effective Stewardship of Resources

The Trust has secured Condition Improvement Fund ("CIF") funding totalling £457,904 for Primrose Hill, Dursley and Winchcombe Abbey academies. This includes an allocation of: £195,013 to repair the roof at Dursley and a further £198,004 to undertake window replacement; a contribution of £14,025 towards the removal of asbestos at Primrose Hill, and £50,862 to support the refurbishment of toilets at Winchcombe Abbey. Local Authority Basic Need and Section 106 funding up to £675,000 will see the further expansion of Winchcombe Abbey.

Business Strategy

A three year strategic plan has been developed by the Trust to include future growth. The Trust welcomed Minchinhampton and Hardwicke into the Trust on 1 November 2014 and 1 December 2014 respectively. During the academic year the total number of pupils in the Trust rose from 712 to 1,457. Four additional schools joined the Trust on 1 November 2015: Field Court Church of England Infant Academy, Longney Church of England Primary School, North Cerney Church of England Primary School and Whiteshill Primary School.

The Trust has enjoyed the continued support of the DBE. The VSF resolved to release the final donation of £150,000 to the Trust at their meeting on 3 November 2015, following receipt of the Trust's annual report.

Going Concern

The trustees have a reasonable expectation that the 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.

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the Department for Education ("DfE") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2014/15 and the associated expenditure is shown in the Statement of Financial Activities, page 19.

The Trust was awarded Academies Capital Maintenance Fund ("ACMF") grants totalling £980,403 for capital works at Dursley and Primrose Hill academies of which £331,214 was received in the prior year. In accordance with DfE accounting rules and Charities SORP, these grants are shown as restricted fixed asset funds in the Balance Sheet.

During the financial year the VSF made a donation of £150,000 to the Trust to support central set-up and staffing costs. The Trust also received Pupil Premium Grants totalling £324,189 and Sports Premium Grants totalling £35,035.

The Trust's total funds excluding fixed asset funds at 31 August 2015 were £514,121, comprising of £206,022 restricted funds and £308,099 unrestricted funds.

The Review of Value for Money Statement is shown on Page 11.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Principal risks and uncertainties

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to governance, the quality of educational standards and achievement and to financial processes. The Trust's risk register is reviewed by the Trust at every Board meeting. Internal controls are identified in order to mitigate these risks. Day-to-day responsibility for risk management rests with the Chief Executive Officer, who is the designated Accounting Officer (as defined by the Academies Financial Handbook September 2015).

The principal risks to the Trust are associated with governance, the standards and achievement of its academies, and the financial risks and liabilities which transfer to the Trust as part of the school conversion process. The Trust has considerable reliance on continued government funding through the Education Funding Agency ("EFA"). Increases in pension contributions and superannuation costs from September 2015, without a commensurate increase in school budgets, requires increasingly prudent financial management. Potential deficits in pension schemes remain a long-term liability for the Trust. The Trust has developed considerable school improvement capacity through its Academy Development Body. All new schools who have joined the Trust have been rated as 'good' schools, or better, by Ofsted, further increasing the capacity of the Trust to manage performance. With additional schools joining the Trust, the central team has expanded in order to continue to provide a comprehensive package of support to its academies. In a rural diocese with a large number of smaller than average primary schools, consideration must also be given to the size of schools wishing to join and the need to maintain pupil numbers, in order to manage the financial risk. Additional trustees will be appointed to support the governance of the expanding organisation.

Reserves Policy

Reserves are defined by the trustees as that part of the Trust's unrestricted funds that are freely available to spend on any of the charity's purposes. They exclude fixed asset reserves held for the charity's use and amounts designated for essential future spending. This definition also excludes restricted income funds, although the holding of such funds may influence the reserves policy. The value of reserves at 31 August 2015 were £308,099.

The Trust's reserves policy is in line with Charity Commission Guidance (SORP 55-56) and guidance provided from time to time by the DfE and the EFA. The purpose of the policy is to ensure the stability of the Trust's operations and to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

The trustees' objective is to hold sufficient reserves to support both revenue and capital costs, in particular:

- mitigate uncertainties in the short and medium term, including, but not limited to, a reduction in government grants or a fall in pupil numbers
- ensure sufficient working capital and support cash flow
- cover any future deficit in fixed reserves
- support the growth and development of the Trust, including, but not limited to, curriculum investment continued professional development and expansion
- provide a contingency for unforeseen emergencies or for unforeseen additional costs
- ensure sufficient reserves in the event that the charitable company needs to be wound up.

The appropriate level of reserves is determined by the trustees and will fluctuate depending on operational needs. The trustees seek to ensure that reserves do not tie up money unnecessarily, thus limiting the amount spent on charitable activities and reducing the potential benefits the charity can provide. However, they recognise that, if reserves are too low, then the charity's solvency and its future activities can be put at risk.

The reserves policy is reviewed by the trustees regularly to ensure that it keeps pace with current budgets, development plans and the changing operating environment. The policy is up-dated annually to reflect changes in legislation or directions from the DfE or EFA, and advice from the auditors or other interested parties.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Investment Policy

The trustees seek to ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

PLANS FOR FUTURE PERIODS

Our ambition is to ensure that every academy within the Trust provides outstanding learning outcomes for all pupils. In order to achieve this, all academies will provide outstanding learning and teaching opportunities and staff will be fully supported in terms of their own professional development. In addition to ensuring effective, accountable governance (at all levels), the Trust will unrelentingly focus on closing the gap in educational outcomes by having high expectations of all pupils and working in partnership with parents and carers. 'Closing the Gap' will be a focus for the coming year.

The trustees' objective is to aim for continued steady growth in the number of academies joining the Trust. With the growth of the Trust, officers will seek to maximise opportunities for central procurement, reviewing and benchmarking contracts and services to ensure value for money. The trustees intend to continue to develop internal capacity to keep pace with the growth in academies, bringing together staff and governors in order to share resources and expertise and to work collaboratively for mutual benefit within the family of academies which make up the Trust. The ultimate aim is to build sufficient capacity to be self-supporting, both in transforming pupil outcomes and in providing professional development opportunities for teaching staff.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its trustees do not act as the custodian trustees of any other charity.

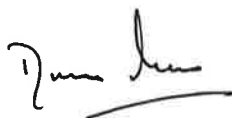
AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report has been approved by order of the trustees, as company directors, on 16 December 2015 and signed on the board's behalf by:



**The Revd DJS Munro
Chairman of Trustees**

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Diocese of Gloucester Academies 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 trustees have delegated the day-to-day responsibility to the Chief Executive Officer, 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 in the funding agreement between The Diocese of Gloucester Academies Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the 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 Trustees' Responsibilities Statement. The trustees have formally met 7 times during the year. Attendance during the year at meetings of the trustees was as follows:

Trustee	Meetings attended	Out of a possible
The Revd DJS Munro, Chairman	7	7
Mrs M Adlard, Vice Chairman	6	7
Canon H Arnold (Chief Executive Officer and Accounting Officer)	7	7
Mr D Brown	0	1
Dr D Cowper	5	7
Mr C Doran	6	7
The Very Revd S Lake	3	7
Dr K Lynch	2	3
Mr P Perks	5	7

Local Governing Bodies

Responsibility for the day-to-day running of academies within the Trust is delegated to Local Governing Bodies ("LGB") under a local Scheme of Delegation approved by the Secretary of State at conversion to academy status.

The exact size and composition of each LGB varies according to the needs of each academy. However, each academy will have two parent representatives, and two staff representatives (including the Principal, ex-officio). The number of foundation (local parish church) appointments varies according to the historic foundation of the school on joining the Trust. LGB's are appointed on a skills basis and the Trust will always appoint the majority of members.

Governance Review

The Board's annual business cycle incorporates an internal review of the effectiveness of governance. As a result of the 2014 review, the Trust has defined expectations of trustees, introduced trustee portfolio holders who monitor specific elements of the Trust's business and broadened the Audit Committee's function to include additional finance related matters.

All Local Governing Bodies are now undertaking skills audits, to ensure that future appointments meet the needs of individual governing bodies.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

Audit Committee

The audit committee is a sub-committee of the main board of trustees. Its purpose is to oversee the annual process of statutory independent audit, the completion of the Annual Report and Financial Statements, and the exercise of internal financial control. One member of the committee is appointed as Responsible Officer to carry out reviews of internal controls.

The members of the committee are: The Revd DJS Munro (Chairman), Mrs M Adlard (Responsible Officer) and Canon H Arnold (CEO). Mrs K Brimfield (COO) and the finance team attend the meetings.

Trustee	Meetings attended	Out of a possible
The Revd DJS Munro (Chairman)	4	4
Mrs M Adlard	4	4
Canon H Arnold (Chief Executive Officer and Accounting Officer)	4	4

The formation of sub-committees will be kept under regular review as the Trust grows in size and the work of the board expands.

REVIEW OF VALUE FOR MONEY

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

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

- Improving outcomes for pupils, as summarised in the trustees report
- Undertaking peer reviews to analyse the pupil premium spend and the impact on standards
- Incorporating Human Resources support, Occupation Health and Care First into the package of support provided for academies by the Trust
- Enhancing the provision of financial governance and oversight, supporting Local Governing Bodies with budget planning and preparation, budget setting and forecasting
- Maximising opportunities for joint procurement of service, including taking some services in house, such as the catering for Winchcombe Abbey
- Renegotiating and benchmarking contracts on behalf of individual academies, including completing full options appraisals
- Identifying opportunities for income generation, such as Unlocking Gifts Funding
- Ensuring active financial management of cash, bank balances and investments

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 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 The Diocese of Gloucester Academies Trust for the year to 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The trustees have reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year to 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 trustees;
- regular reviews by the the trustees 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 trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed Mrs M Adlard, as Responsible Officer (RO).

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

The RO reports to the trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

In addition, regular visits to each school are carried out by the central finance team to all academies within the Trust to offer assistance and check the controls in place across the Trust.

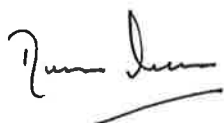
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer and Audit Committee;
- the work of the external auditors;
- the work of the executive managers within the Trust and professional advisers who have responsibility for the development and maintenance of the internal control framework.

A plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the trustees on 16 December 2015 and signed on its behalf, by:



**The Revd DJS Munro
Chairman of Trustees**



**Canon H Arnold
Accounting Officer**

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Diocese of Gloucester Academies Trust I have considered my responsibility to notify the 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 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 trustees are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook.

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



**Canon H Arnold
Accounting Officer**

Date: 16 December 2015

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic 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:

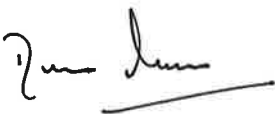
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the charitable trust 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 the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the trustees and signed on its behalf by:



**The Revd DJS Munro
Chairman of Trustees**

Date: 16 December 2015

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIOCESE OF GLOUCESTER
ACADEMIES TRUST**

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the Trust 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 Trust'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIOCESE OF GLOUCESTER
ACADEMIES TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Andrew Wood FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: *17th December 2015.*

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
DIOCESE OF GLOUCESTER ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Gloucester Academies Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Diocese of Gloucester Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Diocese of Gloucester Academies Trust and 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 The Diocese of Gloucester Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIOCESE OF GLOUCESTER ACADEMIES TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Diocese of Gloucester Academies Trust's funding agreement with the Secretary of State for Education dated 1 June 2013, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Trust complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
DIOCESE OF GLOUCESTER ACADEMIES 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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date:

17th December 2015.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion	2,24	214,557	(804,000)	7,792,000	7,202,557	5,638,833
Other voluntary income	2	34,798	96,818	35,651	167,267	38,261
Activities for generating funds	3	37,225	-	-	37,225	17,186
Investment income	4	1,395	-	-	1,395	64
Incoming resources from charitable activities	5	88,596	5,549,104	1,752,143	7,389,843	3,003,947
TOTAL INCOMING RESOURCES		376,571	4,841,922	9,579,794	14,798,287	8,698,291
RESOURCES EXPENDED						
Charitable activities	7,8	219,171	5,642,708	971,697	6,833,576	2,795,404
Governance costs	6	-	55,724	-	55,724	64,201
TOTAL RESOURCES EXPENDED	9	219,171	5,698,432	971,697	6,889,300	2,859,605
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		157,400	(856,510)	8,608,097	7,908,987	5,838,686
Transfers between Funds	19	-	(51,452)	51,452	-	-
NET INCOME FOR THE YEAR		157,400	(907,962)	8,659,549	7,908,987	5,838,686
Actuarial gains and losses on defined benefit pension schemes		-	84,000	-	84,000	(163,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		157,400	(823,962)	8,659,549	7,992,987	5,675,686
Total funds at 1 September		150,699	(808,016)	8,828,567	8,171,250	2,495,564
TOTAL FUNDS AT 31 AUGUST		308,099	(1,631,978)	17,488,116	16,164,237	8,171,250

All activities relate to continuing operations.

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

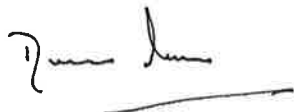
The notes on pages 22 to 44 form part of these financial statements.

THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08149299

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	16		16,844,388		8,611,145
CURRENT ASSETS					
Debtors	17	555,539		131,777	
Cash at bank and in hand		1,597,147		888,264	
		<u>2,152,686</u>		<u>1,020,041</u>	
CREDITORS: amounts falling due within one year	18	(994,837)		(409,936)	
NET CURRENT ASSETS			1,157,849		610,105
TOTAL ASSETS LESS CURRENT LIABILITIES			18,002,237		9,221,250
Defined benefit pension scheme liability	26		(1,838,000)		(1,050,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			16,164,237		8,171,250
TRUST FUNDS					
Restricted funds:					
General funds	19	206,022		241,984	
Fixed asset funds	19	17,488,116		8,828,567	
		<u>17,694,138</u>		<u>9,070,551</u>	
Restricted funds excluding pension liability					
Pension reserve		(1,838,000)		(1,050,000)	
Total restricted funds			15,856,138		8,020,551
Unrestricted funds	19		308,099		150,699
TOTAL FUNDS			16,164,237		8,171,250

The financial statements were approved by the trustees, and authorised for issue, on 16 December 2015 and are signed on their behalf, by:



The Revd DJS Munro
Chairman of Trustees

The notes on pages 22 to 44 form part of these financial statements.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	21	762,703	198,890
Returns on investments and servicing of finance	22	1,395	64
Capital expenditure and financial investment	22	(269,772)	217,422
Cash on conversion	22	214,557	166,361
INCREASE IN CASH IN THE YEAR		708,883	582,737

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	708,883	582,737
MOVEMENT IN NET FUNDS IN THE YEAR	708,883	582,737
Net funds at 1 September 2014	888,264	305,527
NET FUNDS AT 31 AUGUST 2015	1,597,147	888,264

The notes on pages 22 to 44 form part of these financial statements.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 (revised May 2008), the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Local Authority.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 GOING CONCERN

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust 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. The trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the 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 the Trust's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the Trust's educational operations.

Governance costs include the costs attributable to the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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 are 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 Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The possibility of impairment is reviewed by the trustees annually.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term property	-	50 years straight line basis
Long term land	-	125 years straight line basis
Other equipment	-	20% straight line
Computer equipment	-	33.3% straight line

Where the Trust has been granted use of school buildings from the Diocese of Gloucester under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Trust. The land and buildings have been included within the long-term leasehold property of the Academy Trust. This view differs from the view of the Church of England.

The Supplemental Agreement includes the right for the Diocese of Gloucester trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

1.7 OPERATING LEASES

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

1.8 TAXATION

The 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.9 PENSIONS

Retirement benefits to employees of the Trust are principally provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the 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 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 26, the TPS is a multi-employer scheme and the 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 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.

1.10 CONVERSION TO AN ACADEMY TRUST

The conversion from state maintained schools to the Trust involves the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Minchinhampton Church of England Primary School and Hardwicke Parochial Primary School to an academy have been valued at their fair value, being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Diocese of Gloucester Academies Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 24.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfer from Local Authority on conversion	214,557	6,988,000	7,202,557	5,638,833
Donations	34,798	132,469	167,267	38,261
Voluntary income	<u>249,355</u>	<u>7,120,469</u>	<u>7,369,824</u>	<u>5,677,094</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	18,182	-	18,182	11,675
Consultancy	19,043	-	19,043	-
Other	-	-	-	5,511
	<u>37,225</u>	<u>-</u>	<u>37,225</u>	<u>17,186</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	1,395	-	1,395	64

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

5. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant	-	4,668,336	4,668,336	2,213,160
Capital Grants	-	1,143,168	1,143,168	8,309
Other DfE/EFA grants	-	560,785	560,785	119,946
	<u>-</u>	<u>6,372,289</u>	<u>6,372,289</u>	<u>2,341,415</u>
Other government grants				
Special Educational Needs	-	101,012	101,012	13,152
Other government grants: non capital	-	54,946	54,946	112,529
Other government grants: capital	-	623,000	623,000	331,215
	<u>-</u>	<u>778,958</u>	<u>778,958</u>	<u>456,896</u>
Other funding				
VSF Grant	-	150,000	150,000	200,000
Catering income	20,395	-	20,395	2,672
Uniform sales	1,215	-	1,215	464
Other	23,565	-	23,565	2,500
Nursery income	43,421	-	43,421	-
	<u>88,596</u>	<u>150,000</u>	<u>238,596</u>	<u>205,636</u>
	<u>88,596</u>	<u>7,301,247</u>	<u>7,389,843</u>	<u>3,003,947</u>

6. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	13,850	9,800
Auditors' non audit costs	1,500	800
Prior year previous auditors' remuneration	9,130	-
Legal and professional	29,824	53,601
Trustees expenses reimbursed	1,420	-
	<u>55,724</u>	<u>64,201</u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. DIRECT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	33,200	26,000
Educational supplies	180,138	30,624
Staff development	64,665	16,539
Other costs, including educational visits	102,592	148,884
Supply teachers	184,177	13,727
Wages and salaries	3,077,981	1,378,579
National insurance	200,908	83,659
Pension cost	535,628	203,958
Depreciation and impairment	918,993	181,108
	5,298,282	2,083,078

8. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	9,800	-
Other costs, including school improvements	97,472	22
Recruitment and support	1,979	928
Maintenance of premises and equipment	83,672	101,282
Cleaning	54,505	18,827
Rent and rates	19,309	17,026
Energy costs	67,807	39,871
Insurance	39,782	29,293
Security and transport	10,043	7,587
Catering	232,536	6,954
Technology costs	82,500	62,038
Office overheads	24,977	27,225
Legal and professional, including local authority services	77,144	24,067
Bank charges	757	2,024
(Profit) / Loss on disposal of fixed assets	3,738	-
Wages and salaries	524,069	275,713
National insurance	24,803	35,522
Pension cost	131,435	58,721
Depreciation	48,966	5,226
	1,535,294	712,326

THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other	2015	2014
	£	2015	2015	£	£
		£	£		
Direct costs	3,814,517	918,993	564,772	5,298,282	2,083,078
Support costs	680,307	277,222	577,765	1,535,294	712,326
CHARITABLE ACTIVITIES	4,494,824	1,196,215	1,142,537	6,833,576	2,795,404
GOVERNANCE	-	-	55,724	55,724	64,201
	4,494,824	1,196,215	1,198,261	6,889,300	2,859,605

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities	Support	Total	Total
	undertaken	costs	2015	2014
	directly	2015	£	£
	2015	£		
	£			
Education	5,298,282	1,535,294	6,833,576	2,795,404

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation and impairment of tangible fixed assets:		
- owned by the charity	967,959	186,334
Auditors' remuneration	13,850	9,800
Auditors' remuneration - non-audit	1,500	800
Prior year previous auditors' remuneration	9,130	-
Operating lease rentals:		
- other operating leases	6,598	-

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	3,602,050	1,654,291
Social security costs	225,711	119,182
Other pension costs	667,063	262,679
	<u>4,494,824</u>	<u>2,036,152</u>

b. Staff numbers

The average number of persons employed by the Trust during the year expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
Teachers	51	23
Administration and support	67	28
Management	13	6
	<u>131</u>	<u>57</u>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	3	0
	<u>3</u>	<u>0</u>

Two of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. CENTRAL SERVICES

The Trust has provided the following central services to its academies during the year:

- Strategic governance
- Management of the academy conversion process
- Co-ordination and support for all school improvement, including developing the Christian distinctiveness of schools.
- Academy audits and leadership and managements events
- Tendering and procurement of contracts
- Support with all financial matters
- Co-ordination of all returns to the Education Funding Agency
- Bid writing
- Support with Estate Management, including condition surveys and 5 year estate development plans
- Management of the Charitable Company, including Company Secretarial role
- Occupational Health
- Care First subscription for all staff
- Management of capital projects
- Human Resources guidance and support

The Trust charges for these services on the following basis:

The Trust charges 5% of School Budget Share and Education Services Grant to the academies to cover the central services detailed above

The actual amounts charged during the year were as follows:

	2015
	£
Dursley C of E Primary Academy	45,884
Hardwicke Parochial Primary Academy	50,916
Minchinhampton C of E Primary Academy	41,177
Primrose Hill C of E Primary Academy	38,274
Winchcombe Abbey C of E Primary School	35,080
	<hr/>
Total	211,331
	<hr/> <hr/>

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £364 (2014: £364). The cost of this insurance is included in the total insurance cost.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

15. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services provided undertaking the role of Chief Executive Officer, and not in respect of services as trustee. Other trustees did not receive any payments, other than expenses from the Trust in respect of their role as trustees. The value of trustees' remuneration including pension contributions in respect of defined benefit schemes in the year was as follows; Canon H Arnold £40,000 - £45,000 (2014: £40,000 - £45,000), Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000).

During the year ended 31 August 2015, expenses totalling £1,420 (2014: £1,033) were reimbursed to 3 trustees (2014: 3).

16. TANGIBLE FIXED ASSETS

	Long term land & property £	Other equipment £	Computer equipment £	Total £
COST				
At 1 September 2014	8,647,814	123,786	31,456	8,803,056
Additions	1,320,492	34,177	58,271	1,412,940
Transfer on conversion	7,792,000	-	-	7,792,000
Disposals	-	(52,661)	(14,947)	(67,608)
Transfer between classes	56,921	(56,609)	(312)	-
At 31 August 2015	<u>17,817,227</u>	<u>48,693</u>	<u>74,468</u>	<u>17,940,388</u>
DEPRECIATION				
At 1 September 2014	131,409	50,948	9,554	191,911
Charge for the year	276,575	11,670	35,279	323,524
On disposals	-	(50,331)	(13,539)	(63,870)
Impairment charge	644,435	-	-	644,435
At 31 August 2015	<u>1,052,419</u>	<u>12,287</u>	<u>31,294</u>	<u>1,096,000</u>
NET BOOK VALUE				
At 31 August 2015	<u>16,764,808</u>	<u>36,406</u>	<u>43,174</u>	<u>16,844,388</u>
At 31 August 2014	<u>8,516,405</u>	<u>72,838</u>	<u>21,902</u>	<u>8,611,145</u>

The land and buildings have been introduced to the Trust based on the valuations that have been carried out as detailed below.

Hardwicke Parochial Primary Academy was valued at £3,163,000 by Mouchel on 31 March 2015.
Minchinhampton C of E Primary Academy was valued at £4,629,000 by Mouchel on 31 March 2015.

During the year there was a change in the basis for valuing the land and buildings at Winchcombe Abbey C of E Primary School. At 31 August 2014 the land and buildings were valued at the insurance value of £3,957,435. Winchcombe Abbey C of E Primary School was valued at £3,313,000 by Mouchel on 31 March 2015. The change in value has resulted in an impairment to the land and buildings of £644,435.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

17. DEBTORS

	2015 £	2014 £
Trade debtors	19,542	2,644
Accrued capital funding	370,485	-
VAT recoverable	21,131	36,171
Other debtors	105	8,079
Prepayments and accrued income	144,276	84,883
	<u>555,539</u>	<u>131,777</u>

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

	2015 £	2014 £
Trade creditors	378,134	17,117
Other taxation and social security	65,143	8,464
Pension liability	80,558	51,871
Other creditors	275,626	131,364
Accruals and deferred income	195,376	201,120
	<u>994,837</u>	<u>409,936</u>

DEFERRED INCOME

Deferred income at 1 September 2014	74,619
Resources deferred during the year	163,292
Amounts released from previous years	<u>(74,619)</u>
Deferred income at 31 August 2015	<u>163,292</u>

At the balance sheet date the Trust was holding funds received in advance for Universal Free School Meal Funding, Growth Funding and fees with respect to future training courses.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	150,699	376,571	(219,171)	-	-	308,099
RESTRICTED FUNDS						
General Annual Grant (GAG)	200,002	4,668,336	(4,706,418)	(51,452)	-	110,468
Pupil premium	-	324,189	(324,189)	-	-	-
Start up grant	-	50,000	(50,000)	-	-	-
Other Local Authority grants	-	54,946	(54,946)	-	-	-
VSF Grant	42,135	150,000	(101,607)	-	-	90,528
Higher needs	-	101,012	(101,012)	-	-	-
School Trip income Condition Improvement Fund	(153)	96,818	(94,889)	-	-	1,776
Sports Grant	-	14,025	(10,775)	-	-	3,250
Universal Infant Free School Meals	-	35,035	(35,035)	-	-	-
Pension reserve	-	151,561	(151,561)	-	-	-
	(1,050,000)	(804,000)	(68,000)	-	84,000	(1,838,000)
	<u>(808,016)</u>	<u>4,841,922</u>	<u>(5,698,432)</u>	<u>(51,452)</u>	<u>84,000</u>	<u>(1,631,978)</u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	8,459,174	7,792,000	(913,264)	-	-	15,337,910
Fixed assets purchased from GAG and other restricted funds	9,688	36,076	(9,894)	51,452	-	87,322
Local Authority grants	28,975	623,000	(16,741)	-	-	635,234
ACMF Funding	330,730	649,188	(22,390)	-	-	957,528
Condition Improvement Fund	-	443,879	-	-	-	443,879
Fixed Asset Donations	-	35,651	(9,408)	-	-	26,243
	<u>8,828,567</u>	<u>9,579,794</u>	<u>(971,697)</u>	<u>51,452</u>	<u>-</u>	<u>17,488,116</u>
Total restricted funds	<u>8,020,551</u>	<u>14,421,716</u>	<u>(6,670,129)</u>	<u>-</u>	<u>84,000</u>	<u>15,856,138</u>
Total of funds	<u><u>8,171,250</u></u>	<u><u>14,798,287</u></u>	<u><u>(6,889,300)</u></u>	<u><u>-</u></u>	<u><u>84,000</u></u>	<u><u>16,164,237</u></u>

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

Restricted funds

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Trust, including education and support costs.

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the students who need it most.

Start up Grant - This represents funding received from the EFA to contribute to the conversion process.

Other Local Authority Grant - Income which has been received from the local authority for specific reasons.

VSF Grant - Income received to provide central services to the academies within the Trust.

High Needs Funding - Income awarded for pupils identified with additional needs and received directly from the Local Authority.

School Trip Income - Income received from parents to contribute towards educational trips.

Condition Improvement Fund - This represents funding from the EFA for specific repair projects.

Sports Grant - This represents funding for the provision of sporting activities.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. STATEMENT OF FUNDS (continued)

Universal Infant Free School Meals - Grant received from the EFA to provide free school meals to reception and key stage 1 pupils.

Pension reserve – This represents the Trust share of the assets and liabilities in the Local Government Pension Scheme.

Fixed asset funds

Fixed assets transferred on conversion – This represents the incoming property and equipment upon academy conversion.

Fixed assets purchased from GAG and other restricted funds - This represents funding from the EFA used to cover the purchase of academies' assets.

Local Authority Grants - This represents funding from the Local Authority to cover the addition of Trust assets.

ACMF Funding - This represents funding from the EFA for specific capital projects, up to 31 March 2015.

Condition Improvement Fund - This represents funding from the EFA for specific capital projects, from 1 April 2015.

The transfer between funds in the year relates to tangible fixed assets purchased using restricted funds.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Central Services	193,016
Dursley C of E Primary Academy	18,464
Hardwicke Parochial Primary Academy	51,739
Minchinhampton C of E Primary Academy	80,944
Primrose Hill C of E Primary Academy	92,012
Winchcombe Abbey C of E Primary School	77,946
Total before fixed asset fund and pension reserve	514,121
Restricted fixed asset fund	17,488,116
Pension reserve	(1,838,000)
Total	16,164,237

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Central Services	-	205,274	23,765	211,493	440,532
Dursley C of E Primary Academy	799,517	108,811	91,517	146,007	1,145,852
Hardwicke Parochial Primary Academy	944,570	103,143	67,683	131,518	1,246,914
Minchinhampton C of E Primary Academy	713,333	92,599	157,735	149,190	1,112,857
Primrose Hill C of E Primary Academy	694,339	107,738	85,660	135,751	1,023,488
Winchcombe Abbey C of E Primary School	662,758	62,742	81,710	144,488	951,698
	<u>3,814,517</u>	<u>680,307</u>	<u>508,070</u>	<u>918,447</u>	<u>5,921,341</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	150,699	376,571	(219,171)	-	-	308,099
Restricted funds	(808,016)	4,841,922	(5,698,432)	(51,452)	84,000	(1,631,978)
Restricted fixed asset funds	8,828,567	9,579,794	(971,697)	51,452	-	17,488,116
	<u>8,171,250</u>	<u>14,798,287</u>	<u>(6,889,300)</u>	<u>-</u>	<u>84,000</u>	<u>16,164,237</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	16,844,388	16,844,388	8,611,145
Current assets	308,099	898,219	946,368	2,152,686	1,020,041
Creditors due within one year	-	(692,197)	(302,640)	(994,837)	(409,936)
Pension scheme liability	-	(1,838,000)	-	(1,838,000)	(1,050,000)
	<u>308,099</u>	<u>(1,631,978)</u>	<u>17,488,116</u>	<u>16,164,237</u>	<u>8,171,250</u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	7,908,987	5,838,686
Returns on investments and servicing of finance	(1,395)	(64)
Net assets transferred on conversion	(7,202,557)	(5,645,285)
Depreciation of tangible fixed assets	323,524	186,334
Deficit on disposal of tangible fixed assets	3,738	-
Capital grants from DfE	(1,143,168)	(339,524)
Increase in debtors	(423,762)	(101,012)
Increase in creditors	584,901	252,755
Impairment of fixed assets	644,435	-
Defined benefit pension scheme adjustments	68,000	7,000
NET CASH INFLOW FROM OPERATIONS	762,703	198,890

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,395	64
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(1,412,940)	(122,102)
Capital grants from DfE	1,143,168	339,524
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(269,772)	217,422
ACQUISITIONS AND DISPOSALS		
Net cash acquired upon conversion	214,557	166,361

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank in hand	888,264	708,883	-	1,597,147
NET FUNDS	888,264	708,883	-	1,597,147

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. CONVERSION TO AN ACADEMY TRUST

On 1 November 2014 Minchinhampton Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Gloucester Academies Trust from Gloucestershire County 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 a corresponding net amount recognised as net incoming resources 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Land and buildings	-	-	4,629,000	4,629,000
Budget surplus/(deficit) on LA funds	155,982	-	-	155,982
Budget surplus/(deficit) on other school funds	7,296	-	-	7,296
LGPS pension surplus/(deficit)	-	(173,000)	-	(173,000)
	<u>163,278</u>	<u>(173,000)</u>	<u>4,629,000</u>	<u>4,619,278</u>
Net assets/(liabilities)	<u>163,278</u>	<u>(173,000)</u>	<u>4,629,000</u>	<u>4,619,278</u>

The above net assets include £163,278 that was transferred as cash.

CONVERSION TO AN ACADEMY TRUST

On 1 December 2014 Hardwicke Parochial Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Gloucester Academies Trust from Gloucestershire County 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 a corresponding net amount recognised as net incoming resources 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Land and buildings	-	-	3,163,000	3,163,000
Budget surplus/(deficit) on LA funds	22,438	-	-	22,438
Budget surplus/(deficit) on other school funds	28,841	-	-	28,841
LGPS pension surplus/(deficit)	-	(631,000)	-	(631,000)
	<u>51,279</u>	<u>(631,000)</u>	<u>3,163,000</u>	<u>2,583,279</u>
Net assets/(liabilities)	<u>51,279</u>	<u>(631,000)</u>	<u>3,163,000</u>	<u>2,583,279</u>

The above net assets include £51,279 that was transferred as cash.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>601,366</u>	<u>-</u>

The Trust is committed to further capital work at Winchcombe Abbey and Dursley.

26. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for associate staff, which is managed by Gloucestershire County Council. Both are defined benefit schemes.

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

Contributions amounting to £80,558 were payable to the schemes at 31 August 2015 (2014: £51,871) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay including a 0.08% employer administration charge from 1 September 2015;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £308,074 (2014: £135,802).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £321,000, of which employer's contributions totalled £265,000 and employees' contributions totalled £56,000. The agreed contribution rates for the existing academies in future years are 23.8-29.3% for employers and 5.5-9.9% for employees.

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

As described in note 24 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.80	807,000	6.30	407,000
Bonds	3.80	258,000	3.20	118,000
Property	3.80	94,000	4.50	34,000
Cash	3.80	12,000	3.30	6,000
Total market value of assets		<u>1,171,000</u>		<u>565,000</u>
Present value of scheme liabilities		<u>(3,009,000)</u>		<u>(1,615,000)</u>
Deficit in the scheme		<u><u>(1,838,000)</u></u>		<u><u>(1,050,000)</u></u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

26. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	2015	2014
	£	£
Present value of funded obligations	(3,009,000)	(1,615,000)
Fair value of scheme assets	1,171,000	565,000
	<u> </u>	<u> </u>
Net liability	(1,838,000)	(1,050,000)
	<u> </u>	<u> </u>

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

	2015	2014
	£	£
Current service cost	(290,000)	(91,000)
Interest on obligation	(92,000)	(49,000)
Expected return on scheme assets	49,000	23,000
	<u> </u>	<u> </u>
Total	(333,000)	(117,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	29,000	51,000
	<u> </u>	<u> </u>

Movements in the present value of the defined benefit obligation were as follows:

	2015	2014
	£	£
Opening defined benefit obligation	1,615,000	467,000
Current service cost	290,000	91,000
Interest cost	92,000	49,000
Contributions by scheme participants	56,000	23,000
Actuarial (Gains)/losses	(105,000)	192,000
Liability transferred on conversion	1,061,000	793,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	3,009,000	1,615,000
	<u> </u>	<u> </u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

26. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2015	2014
	£	£
Opening fair value of scheme assets	565,000	184,000
Expected return on assets	49,000	23,000
Actuarial gains and (losses)	(21,000)	29,000
Contributions by employer	265,000	110,000
Contributions by employees	56,000	23,000
Assets transferred on conversion	257,000	196,000
	1,171,000	565,000

The cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses was £62,000 (2014: £146,000).

The Trust expects to contribute £313,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	69.00 %	72.00 %
Bonds	22.00 %	21.00 %
Property	8.00 %	6.00 %
Cash	1.00 %	1.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.60 %
Expected return on scheme assets at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.00 %	3.80 %
Rate of increase for pensions in payment / inflation	2.60 %	2.50 %

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

	2015	2014
Retiring today		
Males	22.5 years	22.5 years
Females	24.6 years	24.6 years
Retiring in 20 years		
Males	24.4 years	24.4 years
Females	27.0 years	27.0 years

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(3,009,000)	(1,615,000)	(467,000)
Scheme assets	1,171,000	565,000	184,000
Deficit	<u>(1,838,000)</u>	<u>(1,050,000)</u>	<u>(283,000)</u>
Experience adjustments on scheme liabilities	105,000	(192,000)	22,000
Experience adjustments on scheme assets	<u>(21,000)</u>	<u>29,000</u>	<u>(5,000)</u>

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
EXPIRY DATE:		
Within 1 year	3,380	-
Between 2 and 5 years	<u>5,766</u>	<u>-</u>

28. RELATED PARTY TRANSACTIONS

Owing to the public nature of the 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 basis in accordance with the Trust's financial regulations and normal procurement procedures.

During the year the Trust paid Lee Bolton Monier Williams Solicitors £NIL (2014: £1,500) in respect of legal services provided. Mr H Dellar, who was a trustee during the year to 31 August 2014 is a partner of Lee Bolton Monier Williams.

During the year the Trust received income of £2,479 (2014: £NIL) and made payments to the Gloucester Diocesan Board of Finance for £19,112 (2014: £16,892). The amount of £19,112 includes pension contributions of £16,295. Mrs M Adlard and The Very Revd S Lake are trustees of the Gloucester Diocesan Board of Finance.

29. POST BALANCE SHEET EVENTS

On 1 November 2015, Field Court Church of England Infant Academy, Longney Church of England Primary School, North Cerney Church of England Primary School and Whiteshill Primary School joined the Trust.