

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

**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 2016**

Members	Diocese of Gloucester Education Trust (Company Number 07662129) The Very Revd S Lake The Revd DJS Munro Mrs D Philpot Prof J Tann
Trustees	The Revd DJS Munro, Chairman Mrs M Adlard, Vice Chair (resigned 16 December 2015) Canon H Arnold (resigned 7 March 2016) Mrs K Brimfield (appointed 8 March 2016, resigned 3 July 2016) Cdr M Cowdrey RN (appointed 16 December 2015) Dr D Cowper Mrs R Dick (appointed 1 February 2016) Mr C Doran Mrs R Howie (appointed 4 July 2016) The Very Revd S Lake Dr K Lynch Mr P Perks Mr R Stokes (appointed 13 January 2016)
Company registered number	08149299
Company name	The Diocese of Gloucester Academies Trust
Principal and registered office	4 College Green Gloucester GL1 2LR
Chief Executive Officer/Accounting Officer	Mrs R Howie
Senior management team	Canon H Arnold, Chief Executive Officer and Accounting Officer (until 7 March 2016) Mrs R Howie, Chief Executive Officer and Accounting Officer (from 4 July 2016) Mrs K Brimfield, Chief Operating Officer (full year) and Interim Chief Executive Officer and Accounting Officer (8 March 2016 until 3 July 2016) Mr P Daniels, Principal, Dursley C of E Primary Academy Mrs Z Carciro, Principal, Field Court C of E Infant Academy from 1 November 2015 Mr M Bragg, Principal, Hardwicke Parochial Primary Academy until 31 August 2016 Mr I Williams, Principal, Lakefield C of E Primary School from 1 September 2016 Mrs P Howard, Principal, Longney C of E Primary Academy from 1 November 2015 Mr N Moss, Principal, Minchinhampton C of E Primary Academy Mrs J Burr, Principal, North Cerney C of E Primary Academy from 1 November 2015 Mrs V Henson, Principal, Primrose Hill C of E Primary Academy Mrs D Bainbridge, Principal, Whiteshill Primary School from 1 November 2015 Mrs H Springett, Principal, Winchcombe Abbey C of E Primary School and Temporary Executive Principal at Hardwicke from 1 September 2016

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS, TRUSTEES AND
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Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
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
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

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 period from 1 September 2015 to 31 August 2016. 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 2015). The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates nine academies (ten academies from 1 September 2016) for pupils aged 4 to 11 across the Diocese of Gloucester. The General Academies Grant funds the education of 2010 pupils across the nine academies.

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 during the year are included in the Reference and Administrative Details on page 1.

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 ceased to be a member.

Trustees' Indemnities

Up until 31 May 2016 the Trust provided 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.

From the 1 June 2016, the Trust opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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 Chair 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.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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.

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 one subcommittee: an Audit and Finance Committee.

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Salaries for senior central staff are reviewed by Trustees following an annual Performance Management Review and benchmarked against Diocesan pay scales and senior leadership scales (for schools).

Salaries of all senior leaders in Trust academies are reviewed annually in accordance with the School Teachers Pay and Conditions Guidance (2015) following an annual Performance Management Review which is undertaken by the Trust and representatives of the Local Governing Body.

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 £500,000 over a three year period to support the work of the Trust. The trustees of the Voluntary Schools' Fund are also trustees of DBE. The VSF has no financial interest in and does not receive any financial gain from the Trust.

The Trust has employed a part-time Chief Executive (0.5FTE). The Chief Executive is also employed by the Gloucester Diocesan Board of Finance ("DBF") on a part-time basis as Director of Education (0.5FTE).

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

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

Canon H Arnold	DBF (employed as DDE- resigned 7 March 2016)
Mrs R Howie	DBF (employed as DDE- appointed 4 July 2016)
Mrs M Adlard	DBF (resigned 16 December 2015)
Mr P Perks	DBE
The Very Revd S Lake	DBE

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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
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 duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in 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. During the year Dursley was inspected under the Statutory Inspection of Anglican and Methodist Schools' framework (SIAMS) and judged 'outstanding'; a significant improvement on the last inspection when the academy was judged as 'satisfactory'. The impact of Christian values on pupils' learning was evidenced in the report which concluded that "The promotion of the academy's Christian values, in particular the value of friendship, has a significant impact on children's academic achievement, personal and spiritual development." (SIAMs, March 2016). The report also highly commended the role of children in leading worship and prayer. An interim monitoring visit of Primrose Hill and Minchinhampton also indicated that progress had been made against agreed priorities.

During the academic year, no DGAT academy was inspected under the Ofsted framework. However, all academies undertook a self-evaluation of their performance against the Ofsted criteria, validated by Academy Development Partners. Evaluations indicate that two academies would likely to be judged as outstanding, six academies as good and one requiring improvement.

Social, moral, spiritual and cultural development is central to the values and ethos of the Trust. To this end, several academies have revisited and reviewed the impact of their values on their community whilst others have focused on the role of children in worship and prayer. The development of spiritual gardens has been a key feature of several academies' work. Winchcombe Abbey recently featured in a Diocesan training video for Church of England schools which focused on the impact of Christian distinctiveness on children's development.

In order to develop effective partnerships with parents and ensure that every pupil reaches their potential, all Trust academies have continued to work with Achievement for All and Hardwicke and Minchinhampton have undertaken combined inset training in Philosophy for Children, in order to develop new approaches to enquiry based learning.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Outcomes for Learners

Overall the Trust has maintained a strong position with regard to outcomes for learners. Outcomes are above the national averages in all of the key indicators except writing at Key Stage 2, which is broadly in line with the national average. This mirrors the national picture at Key Stage 2 where writing is the weaker of the three reported subject outcomes. Unvalidated assessment information identifies that all academies in the Trust met and exceeded the current government floor standards, which set the expectations for pupils' attainment and progress at the end of Year 6.

Assessment information shows that pupils in the Trust get off to a good start in Early Years and by the time they reach Year 1 the proportion of pupils reaching the level expected for their age is well above the nationally expected figure. This picture is mirrored at the end of Key Stage 1 where in reading, writing and mathematics pupils outperform the national figures.

High Expectations

Each academy continues to receive three visits per year from an Academy Development Partner to monitor performance and provide professional challenge. Participation in peer reviews and the sharing of best practice ensures there is mutual accountability for the quality of provision across the Trust.

Good and Outstanding Teaching

Seventeen teachers from Trust academies successfully completed a six day staff development programme focusing on good to outstanding teaching in mathematics. All academies reported favorably on the impact of the training and a second cohort will complete the course during 2016 / 17.

Staff Development and Shared Accountability

Academy priorities have determined the focus for staff development. The Trust has facilitated a range of continued professional development opportunities for senior leaders, teachers and associate staff; the annual DGAT conference also focused on moving academies from good to outstanding.

Additionally, academies have accessed training from a rich range of providers including the Diocese, the NHS, University of Bath, Gloucestershire Local Authority, Ofsted, World Wildlife Trust, Impetus, University of Gloucestershire as well as training organised by local clusters such as the Gloucester Schools Partnership, West Gloucestershire Support Partnership and the Stroud Association of Schools.

In order to continue to build internal capacity and ensure the Trust remains an organisation with a dynamic, reflective and accountable culture, the Trust has continued to undertake peer reviews and action research. Minchinhampton has co-ordinated a one-year formative assessment research project led by Shirley Clarke (a nationally acclaimed author and researcher focussing on the curriculum and formative assessment) and academies have participated in peer assessment of pupil premium, safeguarding, governance and subject leadership. Academies have also reviewed their deployment of teaching assistants (TAs) and the impact of additional support and intervention on pupil progress. This review highlighted the importance of flexible deployment, effective performance management, quality Continuing Professional Development and the involvement of TA's in curriculum planning. As a consequence of undertaking the review, the Trust has now developed a Teaching Assistant Charter.

In January 2016, a full-time, permanent Head of Finance was appointed, following the return from maternity leave of the Executive Officer. In March 2016 the CEO retired with the new CEO taking up post in July 2016. In the intervening period the COO became the interim CEO. The new CEO was previously the headteacher in a school judged to be outstanding by Ofsted and has most recently been working as one of Her Majesty's Inspectors with Ofsted in the West Midlands.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Effective Stewardship of Resources

The Trust secured Condition Improvement Fund ("CIF") funding totalling £612,043 in respect of Dursley, Field Court, Hardwicke, Minchinhampton and North Cerney academies. This comprises allocations of: £187,355 for lighting and ceiling replacement at Hardwicke, plus a further £94,954 for toilet refurbishment; £151,224 (including a Salix Loan of £15,443) for lighting and ceiling works at Field Court, plus a further £33,898 to upgrade the fire alarm system; £77,112 (including a Salix Loan of £10,635) for boiler replacement at Minchinhampton; £46,722 for fencing at Dursley, and £20,778 for fencing at North Cerney. In addition, Local Authority Basic Need and Section 106 funding of £427,000 has been granted for further expansion at Hardwicke, together with Local Authority Condition Improvement Grant funding of £107,403 for office upgrading and safeguarding works at Whiteshill and a further £40,000 for a Portakabin installation at Minchinhampton.

Business Strategy

A three year strategic plan, reviewed annually, is in place to ensure future growth is well planned and resourced effectively. The Trust welcomed four additional schools into the Trust on 1 November 2015: Field Court C of E Infant Academy, Longney C of E Primary School, North Cerney C of E Primary School and Whiteshill Primary School. Lakefield C of E Primary School joined the Trust on 1 September 2016. During the academic year 2015 / 16 the total number of pupils in the Trust rose from 1457 to over 2000 pupils.

The Trust has also been approved to open its first Free School in Gloucester: Clearwater Church of England Primary Academy. It is proposed that this two form entry primary school opens in September 2017 subject to DfE approval.

Going Concern

After making appropriate enquiries, 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 2015 / 16 and the associated expenditure is shown in the Statement of Financial Activities, page 21.

During the financial year the Voluntary Schools Fund (VSF) made a grant of £150k to the Trust, the third and final instalment of a grant totalling £500,000 over a three year period to support central set-up and staffing costs.

The Trust received Pupil Premium Grants totalling £458,185 and Sports Premium Grants totalling £65,471.

The Trust's defined benefit pension scheme liability has increased to £3,643,000 (2015: £1,838,000) and included £901,000 incoming deficits upon new schools/academies joining the Trust.

Cash at bank has increased to £2,147,009 (2015: £1,597,147) benefiting from incoming funds on conversions (Note 22) and funding received in advance (offset by increases in deferred income, Note 16).

The Trust's total funds excluding fixed asset and pension reserves at 31 August 2016 were £1,027,941 comprising of £292,417 restricted funds and £735,524 unrestricted funds.

In September 2016 the Trust was awarded £61,781 Sponsor Capacity Funding from the DfE and a further grant of £437,910 over a three year period from the VSF to support the continued growth of the Trust.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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. To mitigate these principal risks, the Trust has:

- appointed additional trustees during the academic year to support and enhance the governance of the expanding organisation. Trustees were appointed according to the skills required on the Board to ensure executives are held to account for the continued success of the Trust.
- developed school improvement capacity through the appointment of additional Academy Development Partners and a school improvement officer.

Three of the four schools that joined the Trust during the academic year 2015 / 16 were judged as good or outstanding which further increases the capacity of the Trust to manage performance.

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.

The Trust has considerable reliance on continued government funding through the Education Funding Agency ("EFA"). Increases in pension contributions and National Insurance 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.

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 2016 was £735,524.

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 DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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.

Total funds at 31 August 2016 were £20,262,133 (2015: £16,164,237). Restricted funds not available for general purposes of the Trust were £19,526,609 (2015: £15,856,138).

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 aim to provide outstanding learning and teaching opportunities and aim to fully support staff in terms of their own professional development. In addition to ensuring effective, accountable governance (at all levels), the Trust will continue to 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 attainment gap between disadvantaged and non-disadvantaged pupils remains 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 further maximise opportunities for central procurement, reviewing and benchmarking contracts and services to ensure value for money. The Trust is exploring academy 'hubs' and ways of grouping academies to optimise governance and effective management as more schools join the Trust.

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.

The Trust looks forward to opening its first free school in 2017, subject to final approvals from the DfE.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are none.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the Trust'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.

Trustees' Report, incorporating a strategic report, approved by order of the trustees, as company directors, on 16 December 2016 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'DJS Munro', with a long horizontal line extending to the right.

**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 to it 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 Board of trustees has formally met 6 times during the period from 1 September 2015 to 31 August 2016. Attendance during the period from 1 September 2015 to 31 August 2016 at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
The Revd DJS Munro, Chairman	6	6
Mrs M Adlard	2	2
Canon H Arnold	3	3
Mrs K Brimfield	2	2
Cdr M Cowdrey RN	4	5
Dr D Cowper	4	6
Mrs R Dick	4	4
Mr C Doran	5	6
Mrs R Howie	1	1
The Very Revd S Lake	3	6
Dr K Lynch	5	6
Mr P Perks	4	6
Mr R Stokes	3	4

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 at conversion to academy status and reviewed annually by the Trust and Chair of the LGB.

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 and community representatives 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. This includes a review of academy performance against the Department for Education's "Characteristics of effective multi-academy trusts". As a result of the 2015 review, the Trust Board has expanded to reflect the needs of a growing organisation. New Trustees with expertise in logistics and human resources, academy finance and educational attainment were appointed.

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

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GOVERNANCE STATEMENT (continued)

Audit and Finance Committee

The Audit and Finance 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 the review of internal controls as detailed in the Risk and Control Framework section below.

The members of the committee include the Chair of the Trust, trustees with accounting expertise (one of whom assumes the role of the Responsible Officer), and the CEO, as Accounting Officer. Mrs K Brimfield (COO) and the finance team attend the meetings.

The Audit and Finance Committee has formally met 3 times during the period from 1 September 2015 to 31 August 2016. Attendance during the period from 1 September 2015 to 31 August 2016 at meetings was as follows:

Trustee	Meetings attended	Out of a possible
The Revd DJS Munro, Chairman	2	3
Mrs M Adlard	1	1
Canon H Arnold	1	1
Mrs K Brimfield	2	2
Mrs R Dick	2	2
Mrs R Howie	0	0
Mr R Stokes	2	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the 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 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, as well as reviewing the deployment of Teaching Assistants, effectiveness of safeguarding and subject leadership on the quality of education provision
- 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 services
- Renegotiating and benchmarking contracts on behalf of individual academies, including completing full options appraisals
- Identifying opportunities for income generation and additional financial support, including the Sponsor Capacity Grant
- Ensuring active financial management of cash, bank balances and investments.

Focus for the next year will be around:

- The procurement of services which will benefit our academies by achieving better quality, consistency, delivering economies of scale and positively impacting on outcomes for children, i.e. a unified assessment package
- Moving away from outsourced services having a centrally employed dedicated team to include school improvement, procurement and compliance.

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

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 period to 31 August 2016 and up to the date of approval of the Annual Report and Financial Statements.

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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period to 31 August 2016 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the 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 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 at this stage. However, the trustees have appointed a trustee (Mrs M Adlard/Mrs R Dick), as Responsible Officer (RO).

During the year, the Audit and Finance Committee directed the Responsible Officer to undertake a visit to one of the Trust academies and to the central office to identify if both settings were adhering to the Trust finance policy and procedures. This was completed in June 2016 and the findings were reported back to the Audit and Finance Committee in their summer term meeting. Recommendations were then followed up in the November 2016 meeting.

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.

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

GOVERNANCE STATEMENT (continued)

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 and Finance Committee;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and 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 2016 and signed on their behalf, by:



**The Revd DJS Munro
Chairman of Trustees**



**Mrs R Howie
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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Trust board of 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 board of trustees and EFA.

**Mrs R Howie
Accounting Officer**



Date: 16 December 2016

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

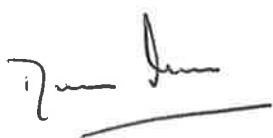
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**The Revd DJS Munro
Chairman of Trustees**

Date: 16 December 2016

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
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 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 academy'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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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 ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
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: 15th December 2016

**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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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 2015 to 31 August 2016 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: *15th December 2016*

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

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	483,542	(782,643)	4,451,564	4,152,463	7,202,557
Other donations and capital grants	2	33,507	163,995	1,271,488	1,468,990	1,933,435
Charitable activities	5	274,212	8,564,846	-	8,839,058	5,623,675
Other trading activities	3	117,243	-	-	117,243	37,225
Investments	4	2,370	-	-	2,370	1,395
TOTAL INCOME		910,874	7,946,198	5,723,052	14,580,124	14,798,287
EXPENDITURE ON:						
Charitable activities		481,520	8,752,646	439,062	9,673,228	6,907,300
TOTAL EXPENDITURE	8	481,520	8,752,646	439,062	9,673,228	6,907,300
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	429,354 (1,929)	(806,448) (103,157)	5,283,990 105,086	4,906,896 -	7,890,987 -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		427,425	(909,605)	5,389,076	4,906,896	7,890,987
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(809,000)	-	(809,000)	102,000
NET MOVEMENT IN FUNDS		427,425	(1,718,605)	5,389,076	4,097,896	7,992,987
RECONCILIATION OF FUNDS:						
Total funds brought forward		308,099	(1,631,978)	17,488,116	16,164,237	8,171,250
TOTAL FUNDS CARRIED FORWARD		735,524	(3,350,583)	22,877,192	20,262,133	16,164,237

The notes on pages 24 to 51 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 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		22,376,718		16,844,388
CURRENT ASSETS					
Debtors	15	643,765		555,539	
Cash at bank and in hand		2,147,009		1,597,147	
		<u>2,790,774</u>		<u>2,152,686</u>	
CREDITORS: amounts falling due within one year	16	(1,239,540)		(994,837)	
NET CURRENT ASSETS			1,551,234		1,157,849
TOTAL ASSETS LESS CURRENT LIABILITIES			23,927,952		18,002,237
CREDITORS: amounts falling due after more than one year	17		(22,819)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			23,905,133		18,002,237
Defined benefit pension scheme liability	24		(3,643,000)		(1,838,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>20,262,133</u>		<u>16,164,237</u>
TRUST FUNDS					
Restricted funds:					
General funds	18	292,417		206,022	
Fixed asset funds	18	22,877,192		17,488,116	
		<u>23,169,609</u>		<u>17,694,138</u>	
Restricted funds excluding pension liability					
Pension reserve		(3,643,000)		(1,838,000)	
Total restricted funds			19,526,609		15,856,138
Unrestricted funds	18		735,524		308,099
TOTAL FUNDS			<u>20,262,133</u>		<u>16,164,237</u>

The financial statements were approved by the trustees, and authorised for issue, on 16 December 2016 and are signed on their behalf, by:



The Revd DJS Munro
Chairman of Trustees

The notes on pages 24 to 51 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>2,085</u>	<u>762,703</u>
Cash flows from investing activities:			
Interest received		2,370	1,395
Purchase of tangible fixed assets		(1,692,340)	(1,412,940)
Capital grants from DfE/EFA		644,781	1,143,168
Other capital funding		<u>615,945</u>	<u>-</u>
Net cash used in investing activities		<u>(429,244)</u>	<u>(268,377)</u>
Net cash acquired upon conversion or joining the Trust		<u>977,021</u>	<u>214,557</u>
Cash transferred on conversion or joining the Trust		<u>977,021</u>	<u>214,557</u>
Change in cash and cash equivalents in the year		<u>549,862</u>	<u>708,883</u>
Cash and cash equivalents brought forward		<u>1,597,147</u>	<u>888,264</u>
Cash and cash equivalents carried forward	21	<u><u>2,147,009</u></u>	<u><u>1,597,147</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Diocese of Gloucester Academies Trust constitutes a public benefit entity as defined by FRS 102.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 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 with restrictions imposed by the funder and include grants from the Department for Education and the Local Authority.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.4 INCOME

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the services have been provided.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE

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

Charitable Activities are costs incurred on the Diocese of Gloucester Academies Trust's educational operations, including support costs and costs relating to the governance of the Diocese of Gloucester Academies Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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 property of the Trust. This view differs from the view of the Church of England.

The Supplemental Agreements include the right for the Diocese of Gloucester trustees to give not less than 2 years written notice to the 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

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 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.9 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.

1.10 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.12 LIABILITIES AND PROVISIONS

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

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income, trade creditors and accrued expenditure.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the 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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involves the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Longney C of E Primary School, North Cerney C of E Primary School and Whiteshill Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted funds and restricted fixed asset funds.

Land and buildings have been included based upon the valuations by the EFA. Pension assets and liabilities have been valued by Hymans Robertson LLP.

The assets and liabilities transferred on joining the Trust from Field Court C of E Infant Academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from existing Academy Trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted funds and restricted fixed asset funds.

Further details of the transactions are set out in note 22.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.16 CRITICAL ACCOUNTING ESTIMATES

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfer from Local Authority	194,018	(428,000)	2,373,000	2,139,018	7,202,557
Transfer from existing Academy Trust	289,524	(354,643)	2,078,564	2,013,445	-
Transfer on conversion	483,542	(782,643)	4,451,564	4,152,463	7,202,557
Donations	33,507	156,410	18,347	208,264	167,267
Capital Grants	-	7,585	1,253,141	1,260,726	1,766,168
	33,507	163,995	1,271,488	1,468,990	1,933,435
	517,049	(618,648)	5,723,052	5,621,453	9,135,992

In 2015, of the total income from donations and capital grants, £249,355 was unrestricted, (£693,157) was restricted and £9,579,794 was in relation to the restricted fixed asset fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	27,356	-	27,356	18,182
Consultancy	19,413	-	19,413	19,043
Breakfast and After School Clubs	70,474	-	70,474	-
	<u>117,243</u>	<u>-</u>	<u>117,243</u>	<u>37,225</u>

In 2015, the total income from other trading activities of £37,225 was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	2,370	-	2,370	1,395
	<u>2,370</u>	<u>-</u>	<u>2,370</u>	<u>1,395</u>

In 2015 the total investment income of £1,395 was unrestricted.

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5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Education	102,860	8,564,846	8,667,706	5,580,254
Nursery	171,352	-	171,352	43,421
	<u>274,212</u>	<u>8,564,846</u>	<u>8,839,058</u>	<u>5,623,675</u>

FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	7,185,599	7,185,599	4,668,336
Other DfE/EFA grants	-	936,306	936,306	560,785
	<u>-</u>	<u>8,121,905</u>	<u>8,121,905</u>	<u>5,229,121</u>
Other Government grants				
High Needs	-	219,294	219,294	101,012
Other Government grants non capital	-	73,647	73,647	54,946
	<u>-</u>	<u>292,941</u>	<u>292,941</u>	<u>155,958</u>
Other funding				
VSF Income	-	150,000	150,000	150,000
Catering income	42,669	-	42,669	20,395
Uniform sales	816	-	816	1,215
Other	59,375	-	59,375	23,565
	<u>102,860</u>	<u>150,000</u>	<u>252,860</u>	<u>195,175</u>
	<u>102,860</u>	<u>8,564,846</u>	<u>8,667,706</u>	<u>5,580,254</u>

In 2015, of the total income from charitable activities, £88,596 was unrestricted and £5,535,079 was restricted.

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NOTES TO THE FINANCIAL STATEMENTS
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6. DIRECT COSTS

	Education £	Nursery £	Total 2015 £
Pension finance costs	59,000	-	47,100
Educational supplies	255,355	-	180,138
Staff development	82,741	1,778	64,665
Other costs, including educational visits	198,367	-	102,592
Supply teachers	171,059	-	184,177
Wages and salaries	4,595,639	110,347	3,077,981
National insurance	334,626	6,153	200,908
Pension cost	875,315	24,729	535,628
Depreciation and impairment	368,819	-	918,993
	6,940,921	143,007	5,312,182

7. SUPPORT COSTS

	Education £	Nursery £	Total 2015 £
Pension finance costs	41,000	-	13,900
Other educational, including school improvements	114,729	-	97,472
Recruitment and support	15,733	-	1,979
Maintenance of premises and equipment	153,867	8,178	83,672
Cleaning	82,017	-	54,505
Rent, rates and refuse disposal	67,141	-	19,309
Energy costs	89,703	-	67,807
Insurance	74,470	889	39,782
Security and transport	15,515	-	10,043
Catering	396,083	-	232,536
Technology costs	124,829	-	82,500
Office overheads	33,688	-	24,977
Other support, including local authority services	164,831	12,731	77,144
Bank charges	510	-	757
Loss on disposal of fixed assets	-	-	3,738
Governance	97,012	-	55,724
Wages and salaries	780,736	-	524,069
National insurance	39,083	-	24,803
Pension cost	206,312	-	131,435
Depreciation	70,243	-	48,966
	2,567,502	21,798	1,595,118

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	5,805,580	313,887	821,454	6,940,921	5,255,134
Support costs	1,026,131	416,344	1,125,027	2,567,502	1,589,940
Nursery:					
Direct costs	141,229	-	1,778	143,007	57,048
Support costs	-	8,178	13,620	21,798	5,178
	<u>6,972,940</u>	<u>738,409</u>	<u>1,961,879</u>	<u>9,673,228</u>	<u>6,907,300</u>

In 2015, of the total expenditure on charitable activities, £219,171 was from unrestricted funds, £5,698,432 from restricted funds and £971,697 was in relation to the restricted fixed asset fund.

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2016 £	2015 £
Depreciation and impairment of tangible fixed assets:		
- owned by the charity	439,062	967,959
Auditors' remuneration - audit	18,350	13,850
Auditors' remuneration - non-audit	2,750	1,500
Prior year previous auditors' remuneration	-	9,130
Operating lease rentals	<u>20,441</u>	<u>6,598</u>

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10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	5,486,722	3,602,050
Social security costs	379,862	225,711
Operating costs of defined benefit pension schemes	1,106,356	667,063
	<u>6,972,940</u>	<u>4,494,824</u>

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

	2016 No.	2015 No.
Teachers	106	59
Administration and support	254	143
Management	22	15
	<u>382</u>	<u>217</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	79	51
Administration and support	101	67
Management	20	13
	<u>200</u>	<u>131</u>

Upon Field Court, Longney, North Cerney and Whiteshill joining the Trust as at 1 November 2015, the full time equivalent headcounts increased by: Teachers 24, Administration and support 30, and Management 6.

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	3	3

The key management personnel of the Trust comprise Trustees (who do not receive remuneration for their role as Trustee) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £654,016 (2015: £447,252). Due to the expansion of the Trust, the number of individuals included within key management personnel has risen from 7 to 11.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12. 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 management 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:

	2016	2015
	£	£
Dursley C of E Primary Academy	49,258	45,884
Field Court C of E Infant Academy	37,193	-
Hardwicke Parochial Primary Academy	68,219	50,916
Longney C of E Primary Academy	15,996	-
Minchinhampton C of E Primary Academy	50,098	41,177
North Cerney C of E Primary Academy	10,759	-
Primrose Hill C of E Primary Academy	39,014	38,274
Whiteshill Primary School	15,443	-
Winchcombe Abbey C of E Primary School	39,893	35,080
	325,873	211,331
Total		

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. 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 £20,000 - £25,000 (2015: £40,000 - £45,000), Employer's pension contributions £5,000 - £10,000 (2015: £10,000 - £15,000), Mrs K Brimfield £20,000 - £25,000, Employer's pension contributions £5,000 - £10,000 (2015: was not a Trustee) and Mrs R Howie £5,000 - £10,000, Employer's pension contributions £0 - £5,000 (2015: was not a Trustee).

During the year ended 31 August 2016, expenses totalling £2,039 (2015: £1,420) were reimbursed to 4 trustees (2015: 3).

14. TANGIBLE FIXED ASSETS

	Long term land & property £	Other equipment £	Computer equipment £	Total £
COST				
At 1 September 2015	17,817,227	48,693	74,468	17,940,388
Additions	1,562,103	37,401	92,836	1,692,340
Transfer on conversion	4,379,301	9,723	28,008	4,417,032
At 31 August 2016	23,758,631	95,817	195,312	24,049,760
DEPRECIATION				
At 1 September 2015	1,052,419	12,287	31,294	1,096,000
Charge for the year	373,676	19,280	46,106	439,062
Transfer on conversion	119,250	1,599	17,131	137,980
At 31 August 2016	1,545,345	33,166	94,531	1,673,042
NET BOOK VALUE				
At 31 August 2016	22,213,286	62,651	100,781	22,376,718
At 31 August 2015	16,764,808	36,406	43,174	16,844,388

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

Longney C of E Primary Academy was valued at £830,000 by Kier on 31 March 2016.

North Cerney C of E Primary Academy was valued at £793,000 by Kier on 31 March 2016.

Whiteshill Primary School was valued at £750,000 by the Trust on 31 August 2016.

Field Court C of E Infant Academy was valued at £2,006,301 based on the cost in the prior year financial statements with accumulated depreciation of £119,250 at the date of transfer.

THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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15. DEBTORS

	2016 £	2015 £
Trade debtors	37,278	19,542
Accrued capital funding	361,445	370,485
VAT recoverable	89,623	21,131
Other debtors	2,306	105
Prepayments and accrued income	153,113	144,276
	<u>643,765</u>	<u>555,539</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	319,371	378,134
Other taxation and social security	110,503	65,143
Pension liability	125,109	80,558
Other creditors	326,462	275,626
Accruals and deferred income	358,095	195,376
	<u>1,239,540</u>	<u>994,837</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	163,292	74,619
Resources deferred during the year	328,417	163,292
Amounts released from previous years	(163,292)	(74,619)
Deferred income at 31 August 2016	<u>328,417</u>	<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.

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FOR THE YEAR ENDED 31 AUGUST 2016

17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Salix loans	22,819	-
	<u> </u>	<u> </u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	9,783	-
	<u> </u>	<u> </u>

There are 2 Salix loans totalling £26,078 in respect of Condition Improvement Fund (CIF) which are both provided on an interest free basis, repayable over 8 years.

THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	308,099	910,874	(481,520)	(1,929)	-	735,524
RESTRICTED FUNDS						
General Annual Grant (GAG)	110,468	7,185,599	(7,108,556)	(96,117)	-	91,394
Pupil premium	-	458,185	(458,185)	-	-	-
Start up grant	-	67,056	(67,056)	-	-	-
Devolved formula capital	-	7,585	(14,915)	7,330	-	-
Other EFA grants	-	92,219	(92,219)	-	-	-
Other Local Authority grants	-	73,647	(73,647)	-	-	-
VSF Grant	90,528	150,000	(40,290)	-	-	200,238
Higher needs	-	219,294	(219,294)	-	-	-
Funds transferred on joining the MAT	-	118,357	(103,987)	(14,370)	-	-
School Trip income	1,776	156,410	(157,401)	-	-	785
Condition Improvement Fund	3,250	-	(3,250)	-	-	-
Universal Infant Free School Meals	-	318,846	(318,846)	-	-	-
Pension reserve	(1,838,000)	(901,000)	(95,000)	-	(809,000)	(3,643,000)
	<u>(1,631,978)</u>	<u>7,946,198</u>	<u>(8,752,646)</u>	<u>(103,157)</u>	<u>(809,000)</u>	<u>(3,350,583)</u>

THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	15,337,910	4,451,564	(353,071)	14,370	-	19,450,773
Fixed assets purchased from GAG and other restricted funds	87,322	51,231	(44,395)	88,787	-	182,945
Local Authority grants	635,234	615,945	(255)	-	-	1,250,924
ACMF Funding Condition Improvement Fund	957,528	-	(20,287)	-	-	937,241
Fixed Asset Donations	443,879	585,965	(11,006)	-	-	1,018,838
	26,243	18,347	(10,048)	1,929	-	36,471
	<u>17,488,116</u>	<u>5,723,052</u>	<u>(439,062)</u>	<u>105,086</u>	<u>-</u>	<u>22,877,192</u>
Total restricted funds	<u>15,856,138</u>	<u>13,669,250</u>	<u>(9,191,708)</u>	<u>1,929</u>	<u>(809,000)</u>	<u>19,526,609</u>
Total of funds	<u>16,164,237</u>	<u>14,580,124</u>	<u>(9,673,228)</u>	<u>-</u>	<u>(809,000)</u>	<u>20,262,133</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. During the year £96,117 (2015: £51,452) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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.

Devolved formula capital - This represents funding received from the EFA to cover the maintenance and purchase of the Trust's assets.

Other EFA Grants - This represents funding received from the EFA for other specific purposes.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Funds transferred on conversion - Balances acquired on conversion to academy trust which has a restriction placed upon them.

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.

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.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Central Services	309,871	193,016
Dursley C of E Primary Academy	21,386	18,464
Field Court C of E Infant Academy	340,728	-
Hardwicke Parochial Primary Academy	30,678	51,739
Longney C of E Primary Academy	83,748	-
Minchinhampton C of E Primary Academy	32,933	80,944
North Cerney C of E Primary Academy	19,584	-
Primrose Hill C of E Primary Academy	86,023	92,012
Whiteshill Primary School	73,019	-
Winchcombe Abbey C of E Primary School	29,971	77,946
Total before fixed asset fund and pension reserve	1,027,941	514,121
Restricted fixed asset fund	22,877,192	17,488,116
Pension reserve	(3,643,000)	(1,838,000)
Total	20,262,133	16,164,237

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NOTES TO THE FINANCIAL STATEMENTS
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18. 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 2016 £	Total 2015 £
Central Services	-	213,208	1,501	201,020	415,729	440,532
Dursley C of E Primary Academy	826,916	148,265	34,648	217,661	1,227,490	1,145,852
Field Court C of E Infant Academy	663,827	121,561	42,982	324,608	1,152,978	-
Hardwicke Parochial Primary Academy	1,267,464	176,883	49,658	284,355	1,778,360	1,246,914
Longney C of E Primary Academy	247,594	44,369	13,165	86,057	391,185	-
Minchinhampton C of E Primary Academy	856,036	111,379	52,497	379,488	1,399,400	1,112,857
North Cerney C of E Primary Academy	197,979	25,184	7,220	56,260	286,643	-
Primrose Hill C of E Primary Academy	677,400	124,541	21,976	187,881	1,011,798	1,023,488
Whiteshill Primary School	266,590	37,518	6,723	79,253	390,084	-
Winchcombe Abbey C of E Primary School	787,385	109,223	24,985	258,906	1,180,499	951,698
	<u>5,791,191</u>	<u>1,112,131</u>	<u>255,355</u>	<u>2,075,489</u>	<u>9,234,166</u>	<u>5,921,341</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	22,376,718	22,376,718	16,844,388
Current assets	735,524	1,528,698	526,552	2,790,774	2,152,686
Creditors due within one year	-	(1,236,281)	(3,259)	(1,239,540)	(994,837)
Creditors due in more than one year	-	-	(22,819)	(22,819)	-
Pension scheme liability	-	(3,643,000)	-	(3,643,000)	(1,838,000)
	<u>735,524</u>	<u>(3,350,583)</u>	<u>22,877,192</u>	<u>20,262,133</u>	<u>16,164,237</u>

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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of Financial Activities)	4,906,896	7,890,987
Adjustment for:		
Depreciation charges	439,062	323,524
Interest received	(2,370)	(1,395)
Loss on the sale of fixed assets	-	3,738
Increase in debtors	(80,284)	(423,762)
Increase in creditors	40,970	584,901
Capital grants from DfE and other capital income	(1,260,726)	(1,143,168)
Defined benefit pension scheme cost less contributions payable	11,000	25,000
Defined benefit pension scheme finance cost	100,000	61,000
Net assets transferred on conversion or joining the MAT	(4,152,463)	(7,202,557)
Impairment of fixed assets	-	644,435
Net cash provided by operating activities	2,085	762,703

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	2,147,009	1,597,147
Total	2,147,009	1,597,147

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22. CONVERSION TO THE ACADEMY TRUST

On 1 November 2015 Longney C of E 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 as a combination that is in substance a gift. 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 a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

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	-	-	830,000	830,000
Budget surplus/(deficit) on LA funds	72,851	-	-	72,851
Budget surplus/(deficit) on other school funds	10,000	-	-	10,000
LGPS pension surplus/(deficit)	-	(206,000)	-	(206,000)
Net assets/(liabilities)	<u>82,851</u>	<u>(206,000)</u>	<u>830,000</u>	<u>706,851</u>

The above net assets include £82,851 that was transferred as cash.

CONVERSION TO THE ACADEMY TRUST

On 1 November 2015 North Cerney C of E 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 as a combination that is in substance a gift. 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 a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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	-	-	793,000	793,000
Budget surplus/(deficit) on LA funds	31,987	-	-	31,987
Budget surplus/(deficit) on other school funds	2,458	-	-	2,458
LGPS pension surplus/(deficit)	-	(110,000)	-	(110,000)
Net assets/(liabilities)	<u>34,445</u>	<u>(110,000)</u>	<u>793,000</u>	<u>717,445</u>

The above net assets include £34,445 that was transferred as cash.

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22. CONVERSION TO THE ACADEMY TRUST (continued)

On 1 November 2015 Whiteshill 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 as a combination that is in substance a gift. 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 a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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	-	-	750,000	750,000
Budget surplus/(deficit) on LA funds	76,722	-	-	76,722
LGPS pension surplus/(deficit)	-	(112,000)	-	(112,000)
Net assets/(liabilities)	<u>76,722</u>	<u>(112,000)</u>	<u>750,000</u>	<u>714,722</u>

The above net assets include £76,722 that was transferred as cash.

CONVERSION TO THE ACADEMY TRUST

Field Court C of E Infant Academy joined the Multi Academy Trust on 1 November 2015. All assets and liabilities were transferred to The Diocese of Gloucester Academies Trust from this date 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 Donations - transfer from existing Academy Trust.

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 £
Tangible fixed assets				
Land and buildings	-	-	1,887,051	1,887,051
Other tangible fixed assets	-	-	19,001	19,001
Other assets	289,524	344,909	172,512	806,945
LGPS pension surplus/(deficit)	-	(473,000)	-	(473,000)
Other liabilities	-	(226,552)	-	(226,552)
Net assets/(liabilities)	<u>289,524</u>	<u>(354,643)</u>	<u>2,078,564</u>	<u>2,013,445</u>

The above net assets include £783,437 that was transferred as cash.

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23. CAPITAL COMMITMENTS

At 31 August 2016 the Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	489,931	601,366

The Trust is committed to further capital work at Field Court, Hardwicke, Minchinhampton, North Cerney, Whiteshill and Winchcombe Abbey.

24. 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 non-teaching staff, which is managed by Gloucestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £124,648 were payable to the schemes at 31 August 2016 (2015: £80,558) 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.

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24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £561,305 (2015: £308,074).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £628,000 (2015: £321,000), of which employer's contributions totalled £514,000 (2015: £265,000) and employees' contributions totalled £114,000 (2015: £56,000). The agreed contribution rates for future years are 23.8-37% 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.01 %	3.70 %
Rate of increase in salaries	2.38 %	4.00 %
Rate of increase for pensions in payment / inflation	2.08 %	2.60 %

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24. PENSION COMMITMENTS (continued)

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

	2016	2015
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

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,888,000	807,000
Debt instruments	583,000	258,000
Property	194,000	94,000
Cash	110,000	12,000
Total market value of assets	<u>2,775,000</u>	<u>1,171,000</u>

The actual return on scheme assets was £499,000 (2015: £29,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(525,000)	(290,000)
Net interest cost	(100,000)	(61,000)
Total	<u>(625,000)</u>	<u>(351,000)</u>
Actual return on scheme assets	<u>499,000</u>	<u>29,000</u>

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24. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,009,000	1,615,000
Current service cost	525,000	290,000
Interest cost	177,000	75,000
Contributions by employees	114,000	56,000
Actuarial losses/(gains)	1,107,000	(88,000)
Liabilities transferred on conversion	1,505,000	1,061,000
Benefits paid	(19,000)	-
Closing defined benefit obligation	6,418,000	3,009,000

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

	2016 £	2015 £
Opening fair value of scheme assets	1,171,000	565,000
Interest income	77,000	14,000
Actuarial gains	298,000	14,000
Contributions by employer	514,000	265,000
Contributions by employees	114,000	56,000
Assets transferred on conversion	620,000	257,000
Benefits paid	(19,000)	-
Closing fair value of scheme assets	2,775,000	1,171,000

25. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	3,571	9,146
Between 1 and 5 years	1,677	3,522
Total	5,248	12,668

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26. 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 received income of £NIL (2015: £2,479) and made payments to the Gloucester Diocesan Board of Finance for £2,997 (2015: £19,112). Mrs M Adlard (until 16 December 2015) and The Very Revd S Lake are trustees of the Gloucester Diocesan Board of Finance.

During the year the Trust paid Randall & Payne LLP, previous auditor of Field Court C of E Infant Academy, £10,598. Mr R Stokes is a Partner at Randall & Payne LLP.

27. POST BALANCE SHEET EVENTS

On 1 September 2016, Lakefield C of E Primary School joined the Trust.

28. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	<u>2,767,757</u>	<u>2,152,686</u>
Financial liabilities measured at fair value through income and expenditure	<u>1,262,359</u>	<u>994,837</u>

Financial assets measured at fair value through income and expenditure comprise cash, trade debtors, other debtors, prepayments and accrued income.

Financial liabilities measured at fair value through income and expenditure comprise trade creditors, other creditors, accruals and deferred income.

29. MEMBERS' LIABILITY

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

30. GENERAL INFORMATION

The Diocese of Gloucester Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is 4 College Green, Gloucester GL1 2LR.

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31. FIRST TIME ADOPTION OF FRS 102

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		8,171,250	16,164,237
Total funds reported under FRS 102		<u>8,171,250</u>	<u>16,164,237</u>
Reconciliation of net income/(expenditure)	Notes		31 August 2015
			£
Net income previously reported under UK GAAP			7,908,987
Change in recognition of LGPS interest cost			(18,000)
Net movement in funds reported under FRS 102			<u>7,890,987</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £18,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

