

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**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 2017**

Members	Diocese of Gloucester Education Trust (Company Number 07662129) The Very Revd S Lake (resigned 31 August 2017) The Revd DJS Munro (resigned 22 May 2017) Mrs S Padfield (appointed 15 March 2017) Prof J Tann
Trustees	The Revd DJS Munro, Chairman (resigned 22 May 2017) Cdr M Cowdrey RN Prof D Cowper (Acting Chair from 22 May 2017. Appointed Chair 9 October 2017) Mrs R Dick Mr C Doran (resigned 10 July 2017) Mrs R Howie The Very Revd S Lake (resigned 31 August 2017) Dr K Lynch Mr P Perks Mr R Stokes Ven P Andrew (appointed 10 July 2017) Revd R Fitter (appointed 22 May 2017) Mrs K Iles (appointed 1 September 2016, resigned 14 December 2016)
Company registered number	08149299
Company name	The Diocese of Gloucester Academies Trust
Principal and registered office	3 College Green Gloucester Gloucestershire GL1 2LR
Chief Executive Officer/Accounting Officer	Mrs R Howie
Senior management team	Mrs R Howie, Chief Executive Officer and Accounting Officer Mrs K Brimfield, Chief Operating Officer Mrs H Springett, Head of School Improvement from 1 September 2017 Principals of all academies within the Trust
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

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA
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**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

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 2016 to 31 August 2017. The trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates eleven academies (13 academies from 1 September 2017) for pupils aged 2 to 11 across the Diocese of Gloucester. The General Annual Grant funds the education of 2,657 pupils across the eleven 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, again on 9 September 2013 and most recently on 23 January 2017. The liability of members is limited by guarantee.

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

Members' Liability

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

Trustees' Indemnities

From 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. 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 Gloucester 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 2017**

Policies and Procedures Adopted for the Induction and Training of Trustees

The trustees recognise the need not only to 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. During 2016/17 the Trust Board had two subcommittees: an Audit and Finance Committee and an Estates and Free School 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 2016, the Voluntary Schools Fund ("VSF") agreed an Expansion Grant of £437,910 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 Diocesan Director of Education (0.5FTE).

The following trustees are members of the DBE or DBF:

Ven P Andrew	DBF employee (Archdeacon of Cheltenham)
Mrs R Howie	DBF employee (Diocesan Director of Education)
Mr P Perks	DBE
The Very Revd S Lake	DBE

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's principal object is to advance education for the public benefit 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.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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:

- ensure a shared vision of excellence which is clearly articulated, shared, understood and acted on by all
- ensure a culture and ethos of shared accountability where high expectations are the norm
- ensure outstanding outcomes for all learners, including those in receipt of pupil premium or with special educational needs
- ensure good and outstanding teaching across the Trust
- 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
- ensure robust self-evaluation drives policy and priorities
- ensure effective partnerships with parents and carers, and the wider community within and beyond Gloucestershire
- ensure effective stewardship of resource, through robust financial management and a clear business strategy.

Public Benefit

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

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

STRATEGIC REPORT

Achievements and Performance

The Trust has had another very positive year.

A Shared Vision of Excellence and Effective Partnerships

Developing the whole child is central to the Christian ethos of the Trust. During the year Primrose Hill and Winchcombe Abbey were inspected under the Statutory Inspection of Anglican and Methodist Schools' framework (SIAMS). Primrose Hill was judged to be outstanding, a significant improvement on the last inspection when the academy was judged as satisfactory. Winchcombe Abbey was also judged to be outstanding, maintaining this judgement from its previous inspection.

During the academic year, the same two academies were inspected under the Ofsted framework. Primrose Hill was judged to be good, improving from its previous judgement of requires improvement. Winchcombe Abbey was judged to be outstanding, improving from the previous good judgement. At the end of the academic year, three of the eleven academies are judged to be outstanding, seven are good and one requires improvement.

The development of pupils' abilities to ask probing questions, listen to the opinions of others and develop as individuals are key features of all the academies. All academies follow an approach to learning based around Philosophy for Children which is led by Dursley C of E Primary Academy. All teachers and teaching assistants are trained to level one in this pedagogical approach. Ofsted acknowledged the positive contribution of this approach to pupils' learning in the Primrose Hill inspection report, 'Pupils consider equality to be very important - older pupils had a lively debate about gender equality during a philosophy lesson.'

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Outcomes for Learners

Overall the Trust has maintained its previous strong position with regard to outcomes for learners. Assessment information shows that pupils in the Trust get off to a very 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 their peers nationally.

At Key Stage 2, outcomes are above the national averages in reading and writing. Clear improvements are evident in pupil outcomes in writing since the previous academic year. Mathematics and SPAG (spelling, punctuation and grammar) are broadly in line with the national average.

High Expectations and School Improvement

Each academy continues to receive at least 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. This collaborative working is a strong and well embedded feature of Trust academies.

Teachers from Trust academies successfully completed a six day staff development programme focusing on good to outstanding teaching. This is the second cohort of teachers to complete this training which has had a very positive impact on the quality of teaching and learning across the Trust.

The Trust has facilitated a range of continued professional development opportunities for senior leaders, teachers, support staff and governors. Headteachers, chairs of governors and school business managers continue to have regular forums where they meet with central staff to receive updates, training and to share good practice. The Trust has introduced rigorous moderation of school assessment information to ensure consistency across all academies. In addition, the Trust has purchased a data tracking system for all academies to ensure all assessment information can be analysed easily and effectively. Consequently children at risk of underperforming can be quickly identified and overall trends of performance across the Trust can be reported to the Trust Board.

Additionally, academies have accessed training from a rich range of providers including the Diocese of Gloucester, the NHS, Gloucestershire Local Authority, Ofsted, 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.

All academies in the Trust have had a safeguarding review during the academic year to ensure that all safeguarding processes and procedures are securely in place and that pupil safety and security are of the highest priority.

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 to strive for continual improvement. Minchinhampton C of E Primary Academy has co-ordinated a one-year formative assessment research project led by Shirley Clarke. Academies have also participated in peer assessment of pupil premium and early years provision. As a consequence of undertaking the pupil premium review, the Trust has appointed a pupil premium champion to ensure that best practice in promoting improved outcomes for disadvantaged pupils is shared widely.

Effective Stewardship of Resources

The Trust secured Condition Improvement Fund ("CIF") funding totalling £576,679 as follows :

- £193,823 for roof recovering and £156,664 for toilet refurbishment at Dursley C of E Primary Academy
- £71,550 for fencing at Primrose C of E Primary Academy
- £74,606 for a replacement toilet block at North Cerney C of E Primary Academy
- £54,553 for roofs and rainwater goods replacement and £25,483 for fencing at Whiteshill Primary School

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Growth Strategy

A three year strategic plan, reviewed annually, is in place to ensure future growth is well planned and resourced effectively. The central staff team of the Trust has increased during the year to ensure that the needs of the academies can be serviced effectively and efficiently as the Trust grows. Two additional finance officers have been appointed along with an operations manager who is responsible for premises and compliance across the Trust. A Head of School Improvement was appointed to start in September 2017. A review of the Trust by the Regional Schools Commissioner's office identified that there is a high level of confidence in the capacity of the Trust to continue to grow. There is a high level of interest from schools within the Diocese to join the Trust.

The Trust welcomed two additional schools into the Trust. On 1 September 2016 Lakefield C of E Primary School joined the Trust and on 1 April 2017, St James C of E Primary School also joined, increasing the number of pupils in the trust to 2,657.

During the year the Trust completed its preparations to open a Free School – Clearwater C of E Primary Academy. The academy opened on 1 September 2017 with one class of Reception pupils in temporary accommodation on Hardwicke Parochial Primary Academy's site.

During 2016/17, the Trust received an Expansion Grant from the Voluntary Schools Fund of £145,970. This represented the first of three annual payments totalling £437,910 agreed by the Diocesan Board of Education to enable the central staff team to continue to grow to support the increasing number of academies within the Trust.

Going Concern

The trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the Department for Education ("DfE") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2016/17 and the associated expenditure are shown in the Statement of Financial Activities, page 22.

During the financial year the VSF made an Expansion Grant of £145,970. As stated above, this was the first of three annual payments to support the Trust in scaling up the size of the central team to deliver high quality services to an increasing number of academies.

The Trust received Pupil Premium Grants totalling £520,398 and Sports Premium Grants totalling £93,222.

In September 2016 the Trust was awarded £61,781 Sponsor Capacity Funding from the DfE.

The Trust's total funds excluding fixed asset and pension reserves at 31 August 2017 were £1,626,967 comprising of £385,871 restricted funds and £1,241,096 unrestricted funds, (see the Reserves Policy on page 8).

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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).

The principal risks to the Trust are associated with the financial risks and liabilities which transfer to the Trust as part of the school conversion process, financial processes and procedures within academies, governance and the standards and achievement of its academies. To mitigate these risks, the Trust has:

- ensured the Trust Board comprises a suitable range of skills to ensure executives are held to account for the continued success of the Trust
- ensured consistent financial policies and processes are in place to ensure all academies adhere to high standards of financial probity
- further developed school improvement capacity through focussing the work of the Academy Development Partners more closely on improving outcomes for pupils and the quality of teaching and learning

The Trust has considerable reliance on continued government funding through the Education Skills and Funding Agency ("ESFA"). Increases in pension contributions, 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

The Board of trustees reviews the level of reserves held by the Trust on an annual basis to ensure that it is adequate but not excessive.

The policy of the Trust is that it will seek to spend the majority of its revenue income each year on the pupils in its care, whilst also maintaining a level of reserves that will be adequate to provide a stable base for the continuing and expanding operation of the Trust.

As a minimum the Trust seeks to hold unrestricted and undesignated restricted reserves (which together total £1,371,542 at 31 August 2017) that are sufficient to cover at least one month's underlying operating expenditure. This provides a working capital cushion (c. £950k) both against short-term funding delays and against the impact of changes in funding levels or pupil number fluctuations.

The balance of such reserves (c. £400k) is held to cover unforeseen increases in operating costs such as pension contributions or unplanned repairs expenditure, and to enhance the Trust's capacity to offer support to its academies.

The value of unrestricted funds at 31 August 2017 was £1,241,096 (2016: £735,524), with the increase this year primarily due to £274,750 cash transferred in upon academy conversions.

Restricted general funds at 31 August 2017 were £385,871 (2016: £292,417), including £153,952 allocated for the capacity growth of the Trust's central team, and £101,473 to support the establishment of the free school, Clearwater C of E Primary Academy.

Restricted fixed asset funds were £29,102,060 (2016: £22,877,192), with the increase this year primarily due to £6,094,910 fixed assets transferred in upon academy conversions and including £296,633 of unspent but committed CIF funding.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Material Investments Policy

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

PLANS FOR FUTURE PERIODS

Our ambition is to ensure that every academy within the Trust provides outstanding learning outcomes for all pupils. In order to achieve this, all academies will provide outstanding learning and teaching opportunities and staff will be fully supported in terms of their own professional development. In addition to ensuring effective, accountable governance (at all levels), the Trust will 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 Gap' 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 academies 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 all staff.

The Trust opened its first Free School in September 2017.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are none.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

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

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

Trustees' Report, incorporating a strategic report, approved by order of the Board of trustees, as company directors, on 14 December 2017 and signed on the Board's behalf by:

**Prof D Cowper
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 Board of trustees has 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 Board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
The Revd DJS Munro	5	5
Cdr M Cowdrey RN	5	6
Prof D Cowper	5	6
Mrs R Dick	5	6
Mr C Doran	6	6
Mrs R Howie	6	6
The Very Revd S Lake	0	6
Dr K Lynch	6	6
Mr P Perks	3	6
Mr R Stokes	5	6
Ven P Andrew	1	1
Revd R Fitter	1	1
Mrs K Iles	0	2

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".

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. The COO, as Chief Financial Officer and the finance team attend the meetings.

The Audit and Finance Committee has formally met 3 times during the period from 1 September 2016 to 31 August 2017. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
The Revd DJS Munro	2	2
Mrs R Dick	3	3
Mrs R Howie	3	3
Mr R Stokes	3	3

Estates and Free School Committee

The Estates and Free School Committee is a sub-committee of the main Board of trustees. Its purpose is to oversee all the estates issues and developments within the Trust, and to oversee the establishment of Clearwater C of E Primary Academy.

The members of the committee include the Chair of the Trust, trustees with appropriate skills and experience, and the CEO, as Accounting Officer. The COO and the Operations Manager attend the meetings.

The Estates and Free School Committee has formally met 4 times during the period from 1 September 2016 to 31 August 2017. Attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
The Revd DJS Munro	3	4
Cdr M Cowdrey RN	4	4
Mr C Doran	3	4
Mrs R Howie	4	4

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.

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GOVERNANCE STATEMENT (continued)

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 appropriate. The Accounting Officer for 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 service, including taking some services in house.
- 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

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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Diocese of Gloucester Academies Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of trustees has reviewed the key risks to which the 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 year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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GOVERNANCE STATEMENT (continued)

The Board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor at this stage. However, the trustees have appointed a trustee (Mrs R Dick), as Responsible Officer ("RO"). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The RO reports to the Audit and Finance Committee in the first instance, which supervises any follow up required, and then to the full Trust Board on the operation of the systems of control and on the discharge of the trustees' financial responsibilities. In addition, regular support and monitoring visits 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.

No significant matters were raised as a result of the above work.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period from 1 September 2016 to 31 August 2017 the review has been informed by:

- the work of the external auditors;
- the work of the Responsible Officer and the Audit and Finance Committee;
- the work of the Chief Operating Officer and Head of Finance within the Trust and professional advisers who have responsibility for the development and maintenance of the internal control framework

Approved by order of the members of the Board of trustees on 14 December 2017 and signed on their behalf, by:

Prof D Cowper
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 Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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.

Mrs R Howie
Accounting Officer

Date: 14 December 2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Skills 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 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

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

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

**Prof D Cowper
Chairman of Trustees**

Date: 14 December 2017

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

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

OPINION

We have audited the financial statements of The Diocese of Gloucester Academies Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust's or to cease operations, or have no realistic alternative but to do so.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Joseph Scaife FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB
18 December 2017

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

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

In accordance with the terms of our engagement letter dated 2 October 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA 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 the ESFA 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 the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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 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 ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
DIOCESE OF GLOUCESTER ACADEMIES TRUST AND THE EDUCATION AND SKILLS 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Joseph Scaife FCA (Reporting Accountant)

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

18 December 2017

**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 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Transfer on conversion	2	274,750	(1,154,000)	6,094,910	5,215,660	4,152,463
Other donations and capital grants	2	52,210	182,270	675,753	910,233	1,468,990
Charitable activities	5	437,189	10,939,165	-	11,376,354	8,839,058
Other trading activities	3	214,008	-	-	214,008	117,243
Investments	4	1,490	-	-	1,490	2,370
TOTAL INCOME		979,647	9,967,435	6,770,663	17,717,745	14,580,124
EXPENDITURE ON:						
Charitable activities		674,313	11,125,625	619,913	12,419,851	9,673,228
TOTAL EXPENDITURE	6	674,313	11,125,625	619,913	12,419,851	9,673,228
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	305,334 200,238	(1,158,190) (274,356)	6,150,750 74,118	5,297,894 -	4,906,896 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		505,572	(1,432,546)	6,224,868	5,297,894	4,906,896
Actuarial gains/(losses) on defined benefit pension schemes	24	-	690,000	-	690,000	(809,000)
NET MOVEMENT IN FUNDS		505,572	(742,546)	6,224,868	5,987,894	4,097,896
RECONCILIATION OF FUNDS:						
Total funds brought forward		735,524	(3,350,583)	22,877,192	20,262,133	16,164,237
TOTAL FUNDS CARRIED FORWARD		1,241,096	(4,093,129)	29,102,060	26,250,027	20,262,133

The notes on pages 25 to 52 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 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		28,764,133		22,376,718
CURRENT ASSETS					
Debtors	15	367,568		643,765	
Cash at bank and in hand		3,077,723		2,147,009	
			<u>3,445,291</u>	<u>2,790,774</u>	
CREDITORS: amounts falling due within one year	16	(1,457,578)		(1,239,540)	
NET CURRENT ASSETS			<u>1,987,713</u>		1,551,234
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>30,751,846</u>		23,927,952
CREDITORS: amounts falling due after more than one year	17		<u>(22,819)</u>		(22,819)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>30,729,027</u>		23,905,133
Defined benefit pension scheme liability	24		<u>(4,479,000)</u>		(3,643,000)
NET ASSETS			<u><u>26,250,027</u></u>		<u><u>20,262,133</u></u>
TRUST FUNDS					
Restricted funds:					
General funds	18	385,871		292,417	
Fixed asset funds	18	29,102,060		22,877,192	
			<u>29,487,931</u>	<u>23,169,609</u>	
Restricted funds excluding pension liability					
Pension reserve		(4,479,000)		(3,643,000)	
			<u>25,008,931</u>	<u>19,526,609</u>	
Total restricted funds			<u>25,008,931</u>		19,526,609
Unrestricted funds	18		<u>1,241,096</u>		735,524
TOTAL FUNDS			<u><u>26,250,027</u></u>		<u><u>20,262,133</u></u>

The financial statements on pages 22 to 52 were approved by the trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Prof D Cowper
Chairman of Trustees

The notes on pages 25 to 52 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 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	876,059	2,085
Cash flows from investing activities:			
Interest received		1,490	2,370
Purchase of tangible fixed assets		(895,088)	(1,692,340)
Capital grants from DfE/ESFA		639,379	644,781
Other capital funding		34,124	615,945
Net cash used in investing activities		(220,095)	(429,244)
Net cash acquired upon conversion or joining the Trust		274,750	977,021
Cash transferred on conversion or joining the Trust		274,750	977,021
Change in cash and cash equivalents in the year		930,714	549,862
Cash and cash equivalents brought forward		2,147,009	1,597,147
Cash and cash equivalents carried forward	21	3,077,723	2,147,009

The notes on pages 25 to 52 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 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 2016 to 2017 issued by ESFA, 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.

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 2017**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it 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.

1.4 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.

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

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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.

Where the Trust has been granted use of school buildings from the Diocese of Gloucester Board of Education under Supplemental Agreements, the Academies Accounts Direction prescribes that where the Academy Trust concludes it has control over access and works of the land and buildings they can be recognised as an asset. The land and buildings have been included within the long-term property of the Trust as the Diocese of Gloucester Board of Education are currently not exerting control over the assets.

The Supplemental Agreements include the right for the Diocese of Gloucester Board of Education 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. In addition, no restrictive access or restrictions on work has occurred in the financial year.

1.6 OPERATING LEASES

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

1.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 FINANCIAL INSTRUMENTS

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.12 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.

1.13 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.

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 net income / expenditure 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.

1.14 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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 Lakefield C of E Primary School and St James C of E 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 on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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

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

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

In order to value the school buildings for inclusion on the Balance Sheet, the Trust obtains rebuild valuation costs and makes an assumption on the fair value for declaration of that rebuild value.

Critical areas of judgment:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority	274,750	(1,154,000)	6,094,910	5,215,660	2,139,018
Transfer from existing Academy Trust	-	-	-	-	2,013,445
	<u>274,750</u>	<u>(1,154,000)</u>	<u>6,094,910</u>	<u>5,215,660</u>	<u>4,152,463</u>
Transfer on conversion					
Capital Grants	-	-	642,046	642,046	1,260,726
Donations	52,210	182,270	33,707	268,187	208,264
	<u>326,960</u>	<u>(971,730)</u>	<u>6,770,663</u>	<u>6,125,893</u>	<u>5,621,453</u>
<i>Total 2016</i>	<u><u>517,049</u></u>	<u><u>(618,648)</u></u>	<u><u>5,723,052</u></u>	<u><u>5,621,453</u></u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	32,935	-	32,935	27,356
Consultancy	17,664	-	17,664	19,413
Breakfast and After School Clubs	163,409	-	163,409	70,474
	<u>214,008</u>	<u>-</u>	<u>214,008</u>	<u>117,243</u>
<i>Total 2016</i>	<u><u>117,243</u></u>	<u><u>-</u></u>	<u><u>117,243</u></u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank Interest	1,490	-	1,490	2,370
<i>Total 2016</i>	<u><u>2,370</u></u>	<u><u>-</u></u>	<u><u>2,370</u></u>	

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FOR THE YEAR ENDED 31 AUGUST 2017**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	68,966	10,939,165	11,008,131	8,667,706
Nursery	368,223	-	368,223	171,352
	<u>437,189</u>	<u>10,939,165</u>	<u>11,376,354</u>	<u>8,839,058</u>
<i>Total 2016</i>	<u>274,212</u>	<u>8,564,846</u>	<u>8,839,058</u>	

FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	8,998,378	8,998,378	7,185,599
Other DfE/ESFA grants	-	1,385,204	1,385,204	936,306
	<u>-</u>	<u>10,383,582</u>	<u>10,383,582</u>	<u>8,121,905</u>
Other Government grants				
High Needs	-	272,305	272,305	219,294
Other Government grants non capital	-	137,308	137,308	73,647
	<u>-</u>	<u>409,613</u>	<u>409,613</u>	<u>292,941</u>
Other funding				
VSF Income	-	145,970	145,970	150,000
Catering income	56,567	-	56,567	42,669
Uniform sales	-	-	-	816
Other	12,399	-	12,399	59,375
	<u>68,966</u>	<u>145,970</u>	<u>214,936</u>	<u>252,860</u>
	<u>68,966</u>	<u>10,939,165</u>	<u>11,008,131</u>	<u>8,667,706</u>
<i>Total 2016</i>	<u>102,860</u>	<u>8,564,846</u>	<u>8,667,706</u>	

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	7,625,981	518,193	627,692	8,771,866	6,940,921
Support costs	1,415,661	547,211	1,341,591	3,304,463	2,567,502
Nursery:					
Direct costs	306,908	-	-	306,908	143,007
Support costs	-	-	36,614	36,614	21,798
	<u>9,348,550</u>	<u>1,065,404</u>	<u>2,005,897</u>	<u>12,419,851</u>	<u>9,673,228</u>
<i>Total 2016</i>	<u>7,143,999</u>	<u>738,409</u>	<u>1,790,820</u>	<u>9,673,228</u>	

7. DIRECT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	60,000	-	60,000	59,000
Educational supplies	302,509	-	302,509	255,355
Staff development	71,623	-	71,623	84,519
Other costs, including educational visits	192,493	-	192,493	198,367
Supply teachers	241,671	-	241,671	171,059
(Profit) / Loss on disposal of fixed assets	1,067	-	1,067	-
Wages and salaries	5,639,377	230,900	5,870,277	4,705,986
National insurance	489,107	15,174	504,281	340,779
Pension cost	1,255,826	60,834	1,316,660	900,044
Depreciation	518,193	-	518,193	368,819
	<u>8,771,866</u>	<u>306,908</u>	<u>9,078,774</u>	<u>7,083,928</u>
<i>Total 2016</i>	<u>6,940,921</u>	<u>143,007</u>	<u>7,083,928</u>	

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8. SUPPORT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	36,000	-	36,000	41,000
Other educational, including school improvements	209,268	-	209,268	114,729
Recruitment and support	17,214	-	17,214	15,733
Maintenance of premises and equipment	226,187	-	226,187	162,045
Cleaning	104,616	-	104,616	82,017
Rent, rates and refuse disposal	101,271	-	101,271	67,141
Energy costs	109,004	-	109,004	89,703
Insurance	107,817	-	107,817	75,359
Security and transport	23,748	-	23,748	15,515
Catering	420,452	1,137	421,589	396,083
Technology costs	194,773	-	194,773	124,829
Office overheads	48,885	-	48,885	33,688
Other support, including local authority services	111,744	35,477	147,221	177,562
Bank charges	630	-	630	510
Governance	76,540	-	76,540	97,012
Wages and salaries	1,028,628	-	1,028,628	780,736
National insurance	53,144	-	53,144	39,083
Pension cost	333,889	-	333,889	206,312
Depreciation	100,653	-	100,653	70,243
	3,304,463	36,614	3,341,077	2,589,300
<i>Total 2016</i>	2,567,502	21,798	2,589,300	

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	618,846	439,062
Auditors' remuneration - audit	20,000	18,350
Auditors' remuneration - non-audit	2,900	2,750
Operating lease rentals	24,967	20,441

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	6,898,905	5,486,722
Social security costs	557,425	379,862
Operating costs of defined benefit pension schemes	1,650,549	1,106,356
	9,106,879	6,972,940
Supply teacher costs	241,671	171,059
	9,348,550	7,143,999

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

	2017	2016
	No.	No.
Teachers	126	106
Administration and support	318	254
Management	24	22
	468	382

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	92	79
Administration and support	121	101
Management	21	20
	234	200

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	4	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 £852,900 (2016: £654,016). Due to the expansion of the Trust, the number of individuals included within the Senior Management Team has risen from 11 to 14.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Philosophy 4 Children training
- Academy audits and leadership and management events
- Tendering and procurement of contracts
- Support with all financial matters, including assessment software and all financial software
- Co-ordination of all returns to the Education and Skills 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 and Employee Assistance Programme subscription for all staff
- Apprenticeship levy charges
- Management of capital projects
- Human Resources guidance, support and DBS checks
- Facilitation of peer reviews and safeguarding audits

The Trust charges 5% of School Budget Share (excluding notional SEN) and Education Services Grant to the academies to cover the central services detailed above.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Dursley C of E Primary Academy	49,783	49,258
Field Court C of E Infant Academy	46,984	37,193
Hardwicke Parochial Primary Academy	67,973	68,219
Lakefield C of E Primary School	35,344	-
Longney C of E Primary Academy	19,631	15,996
Minchinhampton C of E Primary Academy	51,302	50,098
North Cerney C of E Primary Academy	13,020	10,759
Primrose Hill C of E Primary Academy	38,270	39,014
St James C of E Primary School	26,097	-
Whiteshill Primary School	17,599	15,443
Winchcombe Abbey C of E Primary School	42,863	39,893
	408,866	325,873
Total	408,866	325,873

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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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; Mrs R Howie £40,000 - £45,000 (2016: £5,000 - £10,000), Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000).

During the year ended 31 August 2017, expenses totalling £579 (2016: £2,039) were reimbursed to 1 trustee (2016: 4).

14. TANGIBLE FIXED ASSETS

	Long term land & property £	Other equipment £	Computer equipment £	Total £
COST				
At 1 September 2016	23,758,631	95,817	195,312	24,049,760
Additions	777,363	103,808	31,247	912,418
Transfer on conversion	6,094,910	-	-	6,094,910
Disposals	-	-	(17,330)	(17,330)
At 31 August 2017	<u>30,630,904</u>	<u>199,625</u>	<u>209,229</u>	<u>31,039,758</u>
DEPRECIATION				
At 1 September 2016	1,545,345	33,166	94,531	1,673,042
Charge for the year	518,193	38,332	62,321	618,846
On disposals	-	-	(16,263)	(16,263)
At 31 August 2017	<u>2,063,538</u>	<u>71,498</u>	<u>140,589</u>	<u>2,275,625</u>
NET BOOK VALUE				
At 31 August 2017	<u><u>28,567,366</u></u>	<u><u>128,127</u></u>	<u><u>68,640</u></u>	<u><u>28,764,133</u></u>
At 31 August 2016	<u><u>22,213,286</u></u>	<u><u>62,651</u></u>	<u><u>100,781</u></u>	<u><u>22,376,718</u></u>

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

Lakefield C of E Primary School was valued at £2,174,006 by the Trust on 1 September 2016.
St James C of E Primary School was valued at £3,920,904 by the Trust on 1 April 2017.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	2017 £	2016 £
Trade debtors	9,584	37,278
Accrued capital funding	50,512	361,445
VAT recoverable	52,385	89,623
Other debtors	28,764	2,306
Prepayments and accrued income	226,323	153,113
	<u>367,568</u>	<u>643,765</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	392,182	319,371
Other taxation and social security	142,676	110,503
Pension liability	163,002	125,109
Other creditors	298,587	326,462
Accruals and deferred income	461,131	358,095
	<u>1,457,578</u>	<u>1,239,540</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	328,417	163,292
Resources deferred during the year	360,933	328,417
Amounts released from previous years	(328,417)	(163,292)
Deferred income at 31 August 2017	<u>360,933</u>	<u>328,417</u>

At the balance sheet date the Trust was holding funds received in advance primarily for Universal Infant Free School Meal Funding, Growth Funding and trip income for 2017/18.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Salix loans	22,819	22,819

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

	2017	2016
	£	£
Repayable by instalments	9,783	9,783

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
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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General Funds	735,524	979,647	(674,313)	200,238	-	1,241,096
RESTRICTED FUNDS						
General Annual Grant (GAG)	91,394	8,998,378	(8,902,905)	(56,421)	-	130,446
Pupil premium	-	520,398	(520,398)	-	-	-
Start up grant	-	50,000	(50,000)	-	-	-
Other ESFA grants	-	186,192	(123,987)	(17,697)	-	44,508
Other Local Authority grants	-	137,308	(137,308)	-	-	-
VSF Establishment	200,238	-	-	(200,238)	-	-
VSF Expansion	-	145,970	(36,526)	-	-	109,444
Higher Needs	-	272,305	(272,305)	-	-	-
School Trip income	785	182,270	(183,055)	-	-	-
Universal Infant Free School Meals	-	408,614	(408,614)	-	-	-
Clearwater	-	220,000	(118,527)	-	-	101,473
Pension reserve	(3,643,000)	(1,154,000)	(372,000)	-	690,000	(4,479,000)
	<u>(3,350,583)</u>	<u>9,967,435</u>	<u>(11,125,625)</u>	<u>(274,356)</u>	<u>690,000</u>	<u>(4,093,129)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	19,450,773	6,094,910	(444,545)	(10,927)	-	25,090,211
Fixed assets purchased from GAG and other restricted funds	182,945	73,714	(77,501)	96,194	-	275,352
Local Authority grants	1,250,924	417	(28,171)	(8,649)	-	1,214,521
ACMF Funding	937,241	-	(22,810)	-	-	914,431
Condition Improvement Fund	1,018,838	567,915	(30,134)	-	-	1,556,619
Fixed Asset Donations	36,471	33,707	(16,752)	(2,500)	-	50,926
	<u>22,877,192</u>	<u>6,770,663</u>	<u>(619,913)</u>	<u>74,118</u>	<u>-</u>	<u>29,102,060</u>
Total restricted funds	<u>19,526,609</u>	<u>16,738,098</u>	<u>(11,745,538)</u>	<u>(200,238)</u>	<u>690,000</u>	<u>25,008,931</u>
Total of funds	<u>20,262,133</u>	<u>17,717,745</u>	<u>(12,419,851)</u>	<u>-</u>	<u>690,000</u>	<u>26,250,027</u>

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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General Funds	308,099	910,874	(481,520)	(1,929)	-	735,524
	<u>308,099</u>	<u>910,874</u>	<u>(481,520)</u>	<u>(1,929)</u>	<u>-</u>	<u>735,524</u>
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 ESFA grants	-	92,219	(92,219)	-	-	-
Other Local Authority grants	-	73,647	(73,647)	-	-	-
VSF Establishment	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)	-	-
Condition Improvement Fund	3,250	-	(3,250)	-	-	-
School Trip income	1,776	156,410	(157,401)	-	-	785
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
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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
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	957,528	-	(20,287)	-	-	937,241
Condition Improvement Fund	443,879	585,965	(11,006)	-	-	1,018,838
Fixed Asset Donations	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 ESFA which is to be used for the normal running costs of the Trust, including education and support costs. During the year £56,421 (2016: £96,117) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Pupil Premium - Income from the ESFA 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 ESFA to contribute to the conversion process.

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

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

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

VSF Expansion Grant - Income received to enable the central team to grow in order to support the increased number of academies within the Trust. The VSF funding from earlier years to support the establishment of the Trust has now been reclassified as unrestricted funds as the initial phase of the Trust's development has been completed.

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

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

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18. STATEMENT OF FUNDS (continued)

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

Clearwater - This represents funding from the ESFA to provide financial support for the start up of Clearwater Church of England Primary Academy.

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 ESFA 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 ESFA for specific capital projects, up to 31 March 2015.

Condition Improvement Fund - This represents funding from the ESFA 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 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Central Services	541,306	309,871
Dursley C of E Primary Academy	36,932	21,386
Field Court C of E Infant Academy	287,459	340,728
Hardwicke Parochial Primary Academy	93,732	30,678
Lakefield C of E Primary School	185,253	-
Longney C of E Primary Academy	76,930	83,748
Minchinhampton C of E Primary Academy	59,610	32,933
North Cerney C of E Primary Academy	14,348	19,584
Primrose Hill C of E Primary Academy	100,827	86,023
St James C of E Primary School	122,333	-
Whiteshill Primary School	47,024	73,019
Winchcombe Abbey C of E Primary School	61,213	29,971
Total before fixed asset fund and pension reserve	1,626,967	1,027,941
Restricted fixed asset fund	29,102,060	22,877,192
Pension reserve	(4,479,000)	(3,643,000)
Total	26,250,027	20,262,133

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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 depreciat- ion £	Total 2017 £	Total 2016 £
Central Services	16,386	380,634	6,363	286,092	689,475	415,729
Dursley C of E Primary Academy	908,498	140,189	34,592	191,696	1,274,975	1,227,490
Field Court C of E Infant Academy	1,082,782	141,331	54,182	266,914	1,545,209	1,152,978
Hardwicke Parochial Primary Academy	1,336,745	154,633	54,361	258,125	1,803,864	1,778,360
Lakefield C of E Primary School	701,162	118,760	26,044	155,914	1,001,880	-
Longney C of E Primary Academy	339,595	44,768	12,836	116,620	513,819	391,185
Minchinhampton C of E Primary Academy	944,860	99,697	41,351	219,155	1,305,063	1,399,400
North Cerney C of E Primary Academy	264,453	25,618	8,672	71,645	370,388	286,643
Primrose Hill C of E Primary Academy	689,697	109,608	19,356	165,132	983,793	1,011,798
St James C of E Primary School	506,081	59,980	15,678	110,051	691,790	-
Whiteshill Primary School	331,298	33,802	8,268	93,475	466,843	390,084
Winchcombe Abbey C of E Primary School	811,332	106,641	20,806	214,060	1,152,839	1,180,499
	<u>7,932,889</u>	<u>1,415,661</u>	<u>302,509</u>	<u>2,148,879</u>	<u>11,799,938</u>	<u>9,234,166</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	28,764,133	28,764,133
Current assets	1,241,096	1,843,449	360,746	3,445,291
Creditors due within one year	-	(1,457,578)	-	(1,457,578)
Creditors due in more than one year	-	-	(22,819)	(22,819)
Pension scheme liability	-	(4,479,000)	-	(4,479,000)
	<u>1,241,096</u>	<u>(4,093,129)</u>	<u>29,102,060</u>	<u>26,250,027</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	5,297,894	4,906,896
Adjustment for:		
Depreciation charges	602,583	439,062
Interest received	(1,490)	(2,370)
Decrease/(increase) in debtors	276,197	(80,284)
Increase in creditors	218,038	40,970
Capital grants from DfE and other capital income	(673,503)	(1,260,726)
Defined benefit pension scheme cost less contributions payable	276,000	11,000
Defined benefit pension scheme finance cost	96,000	100,000
Net assets transferred on conversion or on joining the Trust	(5,215,660)	(4,152,463)
Net cash provided by operating activities	<u>876,059</u>	<u>2,085</u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	3,077,723	2,147,009
	3,077,723	2,147,009

22. CONVERSION TO THE ACADEMY TRUST

On 1 September 2016 Lakefield 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 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	-	-	2,174,006	2,174,006
Budget surplus/(deficit) on LA funds	155,765	-	-	155,765
Budget surplus/(deficit) on other school funds	4,934	-	-	4,934
LGPS pension surplus/(deficit)	-	(570,000)	-	(570,000)
Net assets/(liabilities)	160,699	(570,000)	2,174,006	1,764,705

The above net assets include £160,699 that was transferred as cash.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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22. CONVERSION TO THE ACADEMY TRUST (continued)

On 1 April 2017 St James 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 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	-	-	3,920,904	3,920,904
Budget surplus/(deficit) on LA funds	107,417	-	-	107,417
Budget surplus/(deficit) on other school funds	6,634	-	-	6,634
LGPS pension surplus/(deficit)	-	(584,000)	-	(584,000)
	<u>114,051</u>	<u>(584,000)</u>	<u>3,920,904</u>	<u>3,450,955</u>

The above net assets include £114,051 that was transferred as cash.

23. CAPITAL COMMITMENTS

At 31 August 2017 the Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>670,960</u>	<u>489,931</u>

The Trust is committed to further capital work at Dursley, Minchinhampton and North Cerney which is funded by CIF funding. A further £374,327 relates to Clearwater Church of England Primary Academy which opened on 1 September 2017, this commitment is being funded by the ESFA.

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 2016.

Contributions amounting to £163,002 were payable to the schemes at 31 August 2017 (2016: £124,648) and are included within creditors.

24. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £676,812 (2016: £561,305).

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 2017 was £773,000 (2016: £628,000), of which employer's contributions totalled £637,000 (2016: £514,000) and employees' contributions totalled £136,000 (2016: £114,000). The agreed contribution rates for future years are 17.8% - 32.6% for employers and 6.5% - 9.9% for employees.

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24. PENSION COMMITMENTS (continued)

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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.01 %
Rate of increase in salaries	2.70 %	2.38 %
Rate of increase for pensions in payment / inflation	2.40 %	2.08 %

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

	2017	2016
Retiring today		
Males	22.4 years	22.5 years
Females	24.6 years	24.6 years
Retiring in 20 years		
Males	24.0 years	24.4 years
Females	26.4 years	27.0 years

	At 31 August 2017	At 31 August 2016
Sensitivity analysis	£	£
Discount rate -0.5%	1,061,000	771,000
CPI rate +0.5%	870,000	515,000

The amounts stated are the estimated net movements in pension liabilities arising from the change in the assumption by the percentages shown.

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	3,118,000	1,888,000
Bonds	823,000	583,000
Property	303,000	194,000
Cash and other liquid assets	87,000	110,000
Total market value of assets	4,331,000	2,775,000

The actual return on scheme assets was £593,000 (2016: £499,000).

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24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Current service cost	(913,000)	(525,000)
Interest income	68,000	77,000
Interest cost	(164,000)	(177,000)
	<u>(1,009,000)</u>	<u>(625,000)</u>
Total	<u>(1,009,000)</u>	<u>(625,000)</u>
Actual return on scheme assets	<u>593,000</u>	<u>499,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	6,418,000	3,009,000
Liabilities transferred upon conversion	1,673,000	1,505,000
Current service cost	913,000	525,000
Interest cost	164,000	177,000
Employee contributions	136,000	114,000
Actuarial (gains)/losses	(403,000)	1,107,000
Benefits paid	(91,000)	(19,000)
	<u>8,810,000</u>	<u>6,418,000</u>
Closing defined benefit obligation	<u>8,810,000</u>	<u>6,418,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,775,000	1,171,000
Assets transferred upon conversion	519,000	620,000
Interest income	68,000	77,000
Actuarial gains	287,000	298,000
Employer contributions	637,000	514,000
Employee contributions	136,000	114,000
Benefits paid	(91,000)	(19,000)
	<u>4,331,000</u>	<u>2,775,000</u>
Closing fair value of scheme assets	<u>4,331,000</u>	<u>2,775,000</u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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25. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
AMOUNTS PAYABLE:		
Within 1 year	21,533	3,571
Between 1 and 5 years	43,213	1,677
Total	64,746	5,248

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 Voluntary Schools Fund support of £145,970 (2016: £150,000) and made payments to the Gloucester Diocesan Board of Finance for £5,661 (2016: £2,997).

27. POST BALANCE SHEET EVENTS

On 1 September 2017, St John's C of E Academy and Clearwater C of E Primary Academy joined the Trust.

28. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at fair value through income and expenditure	3,077,723	2,147,009
Financial assets measured at amortised cost	191,874	620,748
	3,269,597	2,767,757
Financial liabilities measured at fair value through income and expenditure	715,034	1,262,359

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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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 ceased 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 3 College Green, Gloucester GL1 2LR.