

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

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DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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DERBY DIOCESAN ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Trustees	Right Reverend Dr. Alastair Redfern, Chairman (appointed 21 April 2015) Ms Angelina Caulton (appointed 4 April 2014) Mr David John Channon, Chief Executive (appointed 17 February 2015) Mr John Horwood (appointed 4 April 2014) Ms Lisa Jane Bloor (appointed 4 April 2014) Ms Jacqueline Claire Menzies-Conacher (appointed 4 April 2014) Ms Susan Jane Whyld (appointed 4 April 2014) Ms Alison Mary Brown (appointed 19 November 2015) The Right Reverend Humphrey Ivo John Southern (appointed 4 April 2014, resigned 31 March 2015)
Members	The Right Reverend Humphrey Ivo John Southern (resigned 21 April 2015) David John Channon
Company registered number	08980079
Principal and registered office	Church House Full Street Derby Derbyshire DE1 3DR
Independent auditor	Crowe Clark Whitehill LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Company secretary	Mr Jason Nicholas Hampton Michelmores Secretaries Limited
Chief executive officer	Mr David John Channon
Senior management team	Mr David John Channon, CEO Mr Mark Mallender, Director of School Improvement Mr Andrew Martin, Business Director DRB Schools and Academies Limited until 31 August 15, Director of Finance Paul Staniland from 1 September 2015, Director of Finance
Bankers	Lloyds Bank Plc Iron Gate Derby DE1 3FT
Solicitors	Michelmores Woodwater House Pynes Hill Exeter EX2 5WR

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's Report of Derby Diocesan Academy Trust (the Academy Trust) for period 4 April 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The multi-academy trust operates two primary academies for pupils aged up to 11 years old serving the Derbyshire County catchment area. The two academies, Newbold CfE Primary, and Bishop Lonsdale CfE Primary have a pupil capacity of 480 and had a roll of 398 in the school census on January 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy 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 Academy Trust.

The Trustees of Derby Diocesan Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Derby Diocesan Academies Trust.

Details of the Governors who served throughout the period 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 charitable company in the event of it being wound up while they are a member, or within one year after they cease 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

The Academy Trust purchases indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Academy Trust.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are recruited to the board based on their specialist skills and empathy for the ethos of the Trust and its objectives. Trustees and officers nominate new trustees to the members for appointment. Appointments are formally approved by resolution.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New trustees are assessed for experience and knowledge as academy trustees and appropriate induction is provided. Ongoing trustee skills needs assessment is carried out by officers and appropriate training is arranged.

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

The Trust have planned a governance support programme to embed procedures that link the Local Governing Board with the Derby Diocesan Academy Trust Board and to ensure governance remains effective as Derby Diocesan Academy Trust grows. An educational governance consultant and trainer with considerable multi academy trust experience will lead the governance support programme

ORGANISATIONAL STRUCTURE

Governance: The Board of Trustees is responsible for ensuring that the vision, ethos and strategic direction of the Trust are clearly defined and ensuring the sound, proper and effective use of the school's financial resources. Schemes of delegation and authorisation limits are set out in the Trust's financial regulations.

Management: The Trust's day to day operations are managed by the Accounting Officer and a project management team.

Academy Governance: Each Academy is governed by a local governing body. The functions of the governing body include:

- ensuring that the vision, ethos and strategic direction of the school are clearly defined
- ensuring that the headteacher performs his or her responsibilities for the educational performance of the school
- ensuring the sound, proper and effective use of the school's financial resources

The principal/headteacher's responsibilities at each academy include:

- the internal organisation, management and control of the school; and
- the educational performance of the school

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Trust chairman is the Bishop of Derby and the Trust CEO is the director of the Derby Diocese Board of Education. The Diocese Board of Education chaired by the Bishop of Derby have donated the services of its director and school improvements manager to Derby Diocesan Academy Trust to carry out the duties of the CEO and school improvement officer.

The same related party arrangement exists with Derby Diocesan Academies Trust 2 (DDAT 2). Derby Diocesan Academies Trust 2 is governed by the same Trustees as Derby Diocesan Academy Trust.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The Trust's aim is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and

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

- other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Derby Diocese Board of Education (DBE) has established a multi-academy trust "to provide the best possible education for the pupils in their care based on the Christian principle that Every Child Matters to God."

Derby Diocesan Academy Trust (DDAT) has been approved by the DFE as an academy sponsor. DDAT will support schools with an exceptional school improvement strategy, it will look after the business elements of running an academy, and protect the distinctively Christian nature of each school.

DDAT aims to:

- provide children with excellent educational provision
- rapidly improve under-performing schools
- develop effective school-to-school support
- build strong relationships and promote work with external partners
- raise aspirations and tackle disadvantage so that no pupil is failed by their school

The purpose of DDAT is to secure rapid and sustained improvement for every academy it sponsors, and to sustain and build on the improvement of our converter academies. DDAT is rooted fully in the distinctively Christian and inclusive ethos of the MAT, DBE and the wider Diocese. DDAT will enable schools to work together, share expertise and maximise resources. Our vision is for a family of DDAT academies that offers an outstanding learning experience for every child that will enable them to reach their full potential in mind, body and spirit, thereby genuinely Changing Their Lives.

DDAT follow a number of guiding principles:

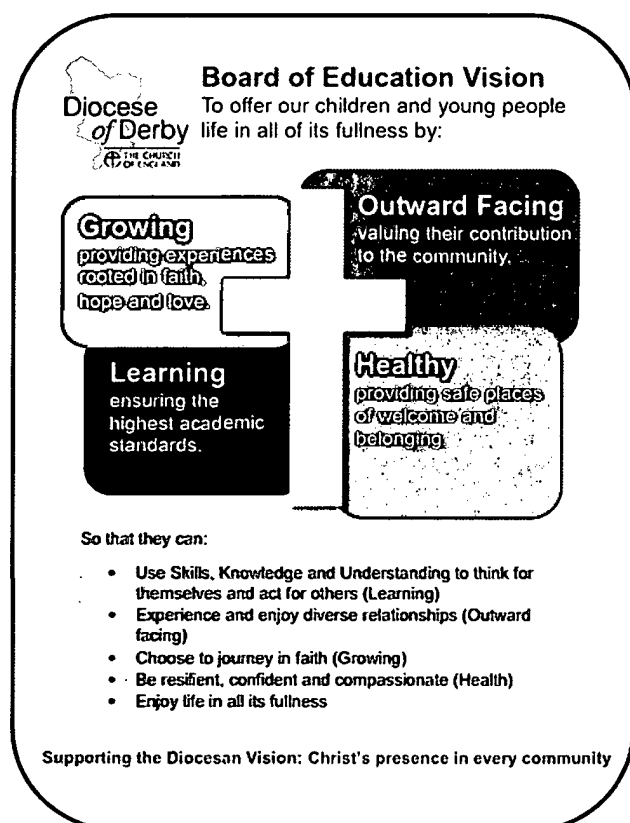
- To promote an educational community based on love and inclusivity, providing a beacon of hope where all can flourish.
- To foster, maintain and celebrate Christian distinctiveness in our schools.
- To ensure that our academies are centres of excellence with a focus on the nurture and achievement of all their members.
- To promote mutual support, encouragement and benefit between all our academies.
- To develop future and aspirational thinking based on our educational heritage and to make use of the latest research in pedagogy and child development.
- To support the nurture and respect of God's creation with a close focus on the sustainability agenda.
- All human beings are made in the image of God. Each child is a unique human being, made by God and loved by him, and worth the highest possible standards of education and care and the closest attention to what will enable them to flourish.
- We must ensure that 'every child and young person has a life enhancing encounter with the Christian faith'.
- To recognise and enable those who often remain invisible, through ethnic or cultural disadvantage, or through disability or poverty.

Church schools have a particular vocation to the poor and vulnerable, to enable them through education to Change Their Lives.

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DDAT have adopted the wider vision of the Diocesan Board of Education:



School Improvement Strategy

DDAT have a structured approach to school improvement. An educational audit of the school prior to conversion will highlight areas where, and to what level, the MAT board, through the School Improvement Director, will support the school post conversion. The level of support will depend on the category which either Ofsted or the MAT board, place the school.

DDAT have clear criteria based on Ofsted/DfE requirements and local knowledge in order to place a school at one of three levels based on its developmental state. The level will not necessarily be the same as the most recent Ofsted judgment but will be based on ongoing assessment resulting from school improvement visits. There will be at least 6 such visits each year by the Director of School Improvement or the Senior School Improvement Officer.

The key to the DDAT school improvement model is that the school is not judged by its last Ofsted inspection. This could have been as long as 8 years ago. Experience has shown that schools may have fallen from Outstanding to Inadequate in one Ofsted cycle. Such schools may have received little, if any, outside scrutiny because they were deemed as outstanding and therefore given considerable autonomy by the maintaining authority.

DDAT has an approach to ensure that this cannot happen. Within DDAT, autonomy is earned, but there is still external scrutiny and rigour – at least 6 times a year. If a 'grade 1' academy is showing signs of decline then the board will re-categorise the school. This will result in the necessary intervention to stop the school declining any further and putting it back on track to achieve outstanding outcomes. DDAT would, in such circumstances, increase the management fee it receives from the school in order to put more support and challenge in back in

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where it is needed. The decision-making powers that the school has would be reduced.

Equally, when an academy has evidenced improvement, more autonomy is handed back to local governors – they can make more decisions independently, the intensity and frequency of the support and challenge would reduce and the management would also reduce as less support and challenge will be needed. However, the academy will still be monitored rigorously at least every 6 weeks.

Each school is aiming to become outstanding, but the barriers to this in each school can be very different. Therefore, DDAT do not produce an action plan to fit all academies, but instead produce bespoke action plans to bring about rapid improvement in those academies that need it or to ensure that the high standards are maintained in the outstanding schools.

This approach ensures early intervention in all schools before it is too late to protect the interests of the children.

Future Challenges

- Ensuring that the DDAT brand continues to represent something that is distinctively Christian within this professional context.
- Keep the focus on rigorous school improvement as set out in our 3-level approach so that all schools remain or become good or better.
- Managing growth and resisting the temptation to grow too quickly.
- Reframing future organisational structures now that Umbrella Trusts are no longer favoured.
- Managing the vagaries of school demand to join DDAT in an ever changing and diverse local and national context.
- Building our own staff team so that DDAT are less dependent upon third parties, particularly with regard to finance and aspects of HR.
- Managing Single Status and Equal pay issues across two Local Authorities with different strategies and approaches to community and church schools.
- Manage equal pay issues for staff working for both DBE and DDAT.
- Developing and maintaining positive links with Unions
- Ensuring that the continuing professional development for all of our staff team is up-to-date and relevant.

PUBLIC BENEFIT

Derby Diocesan Academy Trust provides significant public benefit through the dedicated school improvement programme. This programme will improve the quality of teaching and learning in the Derby and Derbyshire catchment area. The aims and objectives described earlier detail how the work of the Trust provide public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key Achievements

- A pipeline of schools has shown a continuing interest in joining the trust in future.
- The Trust has been able to support small schools and has two schools with fewer than 80 pupils as well as schools with 200-300 pupils.
- The overall effectiveness of schools within the trust is well balanced and includes two that are currently Outstanding.
- One school that had governors replaced with an IEB has not been lost by the diocese because DDAT were deemed able to support the school.
- The majority of schools choosing to convert to DDAT have done so after the majority of parents, who

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- expressed a preference, were in favour of conversion.
- Community (Non CE) schools have shown an interest in joining the Trust and an Academy Order for our first community school has been received.
 - The Trust has been asked to help facilitate training by both the DfE, via the Regional Schools Commissioner and also the National Society for the Church of England.
 - The Trust is represented in two Teaching School Alliances.

Bishop Lonsdale C of E Primary

We joined DDAT as its first academy on 1 June 2014. Since then the support we have had has enabled us to move towards being an OFSTED graded 'Good' school.

In 2014-15 we worked hard to improve the quality of teaching and Learning across the school in order to improve the outcome for our pupils.

As a result of this work we ensured that children in this school on average made better than expected progress in Reading, Writing and Maths in all year groups. Our results at the end of the year showed that we achieved better than the national for our GLD achieved in EYFS, our phonics screening pass rate and our number of children making at least expected progress in Reading, Writing and maths at the end of Key Stage 2.

In 2015-16 we will continue to focus on improving the quality of teaching, but our main area for development will be improving the outcomes in SPAG at the end of Key Stage 2.

Newbold CFC Primary

Newbold CE Primary School has had a successful year as we have adapted well to becoming an academy within DDAT and experienced a number of changes, not least in leadership.

In particular, our school has managed a successful transition to assessment without levels, seen excellent outcomes for SEND pupils, and made improvements to the way in which the pupil premium funding is allocated which is having a direct impact on outcomes for children.

The school recently underwent a SIAMS inspection and achieved 'good' across all four areas of assessment. We have also completed a whole-school review (undertaken by the DDAT school improvement team) which was very positive and which highlighted areas for further improvement which were already a focus for the school. The collective worship at Newbold CE Primary School has been highlighted as particularly strong, and as a result our Headteacher has been invited to share the strengths of our provision with the Diocese Church Heads group.

Looking to the future, the school is now reviewing the Senior Leadership structure with a view to adding capacity and strategic direction which will help embed the rapid school improvement already seen. Our school is delighted with the support provided by the DDAT school improvement team and we welcome the additional support and advice provided by Declan McCauley.

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KEY PERFORMANCE INDICATORS

Results of the 2015 key stage 2 assessments are shown below:

	L4+ M	L4+ R	L4+Wri	L4+SPAG
Bishop Lonsdale	77%	87%	81%	58%
Newbold	90%	87%	83%	83%

GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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 Accounting Policies.

FINANCIAL REVIEW

The main sources of income for the Academy Trust are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy Trust's accounting policies.

During the period ended 31 August 2015, total expenditure of £2,833,448 was covered by recurrent grant funding from the DfE together with other incoming resources. The surplus of income over expenditure for the year (excluding restricted fixed asset funds) was £84,017. These figures exclude the deficit on the Local Government Pension Scheme (see note 25 to the accounts)

At 31 August 2015 the net book value of fixed assets was £4,080,717 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

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

RESERVES POLICY

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy is holding reserves at 31 August 2015 of £3,746,762.

This comprises:

Restricted Funds deficit of £412,024

Unrestricted Funds of £43,041

Restricted Fixed Asset Funds of £4,115,745

Restricted Funds comprises:

£40,976 general funds to support the academy's budget in 2015-16

£453,000 is the deficit on the defined benefit pension scheme.

The free reserves of the Academy Trust are £84,017 at 31 August 2015.

The Trustees have reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy Trust to continue to operate within its financial resources, and to cover unexpected urgent work.

Specific use to which the respective funds can be applied are detailed in note 19.

INVESTMENT POLICY

A return on working capital shall be optimised whilst allowing easy access of the funds. In balancing risk against return the academy policy is geared towards avoiding risk rather than to maximise return. The Academies current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest.

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TRUSTEES' REPORT (continued)
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PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees review a register of principle risks at each meeting and receive a report from officers how the risks are being alleviated. The principle risks are listed in the table below:

Trust Capacity	The requirements of conversion projects, and new schools joining the Trust, will make significant demands on Trust capacity at times which carries the risk of poor performance, key deadlines being missed and reputational damage.
Governance	Trust may be unable to recruit individuals to the Local Governing Bodies who possess the required skills and knowledge. This results in poor performance, a lack of local context in the management of the school and disengagement with the local community.
Growth	DDAT's current strong reputation with the Department for Education as an Academy Sponsor is compromised and growth is halted.
Demand & Viability	Insufficient pupil demand for charity's services leaves it unsustainable.
Competition	Presence of other organisations with similar objects and little scope for differentiation.
Strategic & Reputational	Risk of the impact an uncontrollable event will have on the charity e.g. fire, flood, oil crisis, war, recession.
HR	Failure to comply with employment law- e.g. unfair dismissal of an employee - attracts adverse publicity.
Governance	Committees not established with delegated authority, e.g. finance, personnel etc.
HR	Key person loss/succession risk.
HR	Recruitment risk - recruiting an individual not capable of performing duties and/or unsuitable to work with children.
Operational	Risk health and safety and/or employment legislation is not adhered to at schools.
Finance	Risk that school and/or Trust budgets will be in deficit.
Finance	Risk that actual performance is not measured against budget on a regular basis.
Operational	Risk that assets built by contractors do not meet specifications, or actual cost exceeds budget.
Finance	Risk that charity has entered into future commitments without having the future funding available to meet them.

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TRUSTEES' REPORT (continued)
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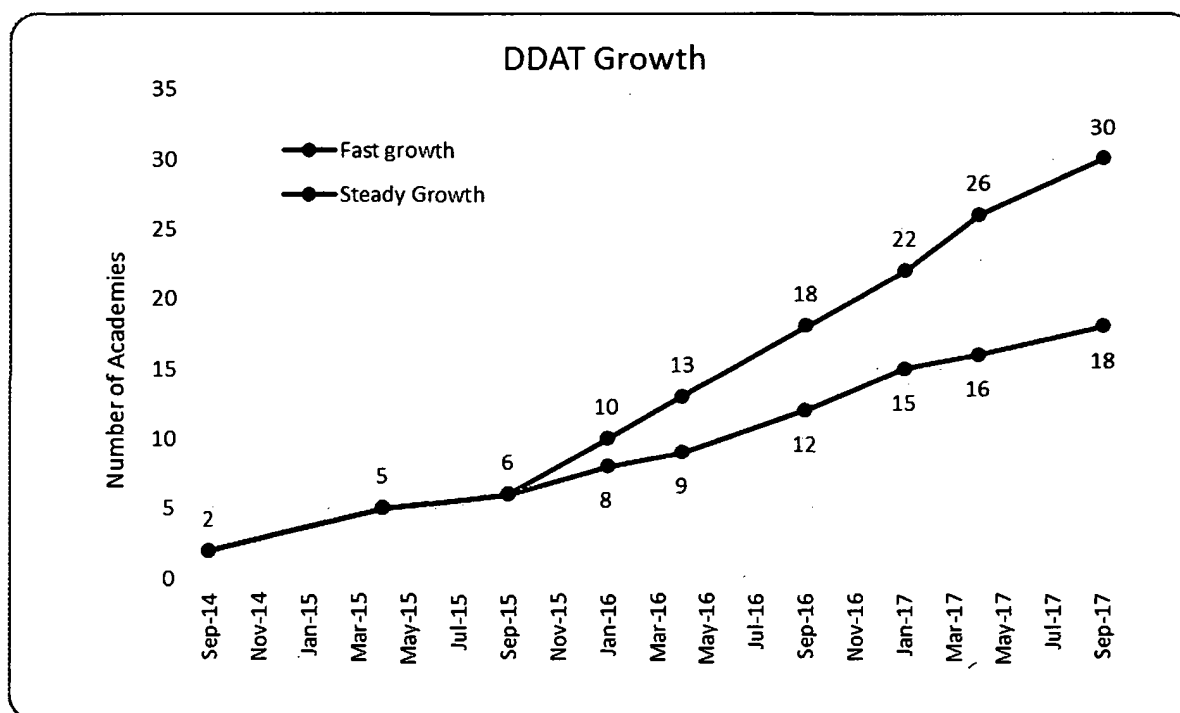
RISK MANAGEMENT

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

The joint boards of DDAT and DDAT 2 plan to grow the number of academies as shown in the 'Fast growth' line in the chart below. This is achievable given the appetite of local schools to join DDAT and the current government's position regarding academies. The 'steady growth' line reflects the minimum rate of growth expected, if external factors slow the rate of academisation in Derbyshire.



Sustainable and quick growth for the next 2 years will allow DDAR to embed its school improvement capacity and operational support functions through increased revenue contributions and a larger school leadership pool.

Our intention is to balance further sponsored academies with Good/Outstanding schools from our pipeline. This is essential to our core principles and how we plan to deliver rapid and sustainable improvements.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no Funds held as Custodian Trustee on behalf of others.

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DISCLOSURE OF INFORMATION TO AUDITOR

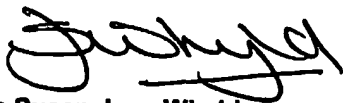
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

AUDITOR

The auditor, Crowe Clark Whitehill LLP, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the Strategic Report, was approved by order of the board of trustees, as the company directors, on 4 December 2015 and signed on the board's behalf by:



Ms Susan Jane Whyld
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Derby Diocesan Academy 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, 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 Derby Diocesan Academy Trust and the Secretary of State for Education. They are 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 Trustees' Responsibilities Statement. The board of trustees has formally met 11 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Right Reverend Dr. Alastair Redfern, Chairman	3	4
Ms Angelina Caulton	5	11
Mr David John Channon, Chief Executive	5	5
Mr John Horwood	8	11
Ms Lisa Jane Bloor	6	11
Ms Jacqueline Claire Menzies-Conacher	8	11
Ms Susan Jane Whyld	9	11
The Right Reverend Humphrey Ivo John Southern	0	0

Governance reviews:

The Governors intend to undertake a Self Evaluation Review of their effectiveness during the next 12 months.

REVIEW OF VALUE FOR MONEY

As accounting officer the chief executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- by implementing the Trusts highly regarded school improvement service it ensures that public funds are used effectively and efficiently to improve teaching and learning.
- actively encouraging collaboration between academies and other Church of England schools in Derbyshire and Derby to share best practice and mutual support to deal with issues assists the continuing improvement in pupil attainment
- Implementing joint purchasing for the academies and use of third party assessors to get the best value for money

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Derby Diocesan Academy Trust for the period 4 April 2014 to 31 August 2015 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 Academy 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 Academy Trust's significant risks, that has been in place for the period 4 April 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy 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 Board of 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.

During the forthcoming year, the governing body will continue to appoint independent appropriately qualified personnel to check financial controls, systems and risks.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- review of contracts procedures
- review of the purchasing procedure
- review of the capital grant expenditure
- review of DFE receipts and agreed to supporting documentation
- review of procedures and posting of receipts
- agreement of monthly payroll posting and investigation of any differences in salary against budget
- review of monthly reconciliations
- review of reports submitted to the EFA and Governors and agreed to supporting documentation

Going forward on a termly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the external auditor;
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 4 December 2015 and signed on its behalf, by:


Ms Susan Jane Whyld
Trustee


Mr David John Channon
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Derby Diocesan Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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 Academy Trust's funding agreement and the Academies Financial Handbook (2014).

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


Mr David John Channon
Accounting Officer

Date: 4 December 2015

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

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

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

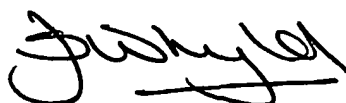
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 4 December 2015 and signed on its behalf by:



Ms Susan Jane Whyld
Trustee

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

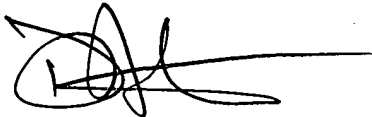
DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Dave Darlaston (Senior Statutory Auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 17 December 2015

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DERBY
DIOCESAN ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Derby Diocesan Academy Trust during the period 4 April 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF DERBY DIOCESAN ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 4 April 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

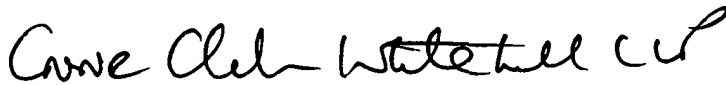
The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DERBY
DIOCESAN ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 4 April 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 17 December 2015

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income - transfer from local authority on conversion	2	38,367	(344,000)	4,048,000	3,742,367
Other voluntary income	2	-	20,749	-	20,749
Activities for generating funds	3	54,312	-	-	54,312
Investment income	4	502	-	-	502
Incoming resources from charitable activities	5	67,491	2,601,349	156,440	2,825,280
TOTAL INCOMING RESOURCES		160,672	2,278,098	4,204,440	6,643,210
RESOURCES EXPENDED					
Charitable activities		117,631	2,619,540	88,695	2,825,866
Governance costs	9	-	7,582	-	7,582
TOTAL RESOURCES EXPENDED	6	117,631	2,627,122	88,695	2,833,448
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		43,041	(349,024)	4,115,745	3,809,762
Actuarial gains and losses on defined benefit pension schemes		-	(63,000)	-	(63,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		43,041	(412,024)	4,115,745	3,746,762
<i>Total funds at 1 September 2014</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015		43,041	(412,024)	4,115,745	3,746,762

All of the Academy Trust's activities derive from acquisitions in the current financial period.

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


The notes on pages 25 to 47 form part of these financial statements.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08980079

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	15		4,080,717
CURRENT ASSETS			
Debtors	16	142,977	
Cash at bank		285,286	
		<u>428,263</u>	
CREDITORS: amounts falling due within one year	17	<u>(304,373)</u>	
NET CURRENT ASSETS			123,890
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,204,607</u>
CREDITORS: amounts falling due after more than one year	18		<u>(4,845)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			4,199,762
Defined benefit pension scheme liability	25		<u>(453,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>3,746,762</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	19	40,976	
Restricted fixed asset funds	19	4,115,745	
		<u>4,156,721</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(453,000)</u>	
Total restricted funds			3,703,721
Unrestricted funds	19		<u>43,041</u>
TOTAL FUNDS			<u><u>3,746,762</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 4 December 2015 and are signed on their behalf, by:


Ms Susan Jane Whyld
Trustee

The notes on pages 25 to 47 form part of these financial statements.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	2015 £
Net cash flow from operating activities	21	219,681
Returns on investments and servicing of finance	22	502
Capital expenditure and financial investment	22	35,027
Cash transferred on conversion to an academy trust	24	24,908
CASH INFLOW BEFORE FINANCING		280,118
Financing	22	5,168
INCREASE IN CASH IN THE PERIOD		285,286

All of the cash flows are derived from acquisitions in the current financial period.

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

	2015 £
Increase in cash in the period	285,286
Cash outflow from decrease in debt and lease financing	(5,168)
MOVEMENT IN NET FUNDS IN THE PERIOD	280,118
NET FUNDS AT 31 AUGUST 2015	280,118

The notes on pages 25 to 47 form part of these financial statements.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 FUND ACCOUNTING

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

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

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

Investment income is allocated to the appropriate fund.

1.4 INCOMING RESOURCES

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

Grants Receivable

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

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

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

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 RESOURCES EXPENDED

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	- 2% (Straight line)
Fixtures & fittings	- 15% (Straight line)
Computer equipment	- 20% (Straight line)

The leasehold land and buildings are owned by The Derby Diocesan Board of Education. The Trustees of The Derby Diocesan Board of Education have granted the Academies, via a supplemental agreement, the right to use the land and buildings for educational purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

The playing fields adjoining the Academies are owned by The Derbyshire County Council. There is a 125 year lease agreement but the value of the land is not separately identifiable and therefore the land is not being depreciated.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

1.7 TAXATION

The Academy 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 Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Newbold CofE VA Primary School and Bishop Lonsdale Church of England Aided Primary School and Nursery to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Derby Diocesan Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Donated fixed assets	-	4,048,000	4,048,000
Budget surplus on LA funds	38,367	-	38,367
Defined benefit pension scheme deficit	-	(344,000)	(344,000)
	<u>38,367</u>	<u>3,704,000</u>	<u>3,742,367</u>
Donated services	-	20,749	20,749
	<u>38,367</u>	<u>3,724,749</u>	<u>3,763,116</u>

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Music tuition income	3,383	-	3,383
Daycare income	16,289	-	16,289
School improvement service income	27,940	-	27,940
Other income	6,700	-	6,700
	<u>54,312</u>	<u>-</u>	<u>54,312</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Investment income	502	-	502
	<u>502</u>	<u>-</u>	<u>502</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Funding for educational operations	67,491	2,757,789	2,825,280
	<u>67,491</u>	<u>2,757,789</u>	<u>2,825,280</u>

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA revenue grants			
General Annual Grant	-	1,829,076	1,829,076
Capital grants	-	156,440	156,440
Other Dfe/EFA Grant	-	612,104	612,104
	<u>-</u>	<u>2,597,620</u>	<u>2,597,620</u>
Other government grants			
Local authority grants	-	160,169	160,169
	<u>-</u>	<u>160,169</u>	<u>160,169</u>
Other funding			
School Fund Income	24,700	-	24,700
Parental contribution for educational visits	8,453	-	8,453
Catering income	34,338	-	34,338
	<u>67,491</u>	<u>-</u>	<u>67,491</u>
	<u>67,491</u>	<u>2,757,789</u>	<u>2,825,280</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £
Direct costs - Restricted	1,610,530	88,695	107,466	1,806,691
Support costs - Restricted	342,221	-	559,323	901,544
Support costs - Unrestricted	-	-	117,631	117,631
CHARITABLE ACTIVITIES	<u>1,952,751</u>	<u>88,695</u>	<u>784,420</u>	<u>2,825,866</u>
GOVERNANCE	<u>-</u>	<u>-</u>	<u>7,582</u>	<u>7,582</u>
	<u>1,952,751</u>	<u>88,695</u>	<u>792,002</u>	<u>2,833,448</u>

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. DIRECT COSTS

	Restricted £	Total 2015 £
Technology costs	11,451	11,451
Educational supplies	39,583	39,583
Staff development	9,999	9,999
Educational consultancy	24,566	24,566
Other direct costs	21,867	21,867
Wages and salaries	1,332,264	1,332,264
National insurance	100,032	100,032
Pension cost	178,234	178,234
Depreciation	88,695	88,695
	<u>1,806,691</u>	<u>1,806,691</u>

8. SUPPORT COSTS

	Restricted £	Unrestricted £	Total 2015 £
Technology costs	38,162	-	38,162
Recruitment and support	5,013	-	5,013
Maintenance of premises and equipment	34,362	-	34,362
Cleaning	32,898	-	32,898
Rent and rates	24,094	-	24,094
Energy costs	24,474	-	24,474
Insurance	33,170	-	33,170
Security and transport	8,103	-	8,103
Catering	-	85,387	85,387
Other support costs	359,047	32,244	391,291
Wages and salaries	241,349	-	241,349
National insurance	7,915	-	7,915
Pension cost	92,957	-	92,957
	<u>901,544</u>	<u>117,631</u>	<u>1,019,175</u>

DERBY DIOCESAN ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

9. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Auditors' remuneration	-	5,995	5,995
Auditors' non audit costs	-	1,401	1,401
Governance other costs	-	186	186
	<u>-</u>	<u>7,582</u>	<u>7,582</u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £
Depreciation of tangible fixed assets:	
- owned by the charity	88,695
Auditor's remuneration	5,995
	<u>94,690</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £
Wages and salaries	1,491,040
Social security costs	107,947
Other pension costs (Note 25)	271,191
	<u>1,870,178</u>
Supply teacher costs	64,123
Staff restructuring costs	18,450
	<u>1,952,751</u>

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

11. STAFF (continued)

b. Staff numbers

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

	2015
	No.
Management	3
Teachers	23
Support	39
	<hr/> 65 <hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

12. TRUSTEES' REMUNERATION AND EXPENSES

During the period, no Trustees received any remuneration.
During the period, no Trustees received any benefits in kind.
During the period, no Trustees received any reimbursement of expenses.

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NOTES TO THE FINANCIAL STATEMENTS
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13. CENTRAL SERVICES

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

- Management Services
- Legal Services
- Education support services
- Maintenance and admin support services
- Finance and accounts support

The Academy Trust charges for these services on the following basis:

- flat percentage of GAG income (4 to 6%)

Any surplus generated is held as contingency reserve for us in future periods.

The actual amounts charged during the year were as follows:

	2015
	£
Bishop Lonsdale Church of England Aided Primary School and Nursery	48,553
Newbold Church of England VA Primary School	61,406
	<hr/>
Total	109,959
	<hr/>

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,193. The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Computer equipment £	Other fixed assets £	Total £
COST				
Additions	-	21,597	99,815	121,412
Donated fixed assets	4,048,000	-	-	4,048,000
At 31 August 2015	<u>4,048,000</u>	<u>21,597</u>	<u>99,815</u>	<u>4,169,412</u>
DEPRECIATION				
Charge for the period	88,695	-	-	88,695
At 31 August 2015	<u>88,695</u>	<u>-</u>	<u>-</u>	<u>88,695</u>
NET BOOK VALUE				
At 31 August 2015	<u><u>3,959,305</u></u>	<u><u>21,597</u></u>	<u><u>99,815</u></u>	<u><u>4,080,717</u></u>

Included in land and buildings is leasehold land at valuation of £431,000 which is not depreciated.

16. DEBTORS

	2015 £
Trade debtors	13,946
Other debtors	92,964
Prepayments and accrued income	36,067
	<u>142,977</u>

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

	2015 £
Other loans	323
Trade creditors	156,442
Other taxation and social security	23,320
Other creditors	26,012
Accruals and deferred income	98,276
	<u>304,373</u>

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

**17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

	£
DEFERRED INCOME	
Resources deferred during the year	67,075

At the balance sheet date the Academy trust is holding amounts totalling £40,745 and £26,330 of grants received in advance for TA funding and universal free school meals respectively .

**18. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015 £
Other loans	4,845

During the year the Newbold C of E Primary School received a £5,168 Salix loan from the EFA as part of funding for capital works. The loan is at 0% interest and will be repaid over an 8 year period in £323 installments every 6 months from 1 March 2016.

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General Funds - all funds	-	160,672	(117,631)	-	43,041
RESTRICTED FUNDS					
General annual grant (GAG)	-	1,829,076	(1,788,100)	-	40,976
Other DfE/EFA grants	-	612,104	(612,104)	-	-
Local authority grants	-	160,169	(160,169)	-	-
Other voluntary income	-	20,749	(20,749)	-	-
Pension reserve	-	(344,000)	(46,000)	(63,000)	(453,000)
	-	2,278,098	(2,627,122)	(63,000)	(412,024)

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

RESTRICTED FIXED ASSET FUNDS

Donated fixed assets	-	4,048,000	(88,695)	-	3,959,305
DfE/EFA capital grants	-	156,440	-	-	156,440
	-	4,204,440	(88,695)	-	4,115,745
Total restricted funds	-	6,482,538	(2,715,817)	(63,000)	3,703,721
Total of funds	-	6,643,210	(2,833,448)	(63,000)	3,746,762

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

- 1) General Annual Grant: this must be used for the normal running costs of the Academy Trust
- 2) Other DfE/EFA Grant: this fund relates to other grants received which must be used for the purpose intended.
- 3) Other Restricted: this fund relates to all other restricted funds received which must be used for the purpose intended.
- 4) Restricted fixed asset fund: this fund relates to resources which must be applied for specific capital purposes intended.

The difference between the fixed asset note and the restricted fixed asset funds represents unspent capital funding.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2015 were allocated as follows:

Bishop Lonsdale C of E Primary School	54,694
Newbold Church of England Primary School	29,323
Total before fixed asset fund and pension reserve	84,017
Restricted fixed asset fund	4,115,745
Pension reserve	(453,000)
Total	3,746,762

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

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Bishop Lonsdale CofE Primary School	945,652	240,638	12,492	196,809	1,395,591
Newbold Church of England Primary School	664,878	101,583	27,091	180,903	974,455
Trust	-	-	-	367,125	367,125
	<u>1,610,530</u>	<u>342,221</u>	<u>39,583</u>	<u>744,837</u>	<u>2,737,171</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	4,080,717	4,080,717
Current assets	43,041	350,194	35,028	428,263
Creditors due within one year	-	(304,373)	-	(304,373)
Creditors due in more than one year	-	(4,845)	-	(4,845)
Provisions for liabilities and charges	-	(453,000)	-	(453,000)
	<u>43,041</u>	<u>(412,024)</u>	<u>4,115,745</u>	<u>3,746,762</u>

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

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £
Net incoming resources before revaluations	3,809,762
Returns on investments and servicing of finance	(502)
Depreciation of tangible fixed assets	88,695
Capital grants from DfE	(156,439)
Increase in debtors	(142,977)
Increase in creditors	304,050
Surplus received on LA funds	(24,908)
Donated fixed assets	(4,048,000)
Defined benefit pension scheme deficit inherited on conversion	344,000
FRS17 pension costs less contributions payable	36,000
FRS17 pension finance income	10,000
NET CASH INFLOW FROM OPERATIONS	219,681

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

	2015 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	502
	2015 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(121,412)
Capital grants from DfE	156,439
NET CASH INFLOW FROM CAPITAL EXPENDITURE	35,027
	2015 £
FINANCING	
New salix loan	5,168

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

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	285,286	-	285,286
DEBT:				
Debts due within one year	-	(323)	-	(323)
Debts falling due after more than one year	-	(4,845)	-	(4,845)
NET FUNDS	<u>-</u>	<u>280,118</u>	<u>-</u>	<u>280,118</u>

24. CONVERSION TO AN ACADEMY TRUST

On 1 June 2014 Bishop Lonsdale Church of England Aided Primary School and Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Derby Diocesan Academy Trust from Derby City Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as *voluntary income*.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	2,634,000	2,634,000
Budget surplus on LA funds	34,302	-	-	34,302
LGPS pension deficit	-	(266,000)	-	(266,000)
Net assets/(liabilities)	<u>34,302</u>	<u>(266,000)</u>	<u>2,634,000</u>	<u>2,402,302</u>

The above net assets include £24,908 that were transferred as cash.

Leasehold land and buildings are owned by The Derby Diocesan Board of Education and Bishop Lonsdale Church of England Aided Primary School and Nursey has been granted the right to use them indefinitely.

The playing fields are owned by The Derbyshire County Council and have been leased to Bishop Lonsdale Church of England Aided Primary School and Nursey under a 125 year lease agreement.

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

24. CONVERSION TO AN ACADEMY TRUST (continued)

On 1 July 2014 Newbold CofE VA Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Derby Diocesan Academy Trust from Derby City Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	1,414,000	1,414,000
Budget surplus on LA funds	4,065	-	-	4,065
LGPS pension deficit	-	(78,000)	-	(78,000)
Net assets/(liabilities)	<u>4,065</u>	<u>(78,000)</u>	<u>1,414,000</u>	<u>1,340,065</u>

Leasehold land and buildings are owned by The Derby Diocesan Board of Education and Newbold CofE VA Primary School has been granted the right to use them indefinitely.

The playing fields are owned by The Derbyshire County Council and have been leased to Newbold CofE VA Primary School under a 125 year lease agreement.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS

The Academy 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 Derbyshire Pension Fund. Both are defined benefit schemes.

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

Contributions amounting to £21,306 were payable to the scheme at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- 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; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

The pension costs paid to the TPS in the period amounted to £109,358.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £146,000, of which employer's contributions totalled £116,000 and employees' contributions totalled £30,000. The agreed contribution rates for future years are 20.8% for employers and 5.5 - 11.4% for employees.

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

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

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	3.80	358,000
Bonds	3.80	105,000
Property	3.80	31,000
Cash	3.80	31,000
Total market value of assets		<u>525,000</u>
Present value of scheme liabilities		<u>(978,000)</u>
(Deficit)/surplus in the scheme		<u><u>(453,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2015 £
Present value of funded obligations	(978,000)
Fair value of scheme assets	<u>525,000</u>
Net liability	<u><u>(453,000)</u></u>

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

	2015 £
Current service costs	152,000
Interest on obligation	41,000
Expected return on scheme assets	<u>(31,000)</u>
Total	<u><u>162,000</u></u>
Actual return on scheme assets	<u><u>22,000</u></u>

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25. PENSION COMMITMENTS (continued)

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

	2015 £
Contributions by scheme participants	30,000
Actuarial Losses	54,000
Current service cost	152,000
Interest costs	41,000
Liabilities assumed in a business combination	701,000
	<hr/>
Closing defined benefit obligation	978,000
	<hr/>

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

	2015 £
Actuarial gains and (losses)	(9,000)
Contributions by employer	116,000
Contributions by employees	30,000
Assets acquired in a business combination	357,000
Expected return on assets	31,000
	<hr/>
	525,000
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £63,000.

The Academy Trust expects to contribute £99,000 to its Defined Benefit Pension Scheme in 2016.

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

	2015
Equities	68.00 %
Bonds	20.00 %
Property	6.00 %
Cash	6.00 %

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

	2015
Discount rate for scheme liabilities	4.20 %
Expected return on scheme assets at 31 August	5.75 %
Rate of increase in salaries	3.75 %
Rate of increase for pensions in payment / inflation	2.95 %

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25. PENSION COMMITMENTS (continued)

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

	2015
Retiring today	
Males	22.00
Females	24.20
Retiring in 20 years	
Males	24.10
Females	26.60

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(978,000)
Scheme assets	525,000
Deficit	(453,000)
Experience adjustments on scheme liabilities	(54,000)
Experience adjustments on scheme assets	(9,000)

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NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

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

Part of the leasehold land is held by the Derby Diocesan Trustees registered as custodians for the beneficial users of the land - Bishop Lonsdale Church of England Aided Primary School and Nursery and Newbold CofE VA Primary School, constituent Academies in the Derby Diocesan Academy Trust. The Derby Diocesan Trustees have granted the Academies, via a supplemental agreement, the right to use the land for educational purposes indefinitely. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

The Academy trust has received donated services in the year amounting to £20,749 relating to the time spent by Mr David John Channon (CEO) and Mr Mark Mallender (Director of School Improvement) managing the Academy Trust. Both Mr Channon and Mr Mallender are employees of The Derby Diocese.

Derby Diocesan Academies Trust 2 and Derby Diocesan Academy Trust are a related parties due to them having the same Members and Trustees. Amounts due from the Derby Diocesan Academy Trust 2 at 31 August 2015 were £11,737. This amount relates to reimbursement of costs incurred by Derby Diocesan Academy Trust on behalf of Derby Diocesan Academies Trust 2.

27. CONTROLLING PARTY

The Derby Diocesan Academy Trust is an autonomous body, financed mainly by public funding and files separate entity accounts.

The Academy's sponsor, The Diocesan Board of Education, has the power to appoint Governors to the board of the Academy trust.