

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	Diocese of Gloucester Education Trust (Company Number 07662129) Prof H Bryan (appointed 12 June 2018) Mrs S Padfield Prof J Tann (resigned 12 June 2018)
Trustees	Prof D Cowper, (appointed Chair 9 October 2017) Ven P Andrew Mr T Brock (appointed 5 February 2018) Cdr M Cowdrey RN Mrs R Dick Rev R Fitter Mrs R Howie 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
Senior management team	Mrs R Howie, Chief Executive Officer and Accounting Officer Mrs K Brimfield, Chief Operating Officer Mrs H Springett, Head of School Improvement (from 1 September 2017) Principals of all academies within the Trust
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank PLC 19 Eastgate Street Gloucester GL1 1NU
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

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 and auditors' report of The Diocese of Gloucester Academies Trust ("The Trust") for the year ended 31 August 2018. 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 15 academies for pupils aged 2 to 11 across the Diocese of Gloucester.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. 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 throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

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

TRUSTEES

Method of recruitment and appointment or election of Members and Trustees

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

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

Trustees are independently appointed based on their skills and expertise.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Organisational Structure

Whilst the Trustees of the charitable company are responsible via the Funding Agreement and associated supplementary agreements for the performance of the Trust, each academy has its own Local Governing Body ("LGB"). Responsibilities are delegated by the Trust to the LGB through a Scheme of Delegation. The LGB includes the Principal of the Academy, parent and staff representatives and appointees of the Trust selected to provide specific skills and experience. During 2017/18 the Trust Board had three sub-committees: an Audit and Finance Committee, an Estates and Free School Committee, and a Standards and Ethos Committee.

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

Connected Organisations, including Related Party Relationships

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

In 2016, the Voluntary Schools Fund ("VSF") agreed an Expansion Grant of £437,910 over a three year period to support the work of the Trust. The Trustees of the Voluntary Schools Fund are also Trustees of DBE. The VSF has no financial interest in and does not receive any financial gain from the Trust.

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

The following Trustees are members of the DBE or DBF:

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

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Objectives, Strategies and Activities

The aim of the Trust is 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 underpins the work of its academies. The Trust will therefore seek to:

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

Public Benefit

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

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

STRATEGIC REPORT

Outcomes for Learners

The Trust has maintained its previously strong position with regard to outcomes for learners. Assessment information shows that pupils in the Trust get off to a very good start in Early Years and by the time they reach Year 1 the proportion of pupils reaching the level expected for their age is well above the nationally expected figure. This picture is mirrored at the end of Key Stage 1 where in reading, writing and mathematics pupils continue to outperform their peers nationally.

At Key Stage 2, outcomes are above the national averages in reading and writing. Mathematics and spelling, punctuation and grammar are broadly in line with the national average.

Achievements and Performance

The Trust has had another very positive year. Four academies were inspected by Ofsted. Three retained their good judgement and one improved to good from its previous judgment of Requiring Improvement. At the end of the year three academies are judged to be outstanding, nine academies are judged to be good, two were sponsored during the year and have made very rapid improvements and one, our newly opened Free School, is yet to be inspected. The provision in the Free School is closely monitored by the Department for Education and is considered to be of a high standard.

One academy was inspected under the Statutory Inspection of Anglican and Methodist Schools Framework (SIAMS) and retained its good judgement. By the end of the year eight academies were judged to be outstanding, four judged to be good, and one sponsored academy judged satisfactory. Two have not been inspected.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Academies continue to achieve recognition from external partners, this year gaining:

- the Quality Award for Achievement for All in recognition of the support offered for our most vulnerable pupils
- the Online Safety Mark recognising the strong provision for pupils in this area of learning
- the Green Flag Award celebrating pupils' work as part of their understanding of how to protect the environment
- the Gold Schools Games Mark for commitment to, engagement in and delivery of competitive school sport.

A Shared Vision of Excellence and Effective Partnerships

The Trust continues to facilitate a range of professional development opportunities for senior leaders, teachers, support staff and governors. Headteachers, chairs of governors and school business managers continue to have regular forums where they meet with central staff to receive updates, training and to share good practice.

Working collaboratively for the greater good of all academies is central to the vision of the Trust. The shared professional development for staff is a key component of this. During the year staff have participated in a wide range of training and support including;

- the good to outstanding teacher and teaching assistant programmes
- a resilience and well-being day
- data and assessment training
- training for aspiring leaders
- moderation events
- support for the delivery of high quality RE
- workshops to support the development of Christian character in our academies
- complaints and exclusion training

Academies have accessed training from a rich range of providers including the Diocese of Gloucester, the Church of England, Gloucestershire Local Authority, Ofsted, Impetus, University of Gloucestershire as well as training organised by local clusters such as the Gloucester Schools Partnership, West Gloucestershire Support Partnership, Stroud Association of Schools and Gloucester Association of School Business Managers.

In addition all academies have continued to access Philosophy for Children training which is designed to encourage adults and children to think more critically, creatively, caringly and collaboratively. Learning to disagree respectfully is a key aspect of this. This has been recognised as successful by both Ofsted and SIAMS inspectors.

High Expectations and School Improvement

In order to continue to build internal capacity and ensure the Trust remains an organisation with a dynamic, reflective and accountable culture the Trust has continued to develop the strategy for school improvement. The appointment of an outstanding practitioner as Head of School Improvement (HOSI) has been seminal in this year's improvement work and significantly increased the level of support and challenge available to schools. Additionally the Trust has contracted a highly effective Teaching and Learning Consultant to provide bespoke and intensive support to newly sponsored schools.

Each academy continues to receive at least three visits per year from an Academy Development Partner to monitor performance and provide professional challenge. Participation in peer reviews and the sharing of best practice ensures there is mutual accountability for the quality of provision across the Trust. Staff members from across the Trust are strategically deployed to support in our sponsored academies. This collaborative working is a strong and well embedded feature of Trust academies.

All academies in the Trust receive an annual safeguarding review to ensure that all safeguarding processes and procedures are securely in place and that pupil safety and security are of the highest priority.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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.

Growth Strategy

A three year strategic plan, reviewed annually, is in place to ensure future growth is well planned and resourced effectively. The central staff team of the Trust has increased during the year to ensure that the needs of the academies can be serviced effectively and efficiently as the Trust grows. A Head of School Improvement has been appointed along with a Teaching and Learning Consultant. A review of the Trust by the Regional Schools Commissioner's office identified that there continues to be a high level of confidence in the capacity of the Trust to continue to grow.

The Trust welcomed three additional schools into the Trust. On 1 September 2017 St John's CofE Academy was sponsored by the Trust. Similarly Coaley CofE Primary Academy was sponsored in February 2018. St Lawrence CofE Primary School joined the Trust on 1 March 2018, increasing the total number of pupils to 3,246.

The Trust also opened its first Free School – Clearwater CofE Primary Academy. The school opened on 1 September 2017 with one class of Reception pupils in temporary accommodation on Hardwicke Parochial Primary's site.

During 2017/18, the Trust received support from the Voluntary Schools Fund to the total of £145,970. This represented the second of three annual payments totaling £437,910 agreed by the Diocesan Board of Education to enable the central staff team to increase in size.

Going Concern

After making appropriate enquiries, the Board of Trustees has 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. Further details regarding the adoption of the going concern basis can be found in the Going Concern policy.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2017-18 and the associated expenditure is shown in the Statement of Financial Activities on page 20.

During the financial year the VSF made an expansion grant of £145,970. The second 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 £657,684 and Sports Premium Grants totalling £230,298.

The Trust's total funds excluding fixed asset and pension reserves at 31 August 2018 were £2,405,423 comprising of £972,121 restricted funds and £1,433,302 unrestricted funds, (see the Reserves Policy below).

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

The Trust has considerable reliance on continued government funding through the Education Skills and Funding Agency ("ESFA"). Increases in pension contributions, without a commensurate increase in school budgets, requires increasingly prudent financial management. Potential deficits in pension schemes remain a long-term liability for the Trust.

Reserves Policy

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

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

As a minimum the Trust seeks to hold unrestricted and undesignated restricted reserves (which together total £2,077,047 at 31 August 2018) that are sufficient to cover at least one month's underlying operating expenditure. This provides a working capital cushion (c. £1.3m) both against short-term funding delays and against the impact of changes in funding levels or pupil number fluctuations.

The balance of such reserves (c. £750k) is held to cover unforeseen increases in operating costs such as pension contributions or unplanned repairs expenditure, and to enhance the Trust's capacity to offer support to its academies.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The value of unrestricted funds at 31 August 2018 was £1,433,302 (2017: £1,241,096), with the increase including £127,958 unrestricted cash transferred in upon academy conversions and transfers into the Trust.

Restricted general funds at 31 August 2018 were £972,121 (2017: £385,871), including £117,524 allocated for the capacity growth of the Trust's central team, £52,854 to support the establishment of the free school, Clearwater C of E Primary Academy, and £88,768 unspent from the current year's devolved formula capital.

Restricted fixed asset funds were £34,158,566 (2017: £29,102,060), with the increase this year primarily due to £5,635,377 fixed assets transferred in upon academy conversions and transfer into the Trust.

Material Investments Policy

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

PLANS FOR FUTURE PERIODS

Our ambition is to ensure that every academy within the Trust provides outstanding learning outcomes for all pupils. In order to achieve this, all academies will be supported and challenged to provide outstanding learning and teaching opportunities with staff being fully supported in terms of their own professional development.

A key focus for the coming year is to ensure that there is effective, accountable governance at all levels and the Trust will continue to focus on increasing the rate of progress for the most disadvantaged pupils.

The trustees' objective is to aim for continued steady growth in the number of academies joining the Trust. The trustees intend to continue to develop internal capacity to keep pace with the growth in academies, bringing together staff and governors in order to share resources and expertise and to work collaboratively for mutual benefit within the family of academies which make up the Trust. During this year the Trust Board commissioned an external review of the central business and financial systems and processes to identify if these systems remain fit for purpose in a growing Trust. In the coming year the Board will respond appropriately to the review findings. Officers will seek to further maximise opportunities for central procurement, reviewing and benchmarking contracts and services to ensure value for money.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are none.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 10 December 2018 and signed on the board's behalf by:



**Prof D Cowper
Chairman of Trustees**

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 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 (appointed Chair 9 October 2017)	5	5
Ven P Andrew	5	5
Mr T Brock (appointed 5 February 2018)	3	3
Cdr M Cowdrey RN	2	5
Mrs R Dick	4	5
Rev R Fitter	3	5
Mrs R Howie (Chief Executive Officer)	5	5
Dr K Lynch	2	5
Mr P Perks	4	5
Mr R Stokes	3	5

Local Governing Bodies

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

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

Governance Review

The Board's annual business cycle incorporates an internal review of the effectiveness of governance. This includes a review of academy performance against the Department for Education's "Characteristics of effective multi-academy trusts".

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

Audit and Finance Committee

The Audit and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the annual process of statutory independent audit, the completion of the annual report and financial statements, and the exercise of internal financial control. One member of the committee is appointed as Internal Assurance

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GOVERNANCE STATEMENT (continued)

Reviewer to carry out the review of internal controls as detailed in the Risk and Control Framework section below.

The members of the committee include Trustees with accounting expertise (one of whom assumes the role of the Internal Assurance Reviewer), and the CEO, as Accounting Officer. Mrs K Brimfield (COO) 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 2017 to 31 August 2018.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs R Dick (Chair)	3	3
Mrs R Howie (Chief Executive Officer)	1	3
Mr R Stokes	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Improving outcomes for pupils, as summarised in the Trustees' Report
- Employing a Head of School Improvement and Teaching and Learning Consultant
- Undertaking peer reviews to analyse the pupil premium spend
- Increasing the opportunities for staff to undertake training and development
- Enhancing the provision of financial governance and oversight, supporting Local Governing Bodies with budget planning and preparation, budget setting and forecasting
- Maximising opportunities for joint procurement of service, including taking some services in house
- Renegotiating and benchmarking contracts on behalf of individual academies, including completing full options appraisals
- Ensuring active financial management of cash, bank balances and investments

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Diocese of Gloucester Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor at this stage. However, the Trustees have appointed a Trustee (Mrs R Dick), as Internal Assurance Reviewer. The Internal Assurance Reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The Internal Assurance Reviewer reports to the Audit and Finance Committee in the first instance, which supervises any follow up required, and then to the full Trust Board on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. In addition, regular support and monitoring visits are carried out by the central finance team to all academies within the Trust to offer assistance and check the controls in place across the Trust.

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

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

Approved by order of the members of the Board of Trustees on 10 December 2018 and signed on their behalf, by:



**Prof D Cowper
Chairman of Trustees**



**Mrs R Howie
Accounting Officer**

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Diocese of Gloucester Academies Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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: 10 December 2018

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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:

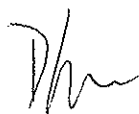
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Prof D Cowper
Chairman of Trustees**

Date: 10 December 2018

**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 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 2018 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 2017 to 2018 issued by the Education and 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**

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. 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 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.

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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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 Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an 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 Trust and its members 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:

19/12/18

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

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

In accordance with the terms of our engagement letter dated 2 October 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Diocese of Gloucester Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Diocese of Gloucester Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Diocese of Gloucester Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of The Diocese of Gloucester Academies Trust's funding agreement with the Secretary of State for Education dated 1 June 2013, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 19/12/18

**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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Transfer on conversion	2	127,958	(407,554)	5,635,377	5,355,781	5,215,660
Other donations and capital grants	2	4,832	495,450	159,279	659,561	910,233
Charitable activities	5	873,156	14,057,252	-	14,930,408	11,376,354
Other trading activities	3	265,789	-	-	265,789	214,008
Investments	4	1,776	-	-	1,776	1,490
TOTAL INCOME		1,273,511	14,145,148	5,794,656	21,213,315	17,717,745
EXPENDITURE ON:						
Charitable activities		1,081,305	14,643,456	785,592	16,510,353	12,419,851
TOTAL EXPENDITURE	6	1,081,305	14,643,456	785,592	16,510,353	12,419,851
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	192,206	(498,308)	5,009,064	4,702,962	5,297,894
		-	(47,442)	47,442	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		192,206	(545,750)	5,056,506	4,702,962	5,297,894
Actuarial gains on defined benefit pension schemes	24	-	868,000	-	868,000	690,000
NET MOVEMENT IN FUNDS		192,206	322,250	5,056,506	5,570,962	5,987,894
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,241,096	(4,093,129)	29,102,060	26,250,027	20,262,133
TOTAL FUNDS CARRIED FORWARD		1,433,302	(3,770,879)	34,158,566	31,820,989	26,250,027

The notes on pages 23 to 53 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 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		34,152,655		28,764,133
CURRENT ASSETS					
Debtors	15	489,560		367,568	
Cash at bank and in hand		3,339,323		3,077,723	
		<u>3,828,883</u>		<u>3,445,291</u>	
CREDITORS: amounts falling due within one year	16	<u>(1,396,660)</u>		<u>(1,457,578)</u>	
NET CURRENT ASSETS			<u>2,432,223</u>		<u>1,987,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>36,584,878</u>		<u>30,751,846</u>
CREDITORS: amounts falling due after more than one year	17		<u>(20,889)</u>		<u>(22,819)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>36,563,989</u>		<u>30,729,027</u>
Defined benefit pension scheme liability	24	(4,743,000)		(4,479,000)	
NET ASSETS			<u><u>31,820,989</u></u>		<u><u>26,250,027</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	972,121		385,871	
Fixed asset funds	18	34,158,566		29,102,060	
Restricted funds excluding pension liability		<u>35,130,687</u>		<u>29,487,931</u>	
Pension reserve		<u>(4,743,000)</u>		<u>(4,479,000)</u>	
Total restricted funds			<u>30,387,687</u>		<u>25,008,931</u>
Unrestricted funds	18		<u>1,433,302</u>		<u>1,241,096</u>
TOTAL FUNDS			<u><u>31,820,989</u></u>		<u><u>26,250,027</u></u>

The financial statements on pages 20 to 53 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:



Prof D Cowper
Chairman of Trustees

The notes on pages 23 to 53 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 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>393,119</u>	<u>876,059</u>
Cash flows from investing activities:			
Interest received		1,776	1,490
Purchase of tangible fixed assets		(538,737)	(895,088)
Capital grants from DfE Group		159,279	639,379
Other capital funding		-	34,124
Net cash used in investing activities		<u>(377,682)</u>	<u>(220,095)</u>
Net cash acquired upon conversion or joining the Trust		<u>246,163</u>	<u>274,750</u>
Cash transferred on conversion or joining the Trust		<u>246,163</u>	<u>274,750</u>
Change in cash and cash equivalents in the year		<u>261,600</u>	<u>930,714</u>
Cash and cash equivalents brought forward		<u>3,077,723</u>	<u>2,147,009</u>
Cash and cash equivalents carried forward	21	<u><u>3,339,323</u></u>	<u><u>3,077,723</u></u>

The notes on pages 23 to 53 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 2018**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

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

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

The Supplemental Agreements include the right for the Diocese of Gloucester Board of Education trustees to give not less than 2 years written notice to the Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements. In addition, no restrictive access or restrictions on work has occurred in the financial year.

1.6 OPERATING LEASES

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

1.7 INTEREST RECEIVABLE

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES AND PROVISIONS

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

1.11 FINANCIAL INSTRUMENTS

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. 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.

1.12 TAXATION

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 FUND ACCOUNTING

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

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

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

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 2018**

1. ACCOUNTING POLICIES (continued)

1.15 CONVERSION TO AN ACADEMY TRUST

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgment:

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

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from Local Authority	109,066	(145,183)	4,158,982	4,122,865	5,215,660
Transfer from existing Academy	18,892	(262,371)	1,476,395	1,232,916	-
	<u>127,958</u>	<u>(407,554)</u>	<u>5,635,377</u>	<u>5,355,781</u>	<u>5,215,660</u>
Transfer on conversion					
Capital Grants	-	94,638	159,279	253,917	642,046
Donations	4,832	400,812	-	405,644	268,187
	<u>4,832</u>	<u>495,450</u>	<u>159,279</u>	<u>659,561</u>	<u>910,233</u>
	<u>132,790</u>	<u>87,896</u>	<u>5,794,656</u>	<u>6,015,342</u>	<u>6,125,893</u>
Total 2017	<u>326,960</u>	<u>(971,730)</u>	<u>6,770,663</u>	<u>6,125,893</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	51,388	-	51,388	32,935
Consultancy	18,365	-	18,365	17,664
Breakfast and After School Clubs	196,036	-	196,036	163,409
	<u>265,789</u>	<u>-</u>	<u>265,789</u>	<u>214,008</u>
Total 2017	<u>214,008</u>	<u>-</u>	<u>214,008</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank Interest	1,776	-	1,776	1,490
Total 2017	<u>1,490</u>	<u>-</u>	<u>1,490</u>	

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5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	214,901	14,057,252	14,272,153	11,008,131
Nursery	658,255	-	658,255	368,223
	<u>873,156</u>	<u>14,057,252</u>	<u>14,930,408</u>	<u>11,376,354</u>
Total 2017	<u>437,189</u>	<u>10,939,165</u>	<u>11,376,354</u>	

FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	11,721,836	11,721,836	8,998,378
Other DfE Group grants	-	1,748,879	1,748,879	1,385,204
	<u>-</u>	<u>13,470,715</u>	<u>13,470,715</u>	<u>10,383,582</u>
Other Government grants				
High Needs	-	346,863	346,863	272,305
Other Government grants non capital	-	93,704	93,704	137,308
	<u>-</u>	<u>440,567</u>	<u>440,567</u>	<u>409,613</u>
Other funding				
VSF Grant	-	145,970	145,970	145,970
Catering income	57,539	-	57,539	56,567
Other	157,362	-	157,362	12,399
	<u>214,901</u>	<u>145,970</u>	<u>360,871</u>	<u>214,936</u>
	<u>214,901</u>	<u>14,057,252</u>	<u>14,272,153</u>	<u>11,008,131</u>
Total 2017	<u>68,966</u>	<u>10,939,165</u>	<u>11,008,131</u>	

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6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	9,853,039	644,410	1,010,211	11,507,660	8,771,866
Support costs	2,046,251	835,884	1,487,804	4,369,939	3,304,463
Nursery:					
Direct costs	600,575	-	5,221	605,796	306,908
Support costs	-	1,838	25,120	26,958	36,614
	<u>12,499,865</u>	<u>1,482,132</u>	<u>2,528,356</u>	<u>16,510,353</u>	<u>12,419,851</u>
Total 2017	<u>9,348,550</u>	<u>1,065,404</u>	<u>2,005,897</u>	<u>12,419,851</u>	

7. DIRECT COSTS

	Education	Nursery	Total 2018	Total 2017
Pension finance costs	101,400	-	101,400	60,000
Educational supplies	510,153	3,528	513,681	302,509
Staff development	110,864	520	111,384	71,623
Other costs, including educational visits	315,545	1,175	316,720	192,493
Supply teachers	316,340	12,651	328,991	241,671
(Profit) / Loss on disposal of fixed assets	854	-	854	1,067
Wages and salaries	7,128,963	445,981	7,574,944	5,870,277
National insurance	615,674	29,245	644,919	504,281
Pension cost	1,763,457	112,696	1,876,153	1,316,660
Depreciation	644,410	-	644,410	518,193
	<u>11,507,660</u>	<u>605,796</u>	<u>12,113,456</u>	<u>9,078,774</u>
Total 2017	<u>8,771,866</u>	<u>306,908</u>	<u>9,078,774</u>	

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8. SUPPORT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension finance costs	28,600	-	28,600	36,000
Other educational, including school improvements	100,073	5,022	105,095	209,268
Recruitment and support	8,194	-	8,194	17,214
Maintenance of premises and equipment	253,802	-	253,802	226,187
Cleaning	134,603	1,838	136,441	104,616
Rent, rates and refuse disposal	124,965	-	124,965	101,271
Energy costs	154,096	-	154,096	109,004
Insurance	149,330	-	149,330	107,817
Security and transport	28,090	-	28,090	23,748
Catering	513,374	12,708	526,082	421,589
Technology costs	238,728	840	239,568	194,773
Office overheads	63,930	772	64,702	48,885
Other support, including local authority services	195,673	5,778	201,451	147,221
Bank charges	932	-	932	630
Governance	160,363	-	160,363	76,540
Wages and salaries	1,514,167	-	1,514,167	1,028,628
National insurance	84,279	-	84,279	53,144
Pension cost	476,412	-	476,412	333,889
Depreciation	140,328	-	140,328	100,653
	<u>4,369,939</u>	<u>26,958</u>	<u>4,396,897</u>	<u>3,341,077</u>
Total 2017	<u>3,304,463</u>	<u>36,614</u>	<u>3,341,077</u>	

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	784,738	618,846
Auditors' remuneration - audit	23,200	20,000
Auditors' remuneration - non-audit	3,575	2,900
Operating lease rentals	41,806	24,967
	<u>853,319</u>	<u>666,713</u>

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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	9,031,311	6,898,905
Social security costs	729,198	557,425
Operating costs of defined benefit pension schemes	2,352,565	1,650,549
	12,113,074	9,106,879
Agency staff costs	328,991	241,671
Staff settlement costs	57,800	-
	12,499,865	9,348,550

Staff settlement costs comprise:

	2018	2017
	£	£
Settlement payments	57,800	-

The settlement costs above relate to costs incurred for 3 non-statutory/non-contractual settlement payments in the year. Individually, the payments were: £5,000 made on 30/1/2018; £12,800 made on 7/2/2018 and £40,000 made on 2/2/2018.

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	159	126
Administration and support (including teaching assistants)	375	318
Management	29	24
	563	468

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	109	92
Administration and support (including teaching assistants)	150	121
Management	27	21
	286	234

c. Higher paid staff

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

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10. STAFF COSTS (continued)

	2018	2017
	No.	No.
In the band £60,001 - £70,000	6	4

d. Key management personnel

The key management personnel of the Trust comprise trustees (who do not receive remuneration for their role as trustee) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,231,126 (2017: £852,900 excluding employer national insurance contributions). Due to the expansion of the Trust, the number of individuals included within the Senior Management Team has risen from 14 to 18.

11. TRUSTEES' AND OFFICERS' INSURANCE

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

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**NOTES TO THE FINANCIAL STATEMENTS
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12. CENTRAL SERVICES

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

- Strategic governance
- Management of the academy conversion process
- Co-ordination and support for all school improvement, including developing the Christian distinctiveness of schools and Philosophy 4 Children training
- Academy audits and leadership and management events
- Tendering and procurement of contracts
- Support with all financial matters, including assessment software and all financial software
- Co-ordination of all returns to the Education and Skills Funding Agency
- Bid writing
- Support with Estate Management, including condition surveys and 5 year estate development plans
- Management of the Charitable Company, including Company Secretarial role
- Occupational Health and Employee Assistance Programme subscription for all staff
- Apprenticeship levy charges
- Management of capital projects
- Human Resources guidance, support and DBS checks
- Facilitation of peer reviews and safeguarding audits

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

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Clearwater C of E Primary Academy	22,225	-
Coaley C of E Primary Academy	7,329	-
Dursley C of E Primary Academy	50,165	49,783
Field Court C of E Infant Academy	45,627	46,984
Hardwicke Parochial Primary Academy	71,630	67,973
Lakefield C of E Primary School	34,888	35,344
Longney C of E Primary Academy	19,690	19,631
Minchinhampton C of E Primary Academy	52,095	51,302
North Cerney C of E Primary Academy	13,208	13,020
Primrose Hill C of E Primary Academy	37,416	38,270
St James C of E Primary School	61,640	26,097
St John's C of E Primary Academy	35,986	-
St Lawrence C of E Primary School	17,257	-
Whiteshill Primary School	18,246	17,599
Winchcombe Abbey C of E Primary School	43,006	42,863
	530,408	408,866
Total	530,408	408,866

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**NOTES TO THE FINANCIAL STATEMENTS
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13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services provided undertaking the role of Chief Executive Officer, and not in respect of services as trustee. Other trustees did not receive any payments, other than expenses from the Trust in respect of their role as trustees. The value of trustees' remuneration including pension contributions in respect of defined benefit schemes in the year was as follows; Mrs R Howie £40,000 - £45,000 (2017: £40,000 - £45,000), Employer's pension contributions £5,000 - £10,000 (2017: £0 - £5,000).

During the year ended 31 August 2018, expenses totalling £97 (2017: £579) were reimbursed to 1 Trustee (2017: 1).

14. TANGIBLE FIXED ASSETS

	Long term land & property £	Plant and equipment £	Total £
COST			
At 1 September 2017	30,630,904	408,854	31,039,758
Additions	316,804	221,933	538,737
Transfer on conversion	5,737,619	80,954	5,818,573
Disposals	-	(1,424)	(1,424)
At 31 August 2018	<u>36,685,327</u>	<u>710,317</u>	<u>37,395,644</u>
DEPRECIATION			
At 1 September 2017	2,063,538	212,087	2,275,625
Charge for the year	624,085	160,653	784,738
Transfer on conversion	125,363	57,833	183,196
On disposals	-	(570)	(570)
At 31 August 2018	<u>2,812,986</u>	<u>430,003</u>	<u>3,242,989</u>
NET BOOK VALUE			
At 31 August 2018	<u>33,872,341</u>	<u>280,314</u>	<u>34,152,655</u>
At 31 August 2017	<u>28,567,366</u>	<u>196,767</u>	<u>28,764,133</u>

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

St John's C of E Academy was valued at £1,578,637, based on cost in the prior year financial statements with accumulated depreciation of £125,363 at the date of transfer, by the Trust on 1 September 2017.
Coaley C of E Primary Academy was valued at £914,501 by the Trust on 1 February 2018.
St Lawrence C of E Primary School was valued at £3,244,481 by the Trust on 1 March 2018.

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15. DEBTORS

	2018	2017
	£	£
Trade debtors	15,093	9,584
Accrued capital funding	54,125	50,512
VAT recoverable	85,520	52,385
Other debtors	6,397	28,764
Prepayments and accrued income	328,425	226,323
	<u>489,560</u>	<u>367,568</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	274,856	392,182
Other taxation and social security	171,987	142,676
Pension liability	211,684	163,002
Other creditors	303,540	298,587
Accruals and deferred income	434,593	461,131
	<u>1,396,660</u>	<u>1,457,578</u>

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	360,933	328,417
Resources deferred during the year	364,113	360,933
Amounts released from previous years	(360,933)	(328,417)
Deferred income at 31 August 2018	<u>364,113</u>	<u>360,933</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 2018/19.

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

	2018	2017
	£	£
Salix loans	20,889	22,819

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

	2018	2017
	£	£
Repayable by instalments	7,847	9,783

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

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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	1,241,096	1,273,511	(1,081,305)	-	-	1,433,302
RESTRICTED 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)
	(4,093,129)	14,145,148	(14,643,456)	(47,442)	868,000	(3,770,879)
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
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
	29,102,060	5,794,656	(785,592)	47,442	-	34,158,566
Total restricted funds	25,008,931	19,939,804	(15,429,048)	-	868,000	30,387,687
Total of funds	26,250,027	21,213,315	(16,510,353)	-	868,000	31,820,989

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

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

Restricted funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs. During the year £21,532 (2017: £56,421) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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

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

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

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

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

VSF Expansion Grant - Income received to enable the central team to grow in order to support the increased number of academies within the Trust.

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

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

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

Other restricted funds - This comprises restricted donations received (£116,109), funds arising from the transfer of St. John's C of E Primary Academy (£53,628), and rent grants (£17,097).

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.

Fixed asset funds

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

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

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

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

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

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18. STATEMENT OF FUNDS (continued)

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.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Central Services	516,681	541,306
Clearwater C of E Primary Academy	257,174	-
Coaley C of E Primary Academy	9,116	-
Dursley C of E Primary Academy	43,603	36,932
Field Court C of E Infant Academy	298,577	287,459
Hardwicke Parochial Primary Academy	195,801	93,732
Lakefield C of E Primary School	215,812	185,253
Longney C of E Primary Academy	127,351	76,930
Minchinhampton C of E Primary Academy	115,506	59,610
North Cerney C of E Primary Academy	37,598	14,348
Primrose Hill C of E Primary Academy	73,102	100,827
St James C of E Primary School	117,311	122,333
St John's C of E Primary Academy	115,396	-
St Lawrence C of E Primary School	124,067	-
Whiteshill Primary School	43,572	47,024
Winchcombe Abbey C of E Primary School	114,756	61,213
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	2,405,423	1,626,967
Restricted fixed asset fund	34,158,566	29,102,060
Pension reserve	(4,743,000)	(4,479,000)
	<hr/>	<hr/>
Total	31,820,989	26,250,027
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THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Central Services	-	808,586	8,020	371,449	1,188,055	689,475
Clearwater C of E Primary Academy	181,925	47,473	17,814	57,506	304,718	-
Coaley C of E Primary Academy	122,372	22,469	9,195	46,621	200,657	-
Dursley C of E Primary Academy	1,117,205	182,527	35,896	259,319	1,594,947	1,274,975
Field Court C of E Infant Academy	1,006,013	171,860	51,101	246,005	1,474,979	1,545,209
Hardwicke Parochial Primary Academy	1,279,992	191,015	69,656	225,967	1,766,630	1,803,864
Lakefield C of E Primary School	691,672	136,834	31,665	190,091	1,050,262	1,001,880
Longney C of E Primary Academy	329,409	51,992	24,023	112,481	517,905	513,819
Minchinhampton C of E Primary Academy	893,928	161,980	45,099	263,681	1,364,688	1,305,063
North Cerney C of E Primary Academy	241,662	37,136	22,506	88,685	389,989	370,388
Primrose Hill C of E Primary Academy	661,059	144,657	20,539	184,453	1,010,708	983,793
St James C of E Primary School	1,189,036	189,519	52,891	291,822	1,723,268	691,790
St John's C of E Primary Academy	589,947	211,339	49,207	188,623	1,039,116	-
St Lawrence C of E Primary School	298,352	64,960	11,832	74,408	449,552	-
Whiteshill Primary School	318,907	45,688	22,903	105,485	492,983	466,843
Winchcombe Abbey C of E Primary School	770,537	140,826	41,334	203,607	1,156,304	1,152,839
	<u>9,692,016</u>	<u>2,608,861</u>	<u>513,681</u>	<u>2,910,203</u>	<u>15,724,761</u>	<u>11,799,938</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General Funds	735,524	979,647	(674,313)	200,238	-	1,241,096
RESTRICTED FUNDS						
General Annual Grant (GAG)	91,394	8,998,378	(8,902,905)	(56,421)	-	130,446
Pupil premium	-	520,398	(520,398)	-	-	-
Start up grant	-	50,000	(50,000)	-	-	-
Other ESFA grants	-	186,192	(123,987)	(17,697)	-	44,508
Other Local Authority grants	-	137,308	(137,308)	-	-	-
VSF Establishment	200,238	-	-	(200,238)	-	-
VSF Expansion	-	145,970	(36,526)	-	-	109,444
Higher Needs	-	272,305	(272,305)	-	-	-
School Trip income	785	182,270	(183,055)	-	-	-
Universal Infant Free School Meals	-	408,614	(408,614)	-	-	-
Clearwater	-	220,000	(118,527)	-	-	101,473
Pension reserve	(3,643,000)	(1,154,000)	(372,000)	-	690,000	(4,479,000)
	<u>(3,350,583)</u>	<u>9,967,435</u>	<u>(11,125,625)</u>	<u>(274,356)</u>	<u>690,000</u>	<u>(4,093,129)</u>
RESTRICTED FIXED ASSET FUNDS						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	19,450,773	6,094,910	(444,545)	(10,927)	-	25,090,211
Fixed assets purchased from GAG and other restricted funds	182,945	73,714	(77,501)	96,194	-	275,352
Local Authority grants	1,250,924	417	(28,171)	(8,649)	-	1,214,521
ACMF Funding	937,241	-	(22,810)	-	-	914,431
Condition Improvement Fund	1,018,838	567,915	(30,134)	-	-	1,556,619
Fixed Asset Donations	36,471	33,707	(16,752)	(2,500)	-	50,926
	<u>22,877,192</u>	<u>6,770,663</u>	<u>(619,913)</u>	<u>74,118</u>	<u>-</u>	<u>29,102,060</u>
Total restricted funds	<u>19,526,609</u>	<u>16,738,098</u>	<u>(11,745,538)</u>	<u>(200,238)</u>	<u>690,000</u>	<u>25,008,931</u>
Total of funds	<u>20,262,133</u>	<u>17,717,745</u>	<u>(12,419,851)</u>	<u>-</u>	<u>690,000</u>	<u>26,250,027</u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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)
	<u>1,433,302</u>	<u>(3,770,879)</u>	<u>34,158,566</u>	<u>31,820,989</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	4,702,962	5,297,894
Adjustment for:		
Depreciation charges	784,738	602,583
Interest received	(1,776)	(1,490)
Loss on the sale of fixed assets	854	-
(Increase)/decrease in debtors	(106,745)	276,197
(Decrease)/increase in creditors	(122,854)	218,038
Capital grants from DfE and other capital income	(159,279)	(673,503)
Defined benefit pension scheme cost less contributions payable	521,000	276,000
Defined benefit pension scheme finance cost	130,000	96,000
Net assets transferred on conversion or on joining the Trust	(5,355,781)	(5,215,660)
Net cash provided by operating activities	<u>393,119</u>	<u>876,059</u>

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	3,339,323	3,077,723
	3,339,323	3,077,723

22. SCHOOLS JOINING THE TRUST

On 1 September 2017 St John's Church of England Academy joined The Diocese of Gloucester Academies Trust from being a single unit Academy.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Transfer from existing Academy

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Land and buildings	-	-	1,453,274	1,453,274
- Other tangible fixed assets	-	-	23,121	23,121
Budget surplus/(deficit) on LA funds	-	53,629	-	53,629
Budget surplus/(deficit) on other school funds	18,892	-	-	18,892
LGPS pension surplus/(deficit)	-	(316,000)	-	(316,000)
Net assets/(liabilities)	18,892	(262,371)	1,476,395	1,232,916

The above net assets include £117,280 that was transferred as cash.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. SCHOOLS JOINING THE TRUST (continued)

On 1 February 2018 Coaley 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 headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer on conversion

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Land and buildings	-	-	914,501	914,501
Budget surplus/(deficit) on LA funds	6,543	-	-	6,543
Budget surplus/(deficit) on other school funds	2,689	-	-	2,689
LGPS pension surplus/(deficit)	-	(11,000)	-	(11,000)
	<u>9,232</u>	<u>(11,000)</u>	<u>914,501</u>	<u>912,733</u>
Net assets/(liabilities)	<u>9,232</u>	<u>(11,000)</u>	<u>914,501</u>	<u>912,733</u>

The above net assets include £9,232 that was transferred as cash.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. CONVERSION TO THE ACADEMY TRUST (continued)

On 1 March 2018 St Lawrence 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 headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer on conversion

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Land and buildings	-	-	3,244,481	3,244,481
Budget surplus/(deficit) on LA funds	48,423	19,817	-	68,240
Budget surplus/(deficit) on other school funds	51,411	-	-	51,411
LGPS pension surplus/(deficit)	-	(154,000)	-	(154,000)
	<u>99,834</u>	<u>(134,183)</u>	<u>3,244,481</u>	<u>3,210,132</u>
Net assets/(liabilities)	<u>99,834</u>	<u>(134,183)</u>	<u>3,244,481</u>	<u>3,210,132</u>

The above net assets include £119,651 that was transferred as cash.

23. CAPITAL COMMITMENTS

At 31 August 2018 the Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>221,832</u>	<u>670,960</u>

The Trust is committed to £8,000 capital work at Minchinhampton. A further £213,832 relates to Clearwater Church of England Primary Academy which opened on 1 September 2017, this commitment is being funded by the ESFA.

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £211,684 were payable to the schemes at 31 August 2018 (2017: 163,002) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £850,967 (2017: £676,812).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The

**THE DIOCESE OF GLOUCESTER ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,074,000 (2017: £773,000), of which employer's contributions totalled £879,000 (2017: £637,000) and employees' contributions totalled £195,000 (2017: £136,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4 years	22.4 years
Females	24.6 years	24.6 years
Retiring in 20 years		
Males	24.0 years	24.0 years
Females	26.4 years	26.4 years

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate -0.5%	1,389,000	1,061,000
CPI rate +0.5%	1,187,000	870,000

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,529,000	3,118,000
Bonds	1,378,000	823,000
Property	525,000	303,000
Cash and other liquid assets	131,000	87,000
	<u>6,563,000</u>	<u>4,331,000</u>

The actual return on scheme assets was £361,000 (2017: £593,000).

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

	2018 £	2017 £
Current service cost	(1,400,000)	(913,000)
Interest income	141,000	68,000
Interest cost	(271,000)	(164,000)
	<u>(1,530,000)</u>	<u>(1,009,000)</u>
Actual return on scheme assets	<u>361,000</u>	<u>593,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	8,810,000	6,418,000
Liabilities transferred upon conversion	1,542,000	1,673,000
Current service cost	1,400,000	913,000
Interest cost	271,000	164,000
Employee contributions	195,000	136,000
Actuarial gains	(818,000)	(403,000)
Benefits paid	(94,000)	(91,000)
	<u>11,306,000</u>	<u>8,810,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	4,331,000	2,775,000
Assets transferred upon conversion	939,000	519,000
Interest income	141,000	68,000
Actuarial gains	172,000	287,000
Employer contributions	879,000	637,000
Employee contributions	195,000	136,000
Benefits paid	(94,000)	(91,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	6,563,000	4,331,000
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25. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	25,284	21,533
Between 1 and 5 years	52,479	43,213
	<hr/>	<hr/>
Total	77,763	64,746
	<hr/> <hr/>	<hr/> <hr/>

26. RELATED PARTY TRANSACTIONS

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

During the year the Trust received Voluntary Schools Fund support of £145,970 (2017: £145,970). In addition to this the Trust received rent support of £17,097 (2017: £Nil) from the Gloucester Diocesan Board of Finance and made payments to the Gloucester Diocesan Board of Finance of £3,090 (2017: £5,661).

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**NOTES TO THE FINANCIAL STATEMENTS
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27. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	3,569,801	3,269,597
Financial liabilities measured at amortised cost	648,876	715,034

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 and accruals.

28. MEMBERS' LIABILITY

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

29. ULTIMATE CONTROLLING PARTY

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

30. GENERAL INFORMATION

The Diocese of Gloucester Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is 3 College Green, Gloucester GL1 2LR.