

Company Registration Number: 08149299 (England and Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 9
Governance Statement	10 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report on the Financial Statements	16 - 18
Independent Reporting Accountant's Report on Regularity	19 - 20
Statement of Financial Activities Incorporating Income and Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 57

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Diocese of Gloucester Education Trust (Company Number 07662129) Prof H Bryan Mrs S Padfield
Trustees	Prof D Cowper, Chair Ven P Andrew Mr T Brock Cdr M Cowdrey RN Mrs R Dick Rev R Fitter (resigned 4 March 2019) Mrs R Howie, Chief Executive Officer Dr K Lynch Mr P Perks Mr R Stokes
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
Executive management team	Mrs R Howie, Chief Executive Officer (CEO) and Accounting Officer Mrs H Springett, Deputy Chief Executive Officer (DCEO) Mrs K Brimfield, Chief Operating Officer (up to 31 December 2018) Mr R Jones, Head of Business and Operations (from 1 January 2019) Mr N Patten, Head of Finance (from 1 January 2019)
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank PLC 19 Eastgate Street Gloucester GL1 1NU

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2018 to 31 August 2019. 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 seventeen academies for pupils aged 2 to 11 across the Diocese of Gloucester. The General Academies Grant funded the education of 3,505 pupils across the seventeen academies for the 2018-19 year, based on the January 2018 census.

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.

The trustees of The Diocese of Gloucester Academies Trust are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity protection purchased at the Trust's expense. 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 Trustees

The members of the company comprise:

- 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) and
- 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 the Trust should have the following trustees:

- not less than 5 trustees shall be appointed by the members
- the Chief Executive Officer for as long as they remain in office
- up to 2 trustees co-opted with the consent of the Diocesan Board of Education

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

When appointing new trustees, consideration is given to the skills and experience of existing trustees in order to ensure a sufficiently wide range of skills is in place to contribute fully to the Trust's development. An annual skills audit is undertaken for this purpose.

Policies and Procedures Adopted for the Induction and Training of Trustees

The trustees recognise the need to not only recruit trustees with appropriate skills and experience but also to ensure that new trustees are fully inducted into their roles and responsibilities. All new trustees receive an induction pack providing information regarding the responsibilities of charitable trustees and the operation of the Trust, including constitutional documents, annual financial statements and minutes of meetings. Additional training and induction will depend on their existing experience. All new trustees are encouraged to visit Trust academies.

Organisational Structure

The Trust Board meets six times a year and establishes an overall framework for the governance of the Trust. It receives reports including policies from its Committees for ratification and it monitors the work of the Committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale. During 2018/19 the Trust Board had three sub-committees:

- a Standards and Ethos Committee
- an Audit and Finance Committee
- an Estates and Free School Committee.

Whilst the trustees of the charitable company are responsible via the Funding Agreement and associated supplementary agreements for the performance of the Trust, the Executive Management Team, comprising the CEO, DCEO, Head of Finance and Head of Business and Operations, lead the day to day running of Trust.

The Senior Leadership Team is comprised of the Headteachers/Principals of the academies.

In addition, 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 Headteacher/Principal of the Academy, parent and staff representatives and appointees of the Trust selected to provide specific skills and experience.

The Chief Executive Officer is the Accounting Officer and the Head of Finance is the Chief Financial Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The trustees consider the Trust Board and the Executive Management Team comprise the key management personnel of the Trust. All trustees give their time freely and no trustee received remuneration in the year.

The annual salary of the CEO is reviewed by the trustees following an annual appraisal with the chair of the Trust and the chair of the Diocese of Gloucester Board of Education. It is routinely benchmarked against school leadership scales and Diocesan MAT CEO salaries.

Salaries for senior central staff are reviewed by trustees following an annual appraisal and are 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 following an annual Performance Management Review which is undertaken by the CEO/DCEO and representatives of the Local Governing Body.

Related Parties and other Connected Charities and Organisations

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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

In 2016, the Voluntary Schools Fund ("VSF") agreed a 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 employs a part-time Chief Executive (0.5FTE). The Chief Executive is also employed by the Gloucester Diocesan Board of Finance ("DBF") on a part-time basis as Director of Education (0.5FTE).

The 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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The Trust aims to provide children of all faiths and no faith, 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 is at the heart of the work of its academies.

Five core principles underpin the work of the Trust and all the decisions that are taken.

1. We aspire to be the best we can be in an ever-changing environment - providing opportunities for all to flourish.
2. Within our DGAT family we cherish everyone as individuals; appreciating and celebrating diversity.
3. We act with integrity; we are open to challenge and we are reflective about our practice.
4. We treat everyone with dignity and respect.
5. Through collaboration, in a nurturing community, we grow, learn and achieve.

Objectives, Strategies and Activities

The key priorities for the Trust are contained in the Trust Development Plan which is available from the Trust's central office. Key priorities for the year included:

- Ensuring assessment information across the Trust is accurate
- Improving the outcomes for pupils in the Trust to at least the national average at EYFS, KS1 and KS2, reducing in school variances between groups of pupils
- Ensuring governance is robust and rigorous
- Consulting all stakeholders and recast the Trust's vision and core principles
- Reviewing the structure of the central team to ensure resources are utilised effectively and efficiently
- Reviewing the schemes of delegation and ensuring they are used and understood
- Developing an estates strategy encompassing the identification of the criteria for capital spending priorities and systems by which it will be implemented.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Public Benefit

The trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

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

STRATEGIC REPORT

The Trust remains a vibrant and forward-looking organisation, keen to improve and develop in all areas of provision. The experiences, opportunities and learning offered to the children in the Trust remains rich, varied and exciting, while at the same time ensuring that standards of teaching and learning remain high and outcomes strong.

This year has seen stakeholders working together to redevelop the Trust's vision and core principles creating a strong organisational ethos and culture. The role of local governors has been enhanced through more consultative Chairs of Governors' forums. In addition, regular Principal/Headteacher meetings have been extended to a full rather than a half day to enable more time for strategic thinking and planning.

The Trust has engaged and worked with a range of other Trusts from the South West region, enabling good practice to be shared and research to be undertaken. Positive and mutually beneficial relationships are also being developed with local multi-academy trusts through a CEO and Chair of Trustee forum.

Outcomes for Learners

Children in the Trust get off to a good start in Early Years Foundation Stage. An above average proportion achieve the expected standard by the end of their Reception year and are well prepared for starting Year 1.

At the end of key stage 1 pupils continue to achieve well at both the expected standard and at greater depth. The focus for the coming year will be on further increasing the proportion of pupils achieving greater depth in writing.

At the end of key stage 2 the proportion of pupils achieving the expected standard in Reading, Writing and Maths is in line with the national average. The focus for the coming year will be on developing a love of reading beyond simply achieving well.

The gap between those pupils eligible for Pupil Premium Funding and their peers remains an area of focus across the Trust

St Matthew's CofE Primary School was sponsored by the Trust in August 2019 and Bibury CofE Primary School joined the family of academies in February 2019, making a total of six sponsored academies and eleven converters.

During the year Dursley CofE Primary Academy and Lakefield CofE Primary School were inspected by Ofsted and retained their good gradings. At the end of the academic year, 13 of the 17 academies in the Trust were judged to be good or better by Ofsted, with four not yet inspected as academies. In addition, 14 of the 16 Church of England academies in the Trust were judged to be good or better in their Statutory Inspection of Anglican and Methodist Schools (SIAMS), with one not yet inspected.

A key feature of the Trust is the commitment from academies to undertake action research to strive for continual improvement. This work is disseminated at the annual conference. In addition, the pupil premium champion continues to ensure that best practice in promoting improved outcomes for disadvantaged pupils is shared widely across the Trust.

During the year a range of work has been undertaken to ensure that the staff in the Trust feel part of one organisation – an internal newsletter, staff lanyards and the re-visioning work has contributed significantly to this.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The range of professional development opportunities for staff at all levels within the Trust has increased significantly enabling staff to develop and improve their skills further, learning both from colleagues within the Trust and from expert external trainers.

Throughout the year the academies continue to raise significant sums of money for charity. Careful consideration is given to the charities that are supported and children learn about the impact of the money they raise. Academies have also been successful in adding to the large number of external accreditations already held.

The restructuring of the central team has significantly strengthened the quality of the central services, with the introduction of a Head of Business and Operations, Head of Finance and a Deputy CEO. In addition, the school improvement capacity of the Trust has been enhanced notably with the appointment of two further school improvement leaders. As a result, academies receive increased support, advice and challenge. The introduction of Finance Leads is enabling a more joined up approach between the central team and academies in terms of business, finance and operations.

The introduction of new compliance software and an estates condition dashboard has provided increased assurance to the Trust Board and enabled the central team to better support individual schools. This will be more fully evidenced in the coming year when they are fully embedded, and all appropriate staff are trained.

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 2018-19 and the associated expenditure is shown in the Statement of Financial Activities on page 21.

During the financial year the VSF made an expansion grant of £145,970. The third 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 £646,177 and Sports Premium Grants totalling £273,252.

The Trust's total funds excluding fixed asset and pension reserves as at 31 August 2019 were £2,841,076 comprising of £991,742 restricted funds and £1,849,334 unrestricted funds, (see the Reserves Policy below).

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 General Annual Grant restricted reserves (which together total £2,447,121 at 31 August 2019) that are sufficient to cover at least one month's underlying operating expenditure.

This provides a working capital cushion (c. £1.4m) both against short-term funding delays and against the impact of changes in funding levels or pupil number fluctuations.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Of the remaining c.£1m unrestricted and General Annual Grant restricted reserves:

- c.£300k of Field Court CofE Infant Academy's unrestricted reserves is designated for building expansion in the next two years.
- c.£500k of restricted reserves is designated for resourcing needs arising from Clearwater CofE Primary Academy's planned move to its permanent site in 2020/21.
- The balance of funds is held to cover any unforeseen increases in operating costs.

The value of unrestricted funds at 31 August 2019 was £1,849,334 (2018: £1,433,302), with the increase this year primarily due to cash transferred in upon academy conversions.

Restricted general funds at 31 August 2019 were £991,742 (2018: £972,121).

Restricted fixed asset funds were £37,886,568 (2018: £34,158,566), with the increase this year primarily due to fixed assets transferred in upon academy conversions.

Investment Policy

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

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 within the central team
- enhanced the school improvement strategy

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.

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 be supported and challenged to provide outstanding learning and teaching opportunities with staff being fully supported in terms of their own professional development. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

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 Trust will seek to further maximise opportunities for central procurement, reviewing and benchmarking contracts and services to ensure value for money.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust does not act as the Custodian Trustee of any other Charity.

Employee involvement and employment of the disabled

The Diocese of Gloucester Academies Trust is an equal opportunities employer. We value diversity and welcome applications from people of all backgrounds. We particularly welcome applications from sections of the community which are currently under-represented across the Trust, including applicants with disabilities.

All our employees are treated fairly and equally, and we work closely with staff to ensure they are motivated, rewarded and provided with a range of development opportunities. There is no differentiation between staff with disabilities and those without, other than to make sure we provide them with any additional necessary support and/or reasonable adjustments required through our responsibilities under the Disability Discrimination Act.

Staff can share their ideas, concerns and views through regular forums and an annual survey.

Disclosure of Information to Auditors

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

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.

This report was approved by order of the Board of Trustees on 9 December 2019 and signed on its behalf by:



Prof D Cowper
Chair of Trustees

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Diocese of Gloucester Academies Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The trustees have delegated the day to day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned in the Funding Agreement between The Diocese of Gloucester Academies Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met six 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
Prof D Cowper, Chair	5	6
Ven P Andrew	5	6
Mr T Brock	6	6
Cdr M Cowdrey RN	4	6
Mrs R Dick	5	6
Rev R Fitter (resigned 4 March 2019)	0	2
Mrs R Howie, (Chief Executive Officer)	6	6
Dr K Lynch	6	6
Mr P Perks	5	6
Mr R Stokes	5	6

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.

The members of the committee include trustees with accounting expertise and the CEO, as Accounting Officer. The Head of Finance and members of the finance team attend the meetings.

The Audit and Finance Committee has formally met 3 times during the period from 1 September 2018 to 31 August 2019. Attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs R Dick (Chair)	3	3
Prof D Cowper	2	3
Mrs R Howie (Chief Executive Officer)	3	3
Mr R Stokes	2	3

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

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 CofE Primary Academy.

The members of the committee include trustees with appropriate skills and experience. The Head of Business and Operations also attends the meetings.

The Estates and Free School Committee has formally met 4 times during the period 1 September 2018 to 31 August 2019.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Cdr M Cowdrey RN (Chair)	4	4
Ven P Andrew	3	4
Mrs R Howie (Chief Executive Officer)	3	4
Mr R Stokes	3	4

Local Governing Bodies

Responsibility for the day-to-day running of academies within the Trust is delegated to Local Governing Bodies ("LGB") under a Scheme of Delegation approved at conversion to academy status and reviewed 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 members are appointed on a skills basis and the Trust will always appoint the majority of members. All Local Governing Bodies undertake skills audits, to ensure that future appointments meet the needs of individual governing bodies.

Governance Review

The Board's annual business cycle incorporates an internal review of the effectiveness of governance.

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

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- Reviewing the quality of children's learning and the curriculum offer
- Deploying staff effectively
- Restructuring the central team
- Employing a Deputy CEO and an in-house team of teaching and learning leads
- Making financial comparisons across the trust schools to identify areas for potential improvement
- Undertaking peer reviews to analyse the pupil premium spend to improve outcomes for learners
- Increasing the opportunities for staff to undertake training and development
- Enhancing the provision of financial governance and oversight, supporting Principals/Headteachers with budget planning and preparation, budget setting and forecasting.
- Exploring and increasing the opportunities for joint procurement of service, including taking some services in house, for example catering.
- Renegotiating and benchmarking contracts on behalf of individual academies
- Reviewing controls and managing risk

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The trustees have reviewed the key risks to which the Trust is exposed together with the operating financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees..

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustees
- regular reviews by the trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal scrutiny function and has decided to appoint Bishop Fleming LLP to undertake this role. 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.

The internal assurance review included giving advice on financial matters and performing a range of checks on the Trust's financial systems. 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 2018 to 31 August 2019 the review has been informed by:

- the work of the assurance reviewers;
- the work of the external auditors;
- the work of the 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 9 December 2019 and signed on their behalf by:



Prof D Cowper
Chair of Trustees



Mrs R Howie
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Diocese of Gloucester Academies Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mrs R Howie
Accounting Officer
Date: 9 December 2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company'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 on 9 December 2019 and signed on its behalf by:



Prof D Cowper
Chair of Trustees

**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 (the 'Trust') for the year ended 31 August 2019 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR 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 Auditors' 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 (CONTINUED)**

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other 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 including the Strategic Report for the financial year 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 including the Strategic 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**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 (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 18/12/16

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

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

In accordance with the terms of our engagement letter dated 11 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 26 April 2019 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
DIOCESE OF GLOUCESTER ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Joseph Scaife FCA (Reporting Accountant)

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date: 18/12/19

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 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants:	4					
Transfer on conversion		177,161	(211,000)	3,821,833	3,787,994	5,355,781
Other donations and capital grants		7,538	518,332	741,209	1,267,079	659,561
Charitable activities	7	774,504	15,098,064	-	15,872,568	14,930,408
Other trading activities	5	279,437	-	-	279,437	265,789
Investments	6	2,228	-	-	2,228	1,776
TOTAL INCOME		1,240,868	15,405,396	4,563,042	21,209,306	21,213,315
EXPENDITURE ON:						
Charitable activities		824,836	16,090,587	887,228	17,802,651	16,510,353
TOTAL EXPENDITURE		824,836	16,090,587	887,228	17,802,651	16,510,353
NET INCOME/ (EXPENDITURE)		416,032	(685,191)	3,675,814	3,406,655	4,702,962
Transfers between funds	20	-	(52,188)	52,188	-	-
NET MOVEMENT BEFORE OTHER GAINS/(LOSSES)		416,032	(737,379)	3,728,002	3,406,655	4,702,962
Actuarial losses on pension schemes	27	-	(2,884,000)	-	(2,884,000)	868,000
NET MOVEMENT IN FUNDS		416,032	(3,621,379)	3,728,002	522,655	5,570,962
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,433,302	(3,770,879)	34,158,566	31,820,989	26,250,027
Net movement in funds		416,032	(3,621,379)	3,728,002	522,655	5,570,962
TOTAL FUNDS CARRIED FORWARD		1,849,334	(7,392,258)	37,886,568	32,343,644	31,820,989

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

The notes on pages 24 to 57 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 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	16	37,609,019	34,152,655
		<u>37,609,019</u>	<u>34,152,655</u>
CURRENT ASSETS			
Debtors	17	810,243	489,560
Cash at bank and in hand		3,911,185	3,339,323
		<u>4,721,428</u>	<u>3,828,883</u>
Creditors: amounts falling due within one year	18	(1,584,509)	(1,396,660)
NET CURRENT ASSETS		3,136,919	2,432,223
TOTAL ASSETS LESS CURRENT LIABILITIES		40,745,938	36,584,878
Creditors: amounts falling due after more than one year	19	(18,294)	(20,889)
NET ASSETS EXCLUDING PENSION LIABILITY		40,727,644	36,563,989
Defined benefit pension scheme liability	27	(8,384,000)	(4,743,000)
TOTAL NET ASSETS		32,343,644	31,820,989
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	37,886,568	34,158,566
Restricted income funds	20	991,742	972,121
Pension reserve	20	(8,384,000)	(4,743,000)
Total restricted funds	20	30,494,310	30,387,687
Unrestricted income funds	20	1,849,334	1,433,302
TOTAL FUNDS		32,343,644	31,820,989

The financial statements on pages 21 to 57 were approved by the Trustees, and authorised for issue on 9 December 2019 and are signed on their behalf, by:


Prof D Cowper
Chair of Trustees

The notes on pages 24 to 57 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 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	325,351	393,119
CASH FLOWS FROM INVESTING ACTIVITIES			
	23	246,511	(131,519)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
		571,862	261,600
Cash and cash equivalents at the beginning of the year		3,339,323	3,077,723
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	3,911,185	3,339,323

The notes on pages 24 to 57 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 2019**

1. 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.

2. ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Diocese of Gloucester Academies Trust meets the definition of a public benefit entity under FRS 102.

2.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.3 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**

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 year 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 grants are reflected in the Balance Sheet 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**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

2.4 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE (CONTINUED)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 TANGIBLE FIXED ASSETS

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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
Computer equipment	- 33.3% straight line
Other equipment	- 20% 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 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.

2.6 OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

2.11 PROVISIONS

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.12 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 bases 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 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.13 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.14 PENSIONS

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.15 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 the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.16 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to a 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 to the 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 Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 25.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2019. 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfer from Local Authority	177,161	3,610,833	3,787,994	4,122,865
Transfer from existing Academy	-	-	-	1,232,916
Transfer on conversion	177,161	3,610,833	3,787,994	5,355,781
Donations	7,538	570,270	577,808	405,644
Capital Grants	-	689,271	689,271	253,917
	184,699	4,870,374	5,055,073	6,015,342
TOTAL 2018	132,790	5,882,552	6,015,342	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	48,726	48,726	51,388
Consultancy	11,480	11,480	18,365
Breakfast and After School Clubs	219,231	219,231	196,036
TOTAL 2019	279,437	279,437	265,789

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	2,228	2,228	1,776

7. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	104,770	15,098,064	15,202,834	14,272,153
Nursery	669,734	-	669,734	658,255
TOTAL 2019	774,504	15,098,064	15,872,568	14,930,408
TOTAL 2018	873,156	14,057,252	14,930,408	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	12,373,673	12,373,673	11,721,836
Other DfE/EFSA grants	-	1,888,921	1,888,921	1,748,879
	-	14,262,594	14,262,594	13,470,715
Other government grants				
High Needs	-	432,618	432,618	346,863
Other government grants: non capital	-	86,760	86,760	93,704
Other government grants: capital	-	148,498	148,498	-
	-	667,876	667,876	440,567
Other funding				
VSF Grant	-	145,970	145,970	145,970
Catering income	60,841	-	60,841	57,539
Other income	43,929	21,624	65,553	157,362
	104,770	167,594	272,364	360,871
	104,770	15,098,064	15,202,834	14,272,153
TOTAL 2018	214,901	14,057,252	14,272,153	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	10,045,311	884,919	1,316,518	12,246,748	11,507,660
Support costs	2,212,630	1,000,858	1,684,321	4,897,809	4,369,939
Nursery:					
Direct costs	619,815	-	6,332	626,147	605,796
Support costs	-	2,018	29,929	31,947	26,958
	<u>12,877,756</u>	<u>1,887,795</u>	<u>3,037,100</u>	<u>17,802,651</u>	<u>16,510,353</u>
TOTAL 2018	<u>12,499,865</u>	<u>1,482,132</u>	<u>2,528,356</u>	<u>16,510,353</u>	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	12,246,748	4,897,809	17,144,557	15,877,599
Nursery	626,147	31,947	658,094	632,754
	<u>12,872,895</u>	<u>4,929,756</u>	<u>17,802,651</u>	<u>16,510,353</u>
TOTAL 2018	<u>12,113,456</u>	<u>4,396,897</u>	<u>16,510,353</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	87,000	-	87,000	101,400
Staff costs	10,057,273	607,853	10,665,126	10,096,016
Depreciation	734,786	-	734,786	644,410
Educational supplies	613,264	4,089	617,353	513,681
Staff development	81,357	981	82,338	111,384
Other costs, including educational visits	368,939	1,262	370,201	316,720
Supply teachers	304,129	11,962	316,091	328,991
(Profit) / Loss on disposal of fixed assets	-	-	-	854
	<u>12,246,748</u>	<u>626,147</u>	<u>12,872,895</u>	<u>12,113,456</u>
TOTAL 2018	<u>11,507,660</u>	<u>605,796</u>	<u>12,113,456</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	52,000	-	52,000	28,600
Staff costs	2,212,630	-	2,212,630	2,074,858
Depreciation	152,442	-	152,442	140,328
Other educational, including school improvements	134,684	5,577	140,261	105,095
Recruitment and support	15,632	-	15,632	8,194
Maintenance of premises and equipment	490,411	-	490,411	253,802
Cleaning	128,885	2,018	130,903	136,441
Rent, rates and refuse disposal	186,755	-	186,755	124,965
Energy costs	172,320	-	172,320	154,096
Insurance	153,393	-	153,393	149,330
Security and transport	36,032	-	36,032	28,090
Catering	603,080	13,566	616,646	526,082
Technology costs	250,919	716	251,635	239,568
Office overheads	56,228	696	56,924	64,702
Other support and governance costs	252,160	9,374	261,534	361,814
Bank charges	238	-	238	932
	<u>4,897,809</u>	<u>31,947</u>	<u>4,929,756</u>	<u>4,396,897</u>
TOTAL 2018	<u>4,369,939</u>	<u>26,958</u>	<u>4,396,897</u>	

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	32,528	41,806
Depreciation of tangible fixed assets	887,228	784,738
Fees paid to auditors for:		
- audit	24,800	23,200
- other services	6,950	3,575

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	9,695,960	9,031,311
Social security costs	800,332	729,198
Pension costs	2,371,964	2,352,565
	<u>12,868,256</u>	<u>12,113,074</u>
Agency staff costs	316,091	328,991
Staff settlement costs	9,500	57,800
	<u>13,193,847</u>	<u>12,499,865</u>

Staff settlement costs comprise:

	2019 £	2018 £
Settlement payments	9,500	57,800
	<u>9,500</u>	<u>57,800</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

The settlement costs above relate to costs incurred for one non-statutory/non-contractual settlement payment in the year.

c. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	165	159
Administration and support, (including teaching assistants)	409	375
Management	31	29
	<u>605</u>	<u>563</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	124	109
Administration and support (including teaching assistants)	161	150
Management	29	27
	314	286

d. HIGHER PAID STAFF

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	8	6

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise trustees (who do not receive remuneration for their role as trustee) and the Executive Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £254,480 (2018 - £229,692).

13. 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 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 membership.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. 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:

	2019 £	2018 £
Bibury C of E Primary Academy	5,508	-
Clearwater C of E Primary Academy	26,334	22,225
Coaley C of E Primary Academy	12,951	7,329
Dursley C of E Primary Academy	47,686	50,165
Field Court C of E Infant Academy	45,412	45,627
Hardwicke Parochial Primary Academy	71,196	71,630
Lakefield C of E Primary School	34,235	34,888
Longney C of E Primary Academy	19,599	19,690
Minchinhampton C of E Primary Academy	50,378	52,095
North Cerney C of E Primary Academy	13,119	13,208
Primrose Hill C of E Primary Academy	36,307	37,416
St James C of E Primary School	61,856	61,640
St John's C of E Primary Academy	32,669	35,986
St Lawrence C of E Primary School	33,551	17,257
St Matthew's C of E Primary Academy	2,936	-
Whiteshill Primary School	19,253	18,246
Winchcombe Abbey C of E Primary School	44,386	43,006
TOTAL	557,376	530,408

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services provided undertaking the role of Chief Executive Officer, and not in respect of services as trustee. Other trustees did not receive any payments, other than expenses from the Trust in respect of their role as trustees. The value of trustees' remuneration including pension contributions in respect of defined benefit schemes in the year was as follows: Mrs R Howie £40,000 - £45,000 (2018: £40,000 - £45,000), employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000).

During the year ended 31 August 2019, expenses totalling £253 were reimbursed or paid directly to 1 Trustee (2018 - £97 to 1 Trustee).

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and computer equipment £	Total £
COST			
At 1 September 2018	36,685,327	710,317	37,395,644
Additions	300,133	221,626	521,759
Transfer on conversion	3,821,833	-	3,821,833
At 31 August 2019	<u>40,807,293</u>	<u>931,943</u>	<u>41,739,236</u>
DEPRECIATION			
At 1 September 2018	2,812,986	430,003	3,242,989
Charge for the year	691,000	196,228	887,228
At 31 August 2019	<u>3,503,986</u>	<u>626,231</u>	<u>4,130,217</u>
NET BOOK VALUE			
At 31 August 2019	<u>37,303,307</u>	<u>305,712</u>	<u>37,609,019</u>
At 31 August 2018	<u>33,872,341</u>	<u>280,314</u>	<u>34,152,655</u>

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

Bibury C of E Primary Academy was valued at £534,323 by the Trust on 1 February 2019.
St Matthew's C of E Primary Academy was valued at £3,287,510 by the Trust on 1 August 2019.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	90,782	15,093
Other debtors	110,301	146,042
Prepayments and accrued income	609,160	328,425
	<u>810,243</u>	<u>489,560</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	330,105	274,856
Other taxation and social security	182,569	171,987
Other creditors	503,560	515,224
Accruals and deferred income	568,275	434,593
	<u>1,584,509</u>	<u>1,396,660</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	364,113	360,933
Resources deferred during the year	361,848	364,113
Amounts released from previous periods	(364,113)	(360,933)
	<u>361,848</u>	<u>364,113</u>

At the balance sheet date the trust was holding funds received in advance primarily for Universal Infant Free School Meal Funding and trip income for 2019/20.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Salix loans	<u>18,294</u>	<u>20,889</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Repayable by instalments	<u>5,258</u>	<u>7,847</u>
	<u>5,258</u>	<u>7,847</u>

There are two Salix loans totalling £21,553 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
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	1,433,302	1,240,868	(824,836)	(800,000)	-	1,049,334
Free School projects	-	-	-	500,000	-	500,000
Other designated funds	-	-	-	300,000	-	300,000
	<u>1,433,302</u>	<u>1,240,868</u>	<u>(824,836)</u>	<u>-</u>	<u>-</u>	<u>1,849,334</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	643,745	12,373,673	(12,481,247)	61,616	-	597,787
Pupil premium	-	646,177	(646,177)	-	-	-
Start up grant	40,652	182,500	(153,082)	-	-	70,070
Devolved formula capital	88,768	248,888	(69,679)	(79,353)	-	188,624
Other ESFA grants	10,701	489,797	(466,047)	(34,451)	-	-
Other Local Authority grants	3,757	82,770	(82,925)	-	-	3,602
VSF Expansion	106,823	145,970	(166,253)	-	-	86,540
Higher Needs	-	432,618	(432,618)	-	-	-
Universal Infant Free School Meals	-	574,437	(574,437)	-	-	-
Clearwater	52,854	-	(52,854)	-	-	-
Other restricted funds	24,821	147,278	(126,980)	-	-	45,119
School Trip income	-	292,288	(292,288)	-	-	-
Pension reserve	(4,743,000)	(211,000)	(546,000)	-	(2,884,000)	(8,384,000)
	<u>(3,770,879)</u>	<u>15,405,396</u>	<u>(16,090,587)</u>	<u>(52,188)</u>	<u>(2,884,000)</u>	<u>(7,392,258)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	30,175,128	3,821,833	(605,266)	-	-	33,391,695
Fixed assets purchased from GAG and other restricted funds	192,539	-	(94,811)	118,205	-	215,933
Clearwater	114,987	25,606	(58,345)	-	-	82,248
Local Authority grants	1,199,527	194,905	(31,944)	-	-	1,362,488
ACMF Funding	934,490	-	(22,326)	-	-	912,164
Condition Improvement Fund	1,483,837	(4,600)	(38,663)	9,110	-	1,449,684
School Condition Allocation	-	372,970	-	(75,127)	-	297,843
Fixed asset donations	58,058	152,328	(35,873)	-	-	174,513
	<u>34,158,566</u>	<u>4,563,042</u>	<u>(887,228)</u>	<u>52,188</u>	<u>-</u>	<u>37,886,568</u>
TOTAL RESTRICTED FUNDS	<u>30,387,687</u>	<u>19,968,438</u>	<u>(16,977,815)</u>	<u>-</u>	<u>(2,884,000)</u>	<u>30,494,310</u>
TOTAL FUNDS	<u>31,820,989</u>	<u>21,209,306</u>	<u>(17,802,651)</u>	<u>-</u>	<u>(2,884,000)</u>	<u>32,343,644</u>

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

Restricted funds

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

Other ESFA grants - This represents funding 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.

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

Universal Infant Free School Meals (UIFSM) - 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.

Other restricted funds - This comprises restricted donations received (£81,400), rent grants (£14,254) and other income analysed as restricted (£21,624).

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

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

Restricted 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.

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

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

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

Condition Improvement Fund (CIF) - This represents funding from the ESFA for specific capital projects, from 1 April 2015.

School Condition Allocation (SCA) - This represents funding from the ESFA for capital projects and the maintenance of school buildings.

Fixed asset donations - This represents donations for specific capital purposes.

The transfers between funds in the year relate to tangible fixed assets purchased using restricted funds and SCA monies used for maintenance purposes.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Central Services	315,182	516,681
Bibury C of E Primary Academy	153,036	-
Clearwater C of E Primary Academy	507,927	257,174
Coaley C of E Primary Academy	55,023	9,116
Dursley C of E Primary Academy	44,107	43,603
Field Court C of E Infant Academy	354,082	298,577
Hardwicke Parochial Primary Academy	157,331	195,801
Lakefield C of E Primary School	213,841	215,812
Longney C of E Primary Academy	146,275	127,351
Minchinhampton C of E Primary Academy	73,174	115,506
North Cerney C of E Primary Academy	52,532	37,598
Primrose Hill C of E Primary Academy	109,274	73,102
St James C of E Primary School	167,850	117,311
St John's C of E Primary Academy	144,114	115,396
St Lawrence C of E Primary School	101,455	124,067
St Matthew's C of E Primary Academy	25,313	-
Whiteshill Primary School	68,930	43,572
Winchcombe Abbey C of E Primary School	151,630	114,756
Total before fixed asset funds and pension reserve	<u>2,841,076</u>	<u>2,405,423</u>
Restricted fixed asset fund	37,886,568	34,158,566
Pension reserve	(8,384,000)	(4,743,000)
TOTAL	<u><u>32,343,644</u></u>	<u><u>31,820,989</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Central Services	-	658,650	3,898	590,982	1,253,530	1,188,055
Bibury C of E Primary Academy	108,722	21,088	14,896	41,360	186,066	-
Clearwater C of E Primary Academy	226,409	46,234	35,815	78,560	387,018	304,718
Coaley C of E Primary Academy	199,452	29,904	14,820	66,119	310,295	200,657
Dursley C of E Primary Academy	903,281	441,075	55,946	217,918	1,618,220	1,594,947
Field Court C of E Infant Academy	778,229	451,843	38,358	207,422	1,475,852	1,474,979
Hardwicke Parochial Primary Academy	1,365,727	204,741	93,098	239,938	1,903,504	1,766,630
Lakefield C of E Primary School	628,933	200,057	33,365	181,466	1,043,821	1,050,262
Longney C of E Primary Academy	349,357	51,696	31,042	96,809	528,904	517,905
Minchinhampton C of E Primary Academy	959,342	247,974	47,314	241,489	1,496,119	1,364,688
North Cerney C of E Primary Academy	246,840	32,853	20,603	74,881	375,177	389,989
Primrose Hill C of E Primary Academy	631,389	136,937	25,734	166,061	960,121	1,010,708
St James C of E Primary School	1,235,244	185,092	45,041	276,439	1,741,816	1,723,268
St John's C of E Primary Academy	647,672	157,602	57,943	108,353	971,570	1,039,116
St Lawrence C of E Primary School	624,144	123,110	25,888	129,830	902,972	449,552
St Matthew's C of E Primary Academy	54,510	12,318	268	4,688	71,784	-
Whiteshill Primary School	318,112	45,586	25,163	90,418	479,279	492,983
Winchcombe Abbey C of E Primary School	840,039	148,684	48,161	172,491	1,209,375	1,156,304
TRUST	10,117,402	3,195,444	617,353	2,985,224	16,915,423	15,724,761

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	1,241,096	1,273,511	(1,081,305)	-	-	1,433,302
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	130,446	11,771,872	(11,237,041)	(21,532)	-	643,745
Pupil premium	-	657,684	(657,684)	-	-	-
Start up grant	-	293,500	(252,848)	-	-	40,652
Devolved formula capital	-	107,155	(39,619)	21,232	-	88,768
Other ESFA grants	44,508	237,661	(256,729)	(14,739)	-	10,701
Other Local Authority grants	-	93,704	(89,947)	-	-	3,757
VSF Expansion	109,444	145,970	(148,591)	-	-	106,823
Higher Needs	-	346,863	(346,863)	-	-	-
Universal Infant Free School Meals	-	517,298	(517,298)	-	-	-
Clearwater	101,473	-	(48,619)	-	-	52,854
Other restricted funds	-	186,834	(129,610)	(32,403)	-	24,821
School Trip income	-	267,607	(267,607)	-	-	-
Pension reserve	(4,479,000)	(481,000)	(651,000)	-	868,000	(4,743,000)
	<u>(4,093,129)</u>	<u>14,145,148</u>	<u>(14,643,456)</u>	<u>(47,442)</u>	<u>868,000</u>	<u>(3,770,879)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	25,090,211	5,635,377	(550,460)	-	-	30,175,128
Fixed assets purchased from GAG and other restricted funds	275,352	-	(69,894)	(12,919)	-	192,539
Clearwater	-	170,483	(55,496)	-	-	114,987
Local Authority grants	1,214,521	439	(28,307)	12,874	-	1,199,527
ACMF Funding	914,431	-	(22,810)	42,869	-	934,490
Condition Improvement Fund	1,556,619	(11,643)	(38,625)	(22,514)	-	1,483,837
Fixed asset donations	50,926	-	(20,000)	27,132	-	58,058
	<u>29,102,060</u>	<u>5,794,656</u>	<u>(785,592)</u>	<u>47,442</u>	<u>-</u>	<u>34,158,566</u>
TOTAL RESTRICTED FUNDS	<u>25,008,931</u>	<u>19,939,804</u>	<u>(15,429,048)</u>	<u>-</u>	<u>868,000</u>	<u>30,387,687</u>
TOTAL FUNDS	<u>26,250,027</u>	<u>21,213,315</u>	<u>(16,510,353)</u>	<u>-</u>	<u>868,000</u>	<u>31,820,989</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	37,609,019	37,609,019
Current assets	1,849,334	2,576,251	295,843	4,721,428
Creditors due within one year	-	(1,584,509)	-	(1,584,509)
Creditors due in more than one year	-	-	(18,294)	(18,294)
Pension scheme liability	-	(8,384,000)	-	(8,384,000)
TOTAL	1,849,334	(7,392,258)	37,886,568	32,343,644

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	34,152,655	34,152,655
Current assets	1,433,302	2,368,781	26,800	3,828,883
Creditors due within one year	-	(1,396,660)	-	(1,396,660)
Creditors due in more than one year	-	-	(20,889)	(20,889)
Pension scheme liability	-	(4,743,000)	-	(4,743,000)
TOTAL	1,433,302	(3,770,879)	34,158,566	31,820,989

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	3,406,655	4,702,962
ADJUSTMENTS FOR:		
Depreciation	887,228	784,738
Capital grants from DfE and other capital income	(588,881)	(159,279)
Interest receivable	(2,228)	(1,776)
Defined benefit pension scheme cost less contributions payable	407,000	521,000
Defined benefit pension scheme finance cost	139,000	130,000
Increase in debtors	(320,683)	(106,745)
Increase/(decrease) in creditors	185,254	(122,854)
Loss on the sale of fixed assets	-	854
Net assets transferred on conversion or on joining the Trust	(3,787,994)	(5,355,781)
NET CASH PROVIDED BY OPERATING ACTIVITIES	325,351	393,119

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest receivable	2,228	1,776
Purchase of tangible fixed assets	(521,759)	(538,737)
Capital grants from DfE Group	588,881	159,279
Net cash acquired upon conversion or joining the Trust	177,161	246,163
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	246,511	(131,519)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	3,911,185	3,339,323
TOTAL CASH AND CASH EQUIVALENTS	3,911,185	3,339,323

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. CONVERSION TO AN ACADEMY TRUST

On 1 February 2019 Bibury Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Gloucester Academies Trust from Gloucestershire County Council for £Nil consideration.

The transfer has been accounted for 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 heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Land and buildings	-	-	534,323	534,323
CURRENT ASSETS				
Budget surplus on LA funds	23,396	-	-	23,396
Budget surplus on other school funds	121,793	-	-	121,793
NON-CURRENT LIABILITIES				
LGPS pension deficit	-	(52,000)	-	(52,000)
NET ASSETS/(LIABILITIES)	145,189	(52,000)	534,323	627,512

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. CONVERSION TO AN ACADEMY TRUST (CONTINUED)

On 1 August 2019 St Matthew's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Gloucester Academies Trust from Gloucestershire County Council for £Nil consideration.

The transfer has been accounted for 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 heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Land and buildings	-	-	3,287,510	3,287,510
CURRENT ASSETS				
Budget surplus on LA funds	31,972	-	-	31,972
NON-CURRENT LIABILITIES				
LGPS pension deficit	-	(159,000)	-	(159,000)
NET ASSETS/(LIABILITIES)	<u>31,972</u>	<u>(159,000)</u>	<u>3,287,510</u>	<u>3,160,482</u>

26. CAPITAL COMMITMENTS

	2019 £	2018 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	-	221,832

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teachers' 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 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 £229,235 were payable to the schemes at 31 August 2019 (2018 - £211,684) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 2016 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 5 June 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. PENSION COMMITMENTS (CONTINUED)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the TPS has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £902,504 (2018 - £850,967).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,173,000 (2018 - £1,074,000), of which employer's contributions totalled £961,000 (2018 - £879,000) and employees' contributions totalled £ 212,000 (2018 - £195,000). The agreed contribution rates for future years are 17.8% - 34.0% for employers and 5.5% - 9.9% for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019	2018
	Years	Years
<i>RETIRING TODAY</i>		
Males	22.4	22.4
Females	24.6	24.6
<i>RETIRING IN 20 YEARS</i>		
Males	24.0	24.0
Females	26.4	26.4

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. PENSION COMMITMENTS (CONTINUED)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	2,078	1,389
CPI rate +0.5%	1,813	1,187

The sensitivity analysis shows the movement on the balance of liabilities should the above events occur.

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	5,436,000	4,529,000
Bonds	2,091,000	1,378,000
Property	669,000	525,000
Cash and other liquid assets	167,000	131,000
Total market value of assets	8,363,000	6,563,000

The actual return on scheme assets was £544,000 (2018 - £361,000).

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

	2019 £	2018 £
Current service cost	(1,368,000)	(1,400,000)
Interest income	200,000	141,000
Interest cost	(339,000)	(271,000)
Total	(1,507,000)	(1,530,000)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. PENSION COMMITMENTS (CONTINUED)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	11,306,000	8,810,000
Liabilities transferred upon conversion	473,000	1,542,000
Current service cost	1,368,000	1,400,000
Interest cost	339,000	271,000
Employee contributions	212,000	195,000
Actuarial losses/(gains)	3,148,000	(818,000)
Benefits paid	(99,000)	(94,000)
At 31 August	16,747,000	11,306,000

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	6,563,000	4,331,000
Assets transferred upon conversion	262,000	939,000
Interest income	200,000	141,000
Actuarial gains	264,000	172,000
Employer contributions	961,000	879,000
Employee contributions	212,000	195,000
Benefits paid	(99,000)	(94,000)
At 31 August	8,363,000	6,563,000

28. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	31,420	25,284
Later than 1 year and not later than 5 years	46,698	52,479
	78,118	77,763

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. RELATED PARTY TRANSACTIONS

Owing to the 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 and 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 (2018: £145,970). In addition to this, the Trust received rent support of £14,254 (2018: £17,097) from the Gloucester Diocesan Board of Finance and made payments to the Gloucester Diocesan Board of Finance of £11,571 (2018: £3,090).

The Trust made purchases of £246 (2018: £Nil) from a company where one of the trustees is a director. At the year end, the outstanding balance due to this company was £128 (2018: £Nil).

The Trust also purchased services from the spouse of a trustee totalling £4,200 (2018: £Nil).

30. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets measured at amortised cost	4,471,974	3,569,801
	<u>4,471,974</u>	<u>3,569,801</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(828,871)	(669,509)
	<u>(828,871)</u>	<u>(669,509)</u>

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

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

31. MEMBERS' LIABILITY

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

32. CONTROLLING PARTY

The ultimate controlling party is the Diocese of Gloucester Education Trust.

