



Oxford Diocesan Schools Trust
(A company limited by guarantee)

Annual Report and Financial Statements
For the year ended 31 August 2016

Contents

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 15
Governance Statement	16 - 18
Statement on Regularity, Propriety and Compliance	19
Trustees Responsibilities Statement	20
Independent Auditor's Report	21
Independent Reporting Accountant's Assurance Report on Regularity	22 - 24
Statement of Financial Activities	25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Financial Statements	28 - 44

Oxford Diocesan Schools Trust

Reference and Administrative Details of the Academy, its Trustees and Advisers

Members

Oxford Diocesan Board of Education
The Revd M A Harwood
The Right Revd A Wilson
Mrs K M Winrow

Trustees

Revd A J Bevan¹ (resigned 15 December 2015)
Sir C Booth, Chair of Finance Committee (from 6 October 2016) ¹ (appointed 21 July 2016)
Dr P Chadwick
Revd Canon B D Clover
Mrs J A Davey, Accounting Officer¹
Mr R D Ireson, Chair of Finance Committee (until 5 October 2016)¹
Revd S M Lynch (resigned 4 July 2016)
Mrs P Pritchard
Revd Dr J Reader¹
Mrs A M A F Von Stackelberg
Mrs K M Winrow, Chair of Board of Trustees

¹ Member of Finance Committee

Registered Company Number

08143249

Principal and Registered Office

Church House Oxford
Langford Locks
Kidlington
Oxford
OX2 0NB

Chief Executive Officer

Mrs J A Davey

Senior management team

Mrs J A Davey, Chief Executive Officer
Mr D J Locke, Chief Operating Officer and Finance Director
Mr D Cousins, Director of Schools
Mrs S Bremner-Milne, Finance Director (resigned 31 December 2015)

Oxford Diocesan Schools Trust
Reference and Administrative Details of the Academy, its Trustees and Advisers

Independent Auditor

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Bankers

Lloyds Bank plc
PO Box 1000
BX1 1LT

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Oxford Diocesan Schools Trust Trustees' Report for the year ended 31 August 2016

The Trustees (who are also the Directors of the Company under company law) present their Annual Report together with the audited financial statements of the Oxford Diocesan Schools Trust (the "Trust") for the period from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a Strategic Report under company law.

At 31 August 2016, the Trust operates 18 primary Academies in the area covered by the Oxford Diocese (which covers Berkshire, Buckinghamshire, Oxfordshire and Milton Keynes), with a combined pupil capacity of 4,235 and 3,744 pupils currently enrolled based on the January 2016 school census.

Structure, governance and management

CONSTITUTION

The Oxford Diocesan Schools Trust (the "Trust") is a private company limited by guarantee with no share capital and is an exempt charity. The Trust's memorandum and articles of association are the primary governing documents of the Trust. Members of the Trust are the Diocesan Board of Education (acting corporately), the subscribers to the memorandum who were two individual Members of the Diocesan Board of Education and there may be up to five other persons appointed by the Diocesan Board of Education. In addition, the Members, with the consent of the Diocesan Board of Education, may agree unanimously to appoint additional Members.

Details of the Trustees who served during the period are included in the Reference and Administrative Details on Page 1.

The Oxford Diocesan Schools Trust was incorporated on 13 July 2012. It is a Multi-Academy Trust and has in place a Master Funding Agreement with the Department for Education and separate Supplemental Funding Agreements in respect of each academy within the Trust.

There were eighteen academies within the Trust at 31 August 2016 as follows.

At the start of the year at 1 September 2015 there were thirteen academies:

- John Henry Newman CE Academy
- Grove CE Primary School
- The Hendreds CE Primary School
- St Christopher's CE Primary School
- Wheatley CE Primary School
- St Peter's Middle School, Old Windsor
- Burchetts Green C of E Infants School
- St Luke's C of E Primary School, Maidenhead
- St Peter's Infant School, Alvescot
- St Christopher's Primary School, Langford
- The Blake, C of E Primary School, Witney
- Bampton C of E Primary School
- North Leigh C of E Primary School

These were joined in the financial year by five new academies:

- | | |
|--|------------------------|
| • Burford C of E Primary School | Joined 1 October 2015 |
| • The Batt C of E Primary School, Witney | Joined 1 October 2015 |
| • St Mary's Infants School, Witney | Joined 1 December 2015 |
| • Brize Norton Primary School | Joined 1 March 2016 |
| • Holyport C of E Primary School | Joined 1 June 2016 |

MEMBERS' LIABILITY

Each Member of the Trust undertakes to contribute to the assets of the Trust 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

Subject to the provisions of the Companies Act 2006, every Director or other officer or auditor of the Trust is indemnified out of the assets of the Trust against any liability incurred by him/her in that capacity in defending any proceeding whether civil or criminal, in which judgment is given in favour or in which relief is granted to him/her by the court from liability for negligence, default, breach of duty of trust in relation to the affairs of the Trust.

The Trust has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover insurable 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.

PRINCIPAL ACTIVITIES

The Trust's principal activity during the period was the provision of schools with a designated Church of England religious character, offering a broad and balanced curriculum conducted in accordance with the principles, practice and tenets of the Church of England. The schools serve children aged from 3 to 14.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Up to twelve Trustees are appointed to the Board by the Members. In addition, the Chief Executive Officer (CEO) / Diocesan Director of Education (DDE) is a Director. The Trustees, with the consent of the Diocesan Board of Education, may appoint up to two Trustees for such term up to a maximum of four years and upon such conditions as they shall think fit. Trustees (with the exception of co-opted and ex officio Trustees, including the CEO) are appointed for a period of four years but are eligible for reappointment provided the necessary criteria are met in each case.

Each academy within the Trust has an advisory body, as required by the Master Funding Agreement. These are called Local Governing Bodies ("LGBs") and their functions are set out in a scheme of delegation by the Trust. Members of the LGBs are appointed primarily by the Trustees (with some exceptions allowing for the election of parent representatives etc.) and are accountable to the Trustees accordingly. The Trustees are also entitled to sit on the LGBs in an ex officio capacity.

Trustees are appointed by Members of the Charitable Company. A minimum of five and a maximum of twelve should be appointed.

- The skill set of existing Trustees is regularly recorded and audited;
- New Trustees are sourced from LGBs if possible and from the Diocesan area
- Members meet the Board of Trustees to consider recommendations

In addition committees of the Board have co-opted members from LGBs.

The Trust has established a Nominations Committee which convened for the first time on the 8th June 2016 with a remit to coordinate a regular skills audit of the Board and to identify and recruit new trustees as appropriate. The Trust is also establishing an Audit Committee to ensure the highest standards of scrutiny.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All Trustees are provided with the Trust's governing documents (i.e. the Memorandum and Articles of Association) as well as the Master Funding Agreement and Supplemental Funding Agreements for the Academies. The Trustees are further provided with minutes, accounts, budgets and other documents relating to the Trust. In addition, relevant documentation issued by the Department for Education, the Charity Commission and their professional advisers as necessary are provided to enable the Trustees to meet their legal obligations and follow best practice in respect of their role as Trustees (and Company Directors). Further, Trustees are encouraged to make visits to the Academies within the Trust.

ORGANISATIONAL STRUCTURE

The Board of Trustees governs the activities of the Trust and oversees the work of each academy's LGB. The structure consists of the Board and five subcommittees; Finance, Curriculum & Ethos, Academy Improvement, Pay & Personnel and Nominations. The Trustees are also ultimately responsible for the strategic direction of the Trust ensuring that its aims are met and its ethos maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the Trust's financial performance and educational outcomes. The Trustees are also responsible for setting general policy and making major decisions about the direction of the Trust.

As briefly outlined above, the LGBs oversee the work and outcomes of individual academies within the Trust. These are made up of a mix of local people including staff, parents and sponsor nominees acting as a critical support to the Principal and the academy. They will review the overall impact of each academy amongst the community it serves and ensures the Trust's ethos remains as the core value.

The Senior Leadership Team of the Trust are the CEO, the Chief Operating Officer, the Director of Schools and Finance Director. They lead and manage the Trust, setting strategy and implementing policy in conjunction with the Board of Trustees generally. Headteachers and Deputy Headteachers, as employees of the Trust, lead and manage the individual academies.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL.

The trust is concerned to ensure that it recruits and retains high quality senior management whilst ensuring value for money. The Pay & Personnel committee regularly reviews the terms and conditions for senior management, benchmarking as appropriate against other comparative data for comparable employers. Senior management are also held accountable for achieving objectives that are in accordance with the plan and priorities agreed with the Board of Trustees.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Save as outlined below and as permitted by the Articles of Association, no Trustee received any remuneration in respect of their services as a Trustee during the year, nor for any other work undertaken on behalf of the Trust.

The Trustees are appointed in accordance with their skills and experience each can offer to the Trust. Some are drawn from sponsoring organisations, employers or other organisations which from time to time have dealings with the Trust in the course of their work, particularly in respect of other schools and academy trusts. All transactions between any Trustees' employers and/or organisations and the Trust were carried out at arm's length and all material transactions were at standard rates. A register of each Trustees's business interests is also maintained.

During the period, the Trust obtained a number of essential support services from the Oxford Diocesan Board of Education (a corporate member of the Trust) at a cost of £81,268 (2015: £111,496). These services included the services of the CEO, education advisers and other support services which were procured in order to obtain the benefit of economies of scale from a larger organisation during the fourth year of operation of the Trust.

Objectives and Activities

OBJECTS AND AIMS

The Trust's object is specifically restricted 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:

- (a) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England including any trust deed governing the use of land used by an academy both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the relevant Funding Agreement) and having regard to any advice and following directives issued by the Diocesan Board of Education; and
- (b) other academies whether with or without a designated religious character; but in relation to each of the academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves.

OBJECTIVES, STRATEGIES AND ACTIVITIES

At the heart of the vision for academies in the Trust is a belief in educational excellence. It is the strategic objective of the Trust to create a family of outstanding academies. This covers a range of potential 'predecessor' schools: good schools looking for a group option (including schools from particular geographical areas which may be converting together,) schools which are graded by Ofsted as "Requires Improvement", schools who require more 'hands on' sponsorship and brand new schools.

In summary, the Trust is:

- dedicated to achieving excellence in education;
- inclusive and diverse, open and welcoming;
- promoting a rich and creative curriculum;
- creating rewarding places to work; and
- supporting communities.

PUBLIC BENEFIT

As set out in the objects in the Articles of Association, the Trust is dedicated to advancing education for the public benefit and in so doing it serves pupils, staff, parents and their local communities by providing academies with the highest levels of academic rigour and pastoral care, with opportunities provided for spiritual growth and intellectual enquiry.

The Trust seeks to embody the Christian experience of community by establishing and running academies which themselves become communities where gifts can be shared where the emphasis is on what can be contributed, rather than what can be received, and where each is given according to need. The Trust's academies are places where children and young people can learn the value of service and of human endeavour, where they can be sure they are valued for who they are and where they can be supported to be the best they can be.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties as charity trustees.

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

Since the last report the Trust has been joined by a further five schools.
Our schools are as follows:

Bampton Primary School, Oxon:

With 128 pupils age 4-11 this is a smaller than average school set in the rural village of Bampton. The last Ofsted was in March 2016 when the school was judged as good. Under effective leadership the pupils in 2016 attained well with every 11-year-old attaining the required level in writing and mathematics and very few narrowly missing out in reading. High expectations mean that pupils make good progress and significant numbers make better than this from broadly typical levels on entry to the school. The KS2 combined results were 53%¹.

(The) Batt C of E Primary School:

Located centrally in the town of Witney the Batt has 315 pupils aged 4 – 11. The school was judged to be 'Outstanding' when it was last inspected in 2011. The school's links with St. Mary's CE Infant School in the town have been cemented this year by St Mary's conversion into the trust. Outcomes for foundation stage last year exceeded the national average but fewer pupils attained the expected standard in key stage 2 tests for writing and mathematics in the 2016 tests. Pupils make broadly typical progress in the school and by age 11 the combined results were 53%.

(The) Blake Primary School, Witney:

With 408 pupils aged 4-11 the Blake is one of the larger schools in the trust. It continues to celebrate its inclusive ethos with a number of pupils in the school with additional learning needs and complex social and emotional difficulties. The last Ofsted in May 2014 judged the school as good. Pupils outcomes in foundation stage and in the phonics tests remained strong in 2016. However, pupils across the rest of the school made slower progress than in previous years. This meant that attainment slipped and, while above the national floor standard, pupils attained below average outcomes in reading, writing and mathematics.

Brize Norton Primary, Oxon:

The village primary school underwent significant expansion in the past to accommodate the ever growing local RAF base and its families. The school converted into ODST in March 2015 and there were 108 pupils were on roll at the census point this year. Judged outstanding at its last Ofsted inspection in February 2013, pupils continue to attain highly, building on secure foundations in Reception and key stage. In 2016 almost every pupil in Year 6 reached the expected standard in reading, writing and mathematics and 8 in 10 did so in all three subjects combined.

Burchetts Green Infant School:

One of the smaller school in ODST, its 65 pupils benefit from a dynamic curriculum and exciting learning environment contained within its walls and outdoor learning environment. Its last Ofsted judgement in June 2009 of outstanding still reflects the high quality education its pupils receive. Outcomes for all pupils remain effective with significant strengths in foundation stage. In tests in 2016 for 7 year olds 9 in 10 of the pupils reached the expected standards in reading, writing and mathematics and half were working at higher levels in reading and mathematics.

Burford Primary School, Oxon:

Tucked away off the high street, this 111 pupil community school joined ODST in October 2015 attracted by the ethos of the trust and the challenge of joining a local learning community to improve outcomes for its pupils. Drawing on pupils from the town of Burford it was judged as good at its last Ofsted inspection in December 2012. However, outcomes in 2016 were disappointing with the progress pupils made in reading and the proportion of pupils who reached expected levels in reading, writing and mathematics combined below the floor standard at 38%.

¹ All outcomes are unvalidated and do not reflect any amendments that the schools may have submitted to the DfE to remove specified groups of pupils from the data. This will mean that schools close to the floor standard threshold may rise above this when validated data is published.

Grove CE School, Oxon:

Judged good by Ofsted in January 2013 this 159 pupil primary school is on the cusp of an expansion programme due to the development of housing in the area. Pupils' attainment dropped in 2016 tests and below average numbers left the school having attained the levels expected for 11 year olds in English and mathematics with KS2 combined results of 39%. Pupil's progress was, however broadly average but outcomes are a concern to the trust.

The Hendreds CE School, Oxon:

The October 2016 Ofsted judgement of the school as outstanding characterises this school's focus on the education of the whole child. Smaller than the average primary school with 117 pupils aged 4 to 11, it maintained its high achievement in 2016 with well above average proportions attaining expected and higher standards in reading and writing. All the pupils made expected progress in writing and mathematics and significant numbers made better than expected progress due to the high quality teaching in the school.

Holyport Primary School, Maidenhead:

The newest school to join the trust in June 2016, Holyport is a larger than the average primary school with 397 pupils on roll. Judged as requiring improvement when it was inspected in January 2014 the trust has worked with governors to appoint a new Headteacher and to begin the support so the school makes progress towards being judged good. Most pupils made sound progress across the school in 2016 when outcomes for pupils in Year 6 were above the national average in reading and writing. A dip in mathematics attainment meant the combined outcomes were 57%

The John Henry Newman Academy, Littlemore, Oxon:

Situated in a challenging area of Oxford this academy has 380 pupils aged 3-11. Ofsted visited the school during this period and although the overall judgement remained requires improvement, the school improved its rating for Early Years and Personal Development, Behaviour & Welfare to good. Year 6 pupils in 2016 attained below average levels in English and mathematics with KS2 combined results of 17%. The Trust has ensured that significant support is provided at all levels to ensure staff sustain their focus on improving standards for pupils.

North Leigh Primary School, Oxon:

This Oxfordshire school situated between Witney and Blenheim has 177 pupils on roll. The last Ofsted was in July 2011 when the school was judged as good and the school has been in ODS since July 2015. Year 6 pupil's outcomes in 2016 were above average in reading and maths where pupils made effective progress. Writing outcomes were lower and broadly average and overall, 67% of pupils reached the expected levels in all three subjects combined. Outcomes for the youngest children in the school were strong.

St Christopher's CE Primary, Cowley, Oxon:

St Christopher's serves a complex area of Oxford City where large numbers of pupils join the school mid-year, many with home languages which are not English and high numbers of pupils receiving pupil premium funding, It is a larger than average primary school with 434 pupils aged 3-11 on roll. From low starting points most pupils made effective progress last year and attainment improved on the previous year with KS2 combined results of 29%. Ofsted judged the school requires improvement in June 2013.

St Christopher's Primary School, Langford:

The 120 pupils at the school come from the rural villages around Langford and some transfer at age 7 from its linked infant school, St Peter's CEI in Alvescott. The popularity of the school saw the school apply for permission to expand its classroom space to more effectively group pupils for teaching. The effective leadership of learning in the school meant that in 2016 above average proportions of pupils in reception reaches a good level of development and 95% reached the key stage 1 phonics standard. 80% of pupils reached the expected standard for 11 year olds in reading, writing and mathematics and this meant the combined outcome was well above the floor standard.

St Luke's Primary School, Maidenhead:

Situated in the urban centre of Maidenhead a high proportion of its 249 pupils come from black, minority ethnic and European backgrounds. A higher than average proportion present as they start in the school speaking home languages which are not English and many more than average join and leave part-way through the year. The last Ofsted was in December 2013 when the school was judged as good. In 2016 tests above average proportions attained the expected standard in writing, spelling, punctuation and grammar and mathematics. Fewer than average reached the expected standard in reading and this lowered the combined outcome 57%. The school is seeking permission from the Secretary of State to change its age range to provide pre-school provision.

St Mary's CE Infant School, Witney:

The linked school to The Batt CE, St Mary's is housed on a narrow site in the heart of Witney on Church Green. It currently has 89 pupils on roll aged 4 to 7. St Mary's joined ODST in December 2015 and was judged good in its last Ofsted inspection in February 2015. In 2016 key stage 1 results were above average in reading and broadly in line with other schools in writing and mathematics. Higher than average numbers of pupils reached the expected standard in reception and in phonics tests in Year 1.

St Peter's Infant School, Alvescot, Oxon:

The last Ofsted in November 2007 judged this school as outstanding. Subsequently Her Majesty's Chief Inspector of Schools wrote in April 2011 indicting that the school would not be re-inspected as it continued to provide high quality provision for its 53 pupils. In 2016, 8 out of the 10 pupils in the reception class reached a good level of development; all the pupils in Year 1 met the standards in the tests of phonics and Year 2 pupils attained higher than the national average outcomes in reading, writing and mathematics.

St Peter's CE Middle School, Old Windsor:

The only middle, deemed secondary school in the trust, the school takes pupils aged 9-13 years old. It is much smaller than the average-sized secondary school with 225 pupils on roll. The last inspection in November 2013 judged the school as Inadequate and the school was sponsored to join ODST. The school is waiting its next inspection. In 2016 outcomes for pupils improved again and an above average proportion reached the national expectations in reading and writing having made at least expected progress. Outcomes were lower in maths but pupils' progress was still broadly average. The Trust remains focused on working with a new leadership team to ensure that, from advantaged backgrounds, more pupils make better than expected progress.

Wheatley CE Primary:

2016 saw the retirement of the headteacher of the school having taken the school to good when it was inspected in February 2015. Its 314 pupils aged 4-11 are housed on a complex site sharing the building with a maintained special school and two pre-school providers. In 2016 attainment in writing slipped and too few pupils made enough progress to reach the national expected level. As a result, the school slipped below the floor standard and combined results were 39%. Outcomes for 7 year olds were also mixed but strong phonics outcomes helped more pupils to reach the expected standard in writing than average by the end of Year 2.

Summary:

School Improvement is tracked through carefully coordinated activity including (i) regular data reports of pupil progress which are collated using a pupil progress data tracking MIS system and (ii) regular on-site inspections by our School Improvement team. Progress is then reported and accountability for progress is then overseen by the Academy Improvement Committee of the Board. In recent reports Ofsted, in their inspection reports have made these comments regarding the support provided by the Trust for our schools:

"The Oxford Diocesan Schools Trust provides valuable support to the school. An audit of provision for the most able pupils ensured that senior leaders have the right emphasis on securing success for this group. Emerging middle leaders and aspiring senior leaders benefit from training that further strengthens the leadership of the school."

"The academy trust has provided good-quality support for the principal, who has benefited from working alongside the executive headteacher. Middle leaders are receiving useful support so they are beginning to fulfil their roles more effectively. Governor training is helping to hold leaders fully to account for school improvement"

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust and the academies currently within it have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustees continue 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 Statement of Accounting Policies in note 1 to the financial statements.

The Balance Sheet also recognises a £8,742,000 (2015: £3,232,000) defined benefit pension scheme liability as required by the relevant accounting standards. This liability arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Trust. The Trust is not currently required to make accelerated payments to meet this liability, but, were arrangements to change, the Trust would have difficulty in making such payments without its public funding being adjusted to meet this liability and the Trust would then expect that cost to be covered by its public funding alongside all other reasonable costs of the education it provides. The Trustees, in any case, have noted that the Government has provided a guarantee that in the event of an academy closure, any outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

In judging therefore whether the Trust is a going concern, the Trustees note that at the end of the financial period, whilst the total funds of the Trust stood at £9,649,953 (2015: £8,836,923), the more relevant figure is the net current assets of the Trust (which exclude the fixed assets and the defined benefit pension scheme liability) of £2,496,491 (£1,629,500).

The trustees are pleased to report that they believe the Trust is in good financial health and is an active going concern. They base this on the evidence of a positive cash flow (cash balance at year end of £2,616,749), and the setting of a balanced budget for 2016/17. The finance team regularly manage and update a rolling 12 month cash flow forecast, which supports this assessment.

KEY FINANCIAL PERFORMANCE INDICATORS

As well as monitoring educational improvement the Board also monitor other key performance indicators.

In terms of key financial indicators, the Board have monitored carefully the operational financial position (actual of 0.36% annual surplus vs > 2.1% budgeted annual deficit) and cash balances (actual of 1.6 months' operational expenditure compared to > 1.5 months target). The Board are pleased that actual performance is in line with targets set.

The Trustees' medium term aim is to balance the Trust's budget in year and to build sufficient reserves to protect its schools against the financial impact of unplanned costs such as urgent and unforeseen capital repairs. However, they are also mindful that this must be balanced by the responsibility to use the public funds delegated to them for the benefit of the pupils currently on roll in the Trust's schools, and to ensure that all balances held, whether by the Trust itself or by its schools, have a clearly identifiable, transparent and documented purpose.

The Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2016, the balance of the GAG Restricted Fund was £434,569 (2015: £197,781).

After adjusting for the transfer of the Local Government Pension Scheme (LGPS) deficits inherited on conversion and the further FRS102 adjustments to the LGPS deficit in the period, the Trust made a deficit for the year on its restricted general funds of £992,122 (2015: deficit of £163,534). This deficit was then funded via a transfer of funds of from the Trust's unrestricted funds of £1,255,519, thereby giving a surplus carried forward on the restricted general funds, excluding the pension reserve, of £721,979. This surplus consists substantially of educational grants received in the year ended 31 August 2016. The expenditure that will be funded by these grants will fall largely in the 2016/17 financial year although some may be held over until the following year if the Trust's budget plans require it.

Financial review

REVIEW OF ACTIVITIES

The Trustees approved an overall budget for the period from 1 September 2015 to 31 August 2016. The Trust monitors finances on a regular basis to ensure budgets are achieved. It also ensures that measures are in place to verify that all funds and grants are used for the purposes for which they were applied for or given, and to ensure the ongoing viability of the Trust and its academies.

The Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during the year ended 31 August 2016. While the Statement of Financial Activities sets out the income and expenditure of these various funds for the year, this includes a number of one-off items of income and expenditure associated with those Academies that joined the Trust during the year as well as FRS102 pension costs adjustments and depreciation charges. In terms of the operational result of the Trust for the year ended 31 August 2016, the total operational income, being total income excluding income recognised on new schools joining the academy trust, was £17,541,223 (2015: £10,910,082) and the total operational expenditure was £17,478,318 (2015: £11,042,374), thereby giving rise to an operational surplus for the year of £62,905 (2015: deficit £132,292)

Restricted General Fund

The majority of the Trust's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, being its educational operations. General Restricted Fund income for the year was £14,555,619 (2015: £8,868,776); expenditure against these funds was £17,070,741 (2015: £10,702,310), giving a restricted revenue fund deficit for the year of £2,515,122 (2015: deficit of £1,833,534) before transfers to the Restricted Fixed Asset Fund and actuarial gains and losses on the defined benefit pension scheme. This deficit includes net defined benefit pension scheme liabilities transferred to the Trust from the Academies that joined the Trust during the year of £1,083,000 (2015: £1,447,000) and a further pension cost adjustment under FRS102 of £440,000 (2015: £185,000). Excluding these pension scheme liabilities and adjustments, the deficit on the General Restricted Fund for the year was £992,122 (2015: deficit of £201,535).

Unrestricted Funds

Income received into the Unrestricted Fund was £1,496,192 (2015: £1,175,756), of which £397,687 (2015: £683,534) related to funds inherited from the Local Authorities on conversion. Expenditure against the fund was £185,091 (2015: £209,820) for the period, giving an Unrestricted Fund surplus for the year of £1,311,101 (2015: £965,936).

Restricted Fixed Asset Fund

The Restricted Fixed Asset Fund balance is reduced by the annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy. Income received into the fund included the value of the assets of £5,379,192 (2015: £3,743,890) transferred from the academies that have joined the Trust this year. There is a £6,004,051 (2015: £3,833,381) Restricted Fixed Asset Fund period end surplus after transfers between funds.

The total fund balances as at 31 August 2016 were £9,649,953 (2015: £8,836,923). This comprises £1,107,463 (2015: £1,051,881) in Unrestricted Funds, £8,020,021 deficit (2015: deficit of £2,773,418) in Restricted General Funds (after accounting for defined benefit pension scheme deficit of £8,742,000 (2015: £3,232,000), and £16,562,511 (2015: £10,558,460) in Restricted Fixed Asset Funds.

The Trust's assets were predominantly used for providing education to school pupils and for extended services.

The net book value of the Trust's tangible fixed assets was £15,895,462 (2015: £10,439,423) at 31 August 2016 and the movement in this account is detailed in note 12 to the financial statements. The majority of this is represented by the value of the assets transferred to the Trust from the Academies joining the Trust since its incorporation.

Oxford Diocesan Schools Trust

Trustees' Report for the year ended 31 August 2016 (continued)

The Trust occupies land and buildings which are provided to it and owned by various land trustees ('the Site Trustees'). The Trust occupies this land and buildings under the terms of Church Land Supplemental Agreements between the Oxford Diocesan Board of Education, the Site Trustees and the Trust, which provide the Trust with the right to use the land and buildings of the Academies for an indefinite period, subject to a 2-year termination notice period, which amounts to a mere licence. The EFA guidance suggests that Academy Trusts recognise the future economic benefits that they expect to flow from the continued use of the property rather than recognising legal title and so, normally, Academy Trusts should recognise these assets on their balance sheet. The National Society of the Church of England and others have challenged this guidance and the EFA have responded by saying Trustees should review the EFA guidance in reaching their own conclusions and must then provide enhanced disclosure. The Trustees continue to consider that prudence requires the exclusion from the balance sheet of land and buildings that are not beneficially owned. An enhanced disclosure has been given in note 12 of the financial statements.

On conversion the land and buildings occupied by Burford Primary School and Brize Norton Primary School were assigned to the academy trust under 125 year leases. The fair value of the associated land and buildings totaling £5,287,000 were recognised in accordance with valuations provided by the Government's appointed valuers.

The Trust also has 125 year leases from Oxfordshire County Council and the Royal Borough of Windsor and Maidenhead for the playing fields of the various academies, which were transferred to the Trust on conversion. The Trustees have made an assessment of the value of this land on conversion based on the valuations commissioned by the Education Funding Agency and have determined that the value of this land, as included in the financial statements at 31 August 2016, is £9,847,000 (2015: £9,847,000).

Cash in hand at 31 August 2016 was £2,616,749 (2015: £1,738,950).

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Our financial objectives include ensuring that every academy within the Trust and the Trust's central administration set and maintain viable budgets to ensure long term financial stability of the Trust. Budget plans for the Trust's central activities are planned on a five year rolling basis, and are monitored and amended to ensure continuing viability under changing circumstances.

Budget plans for academies within the Trust are monitored and amended in consultation with the Finance Director to ensure viability over a three year rolling timescale, taking into account changes in funding levels arising from pupil number changes or other funding factors. Cash flow is monitored monthly at a Trust and individual academy level. An internal Financial Procedures Manual has been published and issued to the Trust's academies which requires compliance with procedures designed to manage and protect the Trust's funds, and ensure that they are authorised at appropriate levels and used appropriately.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the development of new buildings, the opening of academies, teaching, provision of facilities, and other operational areas of the academies and their finances. The risk register is reviewed regularly by the Trustees and key members of staff. The Trustees take insurance against many of the financial risks impacting the Trust. The Trustees approach is set out in a separate Financial Handbook which is undergoing further review and development.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has a risk management process to identify and monitor the risks faced by the Trust. A risk register is in place with greater emphasis directed towards those identified higher risk areas. One of the highest risks being that of delivering improving results which has been prioritised by the recruitment of a Director of Schools who is implementing consistent reporting and thorough training of staff. Other risks identified include governance, statutory compliance, finance, insurance, attainment affecting pupil recruitment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

Oxford Diocesan Schools Trust

Trustees' Report for the year ended 31 August 2016 (continued)

The principal risks and uncertainties facing the Trust are as follows:

School standards

The continuing success of the Trust is dependent on continuing to maintain and develop the highest school standards to provide pupils with the best opportunities and to serve them to the best of our ability. To mitigate this risk, the Trustees ensure that they themselves have sufficient skills and experience to hold the actions of the Trust to account; that the central school improvement function is well funded and effective and that we recruit the best possible leaders and teachers to our schools. We therefore ensure that pupil outcomes are at the heart of all decision making and that we set the highest expectations. Through robust systems we monitor our pupils' progress and attainment closely; advice and support is offered to all schools to support them to improve performance, and direct intervention is used if deemed necessary.

Financial

The Trust is largely reliant on continued Government funding through the EFA. In the year 2015/16 approximately 95% (2015: 95%) of the Trust's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy, in both financial and educational terms, or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Whilst the Trustees also undertake prudent insurance, there are risks of plant and building failure and deterioration that are not insurable.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. This risk could arise in a school within the Trust (leading to a charge against the Trust including other member schools). The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks both within the Trust generally and within each school.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The central finance team of the Trust monitors school finance and internal controls, this includes a blend of controls at a transactional level (e.g. levels of security for banking transactions) as well as regular monthly reporting on finances and the control environment. In addition, the Trust implements a financial procedures manual which each school is required to comply with. Members of the central team regularly visit school business managers and during these visits actively check that procedures are being complied with. On a regular basis the central finance team prepare a traffic light report for the Finance Committee, which helps to highlight at an early stage any areas of concern.

All finance staff receive training to keep them up-to-date with financial practice requirements and to develop their skills in this area. The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A Risk Register has been produced and will be maintained and reviewed and updated on a regular basis.

RESERVES POLICY

The Trust's budget plan has been developed to ensure that reserves are maintained within the reserve policy guidelines agreed with the Finance Committee and Board. Reserves are maintained to provide an appropriate level of working capital, to invest appropriately in infrastructure for the future and to provide a contingency against unforeseen cost and liabilities that might arise. The level of reserves held will be reviewed annually by the Board of Trustees to ensure that it is adequate but not excessive. It is assessed that in the medium term liquid reserves should be developed to equate to at least two months of budgeted operating expenditure. At the year-end liquid reserves were equal to 1.6 months (2015: 1.6 months) of budgeted operating expenditure.

The Trust also proposes to look at setting aside reserves to enable it to support schools which have unexpected and exceptional needs. This will be considered as part an on-going budget review process.

INVESTMENTS POLICY

The Trust has no investments other than balances held in current accounts at Lloyds bank for the Trust itself and its schools. We do not anticipate having sufficient surplus funds for investment in the next two years, and so a formal investment policy will be considered for 2016/17 onwards. At that time full consideration will be given to the extent to which social and ethical considerations will influence investment decisions.

Plans for future periods

FUTURE DEVELOPMENTS

The Board has approved a comprehensive strategic development plan for the Trust and an action plan for 2016/17 which covers key areas including School Improvement, Human Resources, Finances and Operations. The following are three selected items from this plan:

School Improvement – The Trust recognises that the key asset we have is our people. Only through them is school improvement possible. There will be a continued focus to build Headteacher and middle leader capability through a structured CPD programme, mentoring and peer to peer network. This will also be enabled through a partnership programme with Oxford Brookes University.

Human Resources – during 2016/17 there will be an evaluation and selection of a new integrated HR system. This will enable more cost efficient processing of payroll as well as facilitating staff performance management processes and on line access to information.

Finance & Operations – we are reviewing and strengthening the internal financial controls operating at both individual academy and at the MAT centrally. This will include optimising the monthly management accounts reporting process and the development and introduction of a “traffic light” system for monitoring finances and the control environment.

There are nine further academies, where Academy Orders have been agreed by the Regional Schools Commissioner, that the Trustees expect to join the Trust in the next year.

Opportunities for further schools to join are being explored to allow the Trust to grow to benefit from further economies of scale. Other schools have expressed a desire to join the Trust.

The Trust intends further to support the school improvement of its academies by appointing a school link adviser to work with good and outstanding schools to broker school to school support, and to increase the amount of training on offer to support school leaders. The Trust also intends to develop its governor support services further with an improved support service to its clerks.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the Trust nor its Trustees are acting as custodian trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as each Trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware, and
- that each Trustee has taken all the steps that ought to have been taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

AUDITORS

Following a tender process haysmacintyre were appointed auditors to the charitable Trust, and are deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees on 6 December 2016 and signed on the Board's behalf by:

Mrs K M Winrow
Chair of the Board of Trustees

Oxford Diocesan Schools Trust Governance Statement

In accordance with the Articles of Association, the Charitable Trust has adopted a scheme of governance approved by the Secretary of State for Education. The scheme of governance specifies, amongst other things, the criteria for appointing local governors and that the curriculum should comply with the substance of the national curriculum.

SCOPE OF RESPONSIBILITY

As the Trustees, we acknowledge we have overall responsibility for ensuring that the 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 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 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
Revd A J Bevan (resigned 15 th December 2015)	1	1
Sir C Booth (appointed 21 st July 2016)	0	0
Dr P Chadwick	4	5
Revd Canon B D Clover	3	5
Mrs J A Davey, Accounting Officer	5	5
Mr R D Ireson	5	5
Revd S M Lynch (resigned 4 th July 2016)	2	3
Mrs P Pritchard	4	5
Revd Dr J Reader	5	5
Mrs A M A F Von Stackelberg	4	5
Mrs K M Winrow (Chair)	5	5

Governance reviews:

The Trust intends to review the impact and effectiveness of the Board of Trustees during the 2016/2017 financial year. The previous review was undertaken during the 2015/16 financial year.

The Local Governing Bodies will be reviewed through an annual cycle of visits and, where governance is causing concerns, the Trust will consider the need to support governance through the appointment of additional governors and alternative governance arrangements.

The Finance Committee is a subcommittee of the main Board of Trustees. Its purpose is to review the Trust's financial position closely and to provide delegated strategic financial direction. The Finance Committee also incorporates the duties of the Audit Committee. At present the Trust has, as allowed by EFA, not appointed a separate Audit Committee. However, following a review of the terms of reference and governance arrangements, in accordance with best practice a separate Audit Committee is being set up and the first meeting is being held on 29 November 2016.

The role of the Finance Committee includes preparing and approving annual budgets, monitoring financial performance against the budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the Charity Commission and the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to annual audit reports on the Trust and its use of public funds.

Oxford Diocesan Schools Trust Governance Statement

Attendance at meetings in the year was as follows:

Finance Committee Member	Meetings attended	Out of a possible
Mrs J A Davey, Accounting Officer	4	4
Mr A Hardie	0	4
Mr R D Ireson	4	4
Mrs C Jones	3	4
Revd Dr J Reader	4	4

Review of Value for Money

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

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

- *IT support services* – during the year framework agreements agreed by the Trust with key IT providers has achieved cost savings for this area exceeding 5%
- *SEN support* – following negotiations, agreement was achieved with a County Council for provision of specialist consultancy support in this area at a saving of over 10% of the previous arrangement
- *Energy* – The Trust, on behalf of the schools, appointed an energy broker who has tendered for each school individually for their energy supplies to achieve maximum savings. Using this approach an overall saving of 4% on energy costs (compared with previous 12 months costs) has been achieved

Going forward, the Board has agreed to a rolling three year programme of reviewing value for money and procurement areas. Competitive tendering is undertaken for significant procurement; a competition for audit services was held in 2015/16 and one for legal services is planned for 2016/17. The objective is to optimise maximum efficiency and effectiveness for our academies to ensure resources are released and targeted in order to achieve improved pupil outcomes.

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 Trust for the year 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 Finance Committee 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, the priority in 2015/16 was to look at the internal audit function for schools and to put in place a 3 year programme which is monitored and reviewed by the Finance Committee. Next year, the Trust will look at the central team and the Audit Committee will explore the key risks

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. No major control issues were identified. However, the work did identify improvements which could be made to the control system and these are being implemented by the Finance Committee and management.

The committee recognises that as the Trust grows there is a plan to strengthen the capacity of the central finance function to support and scrutinise transactions at a school level. This will be introduced in a phased manner.

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee 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 6 December 2016 and signed on its behalf, by:

Mrs K M Winrow
Chair of the Board of Trustees

Mrs J A Davey
CEO and Accounting Officer

Oxford Diocesan Schools Trust
Statement on Regularity, Propriety and Compliance

As Accounting Officer I have considered my responsibility to notify the 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 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 (2015).

I confirm that I and the Trust Board of Trustees are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook (2015).

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

Mrs J A Davey
CEO and Accounting Officer

Date: 6 December 2016

Oxford Diocesan Schools Trust

Statement of Trustees Responsibilities

The Trustees (who are also 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 published 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 and the Academies Accounts Direction 2015 to 2016;
- state whether applicable UK accounting standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust 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 Trust 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 6 December 2016 and signed on its behalf by:

Mrs K M Winrow
Chair of the Board of Trustees

Oxford Diocesan Schools Trust

Independent Auditor's Report to the Members of Oxford Diocesan Schools Trust

We have audited the financial statements of the Oxford Diocesan Schools Trust for the year ended 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable Company members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Company members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Company 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 directors of the charitable Company 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 charitable Company'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 charitable Company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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:

- the charitable Company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable Company's 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.

Samantha Coutinho (Senior Statutory Auditor) for and on
behalf of

Haysmacintyre,
Statutory Auditor
26 Red Lion Square
London
WC1R 4AG

6 December 2016

Oxford Diocesan Schools Trust

Independent Reporting Accountant's Assurance Report on Regularity to Oxford Diocesan Schools Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Oxford Diocesan Schools Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Oxford Diocesan Schools Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Oxford Diocesan Schools Trust's funding agreement with the Secretary of State for Education dated 31 August 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion included:

- A review of internal control policies and procedures implemented by the Academy and an evaluation of their design and effectiveness to understand how the Academy has complied with the framework of authorities;
- A review of the minutes of meetings of the trustees, relevant sub-committees and Local Governing Bodies and other evidence made available to us, relevant to our consideration of regularity; and
- Detailed testing of the income and expenditure of the Academy based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Oxford Diocesan Schools Trust
Independent Reporting Accountant's Assurance Report on Regularity to Oxford Diocesan
Schools Trust and the Education Funding Agency

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 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

6 December 2016

Oxford Diocesan Schools Trust

Statement of Financial Activities For the year ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016	As Restated Total 2015
		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	213,013	2,000	804,099	1,019,112	157,002
Transfer from local authority on conversion	24	397,687	(1,083,000)	5,422,438	4,737,125	2,980,424
Charitable activities:						
Funding for the academy trust's educational operations	5	414,010	15,636,619	-	16,050,629	10,395,730
Other trading activities	3	469,314	-	-	469,314	355,535
Investments	4	2,168	-	-	2,168	1,815
Total		<u>1,496,192</u>	<u>14,555,619</u>	<u>6,226,537</u>	<u>22,278,348</u>	<u>13,890,506</u>
Expenditure on:						
Raising Funds	6	185,091	-	-	185,091	209,820
Charitable activities:						
Academy trust educational operations	7	-	17,070,741	222,486	17,293,227	10,832,554
Total		<u>185,091</u>	<u>17,070,741</u>	<u>222,486</u>	<u>17,478,318</u>	<u>11,042,374</u>
Net income / (expenditure)		1,311,101	(2,515,122)	6,004,051	4,800,030	2,848,132
Transfers between funds	15	(1,255,519)	1,255,519	-	-	-
Other recognised gains / (losses)						
Actuarial losses on defined benefit pension schemes	22	-	(3,987,000)	-	(3,987,000)	(33,000)
Net movement in funds		<u>55,582</u>	<u>(5,246,603)</u>	<u>6,004,051</u>	<u>813,030</u>	<u>2,815,132</u>
Reconciliation of funds						
Total funds brought forward		1,051,881	(2,773,418)	10,558,460	8,836,923	6,021,791
Total funds carried forward at 31 August 2016	15	<u>1,107,463</u>	<u>(8,020,021)</u>	<u>16,562,511</u>	<u>9,649,953</u>	<u>8,836,923</u>

The notes on pages 28 to 44 form part of these accounts.

Oxford Diocesan Schools Trust

Balance Sheet
As at 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	12		15,895,462		10,439,423
Current assets					
Debtors	13	1,080,984		745,892	
Cash at bank and in hand		2,616,749		1,738,950	
		<u>3,697,733</u>		<u>2,484,842</u>	
Liabilities					
Creditors: amounts falling due within one year	14	(1,201,242)		(855,342)	
Net current assets			<u>2,496,491</u>		<u>1,629,500</u>
Total assets less current liabilities			<u>18,391,953</u>		<u>12,068,923</u>
Defined benefit pension scheme liability	22		(8,742,000)		(3,232,000)
Net assets including pension scheme liability			<u>9,649,953</u>		<u>8,836,923</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	16,562,511		10,558,460	
General fund	15	721,979		458,582	
Pension reserve	15	(8,742,000)		(3,232,000)	
Total restricted funds			<u>8,542,490</u>		<u>7,785,042</u>
Unrestricted income funds	15		<u>1,107,463</u>		<u>1,051,881</u>
Total funds			<u>9,649,953</u>		<u>8,836,923</u>

The financial statements on pages 25 to 44 were approved by the trustees, and authorised for issue on 6 December 2016 and are signed on their behalf by:

.....
Mrs K M Winrow

Chair of the Board of Directors

Company registration no: 08143249 (England & Wales)

Oxford Diocesan Schools Trust

Cash Flow Statement
For the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	685,988	842,279
Cash flows from investing activities	19	191,811	(33,877)
Change in cash and cash equivalents in the reporting period		<u>877,799</u>	<u>808,402</u>
Cash and cash equivalents at 1 September 2015		1,738,950	930,548
Cash and cash equivalents at 31 August 2016		<u>2,616,749</u>	<u>1,738,950</u>

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Oxford Diocesan Schools Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Prior year restatement

In the previous year, pension liabilities inherited on schools joining the academy trust totalling £1,447,000 were included within other expenditure. The Accounts Direction requires that the fair value of the net assets and liabilities transferred on conversion to an academy trust are recognised as a net gain or loss on the face of the Statement of Financial Activities. Therefore the prior year comparatives in the SOFA have been restated. This has no impact on the net result for the previous or current year but has decreased total income reported in the previous year by £1,447,000 and reduced total expenditure by £1,447,000.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy 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.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably. For legacies, entitlement is the earlier of the academy trust being notified of an impending distribution or the legacy being received.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 unspent amount is reflected as a balance in the restricted general fund.

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

Donations

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

Other Income

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

Donated goods, facilities and services

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.

1 Statement of Accounting Policies (continued)

Expenditure

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.

Expenditure on Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

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

Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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.

The academy trust occupies land and buildings which are provided to it and owned by various land Trustees ('the Site Trustees'). The academy trust occupies this land and buildings under the terms of Supplemental Agreements between the Oxford Diocesan Board of Education, the Site of Trustees and the academy trust, which provide the academy trust with the right to use the land and buildings of the Academies for an indefinite period, subject to a 2 year termination notice period, which amounts to a mere licence. Having considered the fact that the academy trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence, which transfers to the academy trust no rights or control over the sites save that of occupying it at the will of the Site Trustees under the terms of the relevant site trust, the Directors have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust.

The academy trust also occupies land being school playing fields, under 125 year leases with Oxfordshire County Council and Royal Borough of Windsor and Maidenhead, which has been accounted for as long leasehold property and included in the balance sheet based on the Directors' valuation.

Depreciation is provided on all tangible fixed assets other than long term leasehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	5 years
Office equipment	5 years
Computer equipment	3 years
Long leasehold buildings	50 years
Long leasehold improvements	20 years

The directors have undertaken a review of the useful economic life of tangible fixed assets. The estimated useful economic life of fixtures and fittings and office equipment has been increased from four years to five years and the estimated useful economic life of computer equipment has been reduced from four year to three years. The directors consider that this more accurately reflects the useful economic life of these tangible fixed assets. As this is a change in accounting estimate no prior period adjustment is required. This change has meant an increase in the depreciation expense recognised in the year of £4,266.

Liabilities

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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

1 Statement of Accounting Policies (continued)

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 quadrennial valuations using a prospective unit credit method. As stated in note 22, 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 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 with restrictions imposed by the funder/donor and include grants from the Department for Education.

Schools joining the academy trust

Schools joining the academy trust transfer identifiable assets and liabilities and the operation of the predecessor school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from each predecessor school to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions taking place in the period are set out in note 24.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy 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 22, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2015. 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.

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

2 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Donations	213,013	2,000	-	215,013	68,008
Capital Grants	-	-	804,099	804,099	88,994
	<u>213,013</u>	<u>2,000</u>	<u>804,099</u>	<u>1,019,112</u>	<u>157,002</u>

3 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Hire of facilities	47,257	-	-	47,257	33,392
Extended services	160,697	-	-	160,697	143,444
Other income	261,360	-	-	261,360	106,275
Catering	-	-	-	-	72,424
	<u>469,314</u>	<u>-</u>	<u>-</u>	<u>469,314</u>	<u>355,535</u>

4 Investment Income

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Short term deposits	2,168	-	-	2,168	1,815
	<u>2,168</u>	<u>-</u>	<u>-</u>	<u>2,168</u>	<u>1,815</u>

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
DfE / EFA grants					
General Annual Grant (GAG)	-	13,667,490	-	13,667,490	8,716,339
Start Up Grants	-	175,000	-	175,000	245,000
Other DfE/EFA grants	-	1,308,846	-	1,308,846	893,838
	<u>-</u>	<u>15,151,336</u>	<u>-</u>	<u>15,151,336</u>	<u>9,855,177</u>
Other Government grants					
Local authority grants	-	485,283	-	485,283	397,349
Special educational projects	-	-	-	-	24,000
	<u>-</u>	<u>485,283</u>	<u>-</u>	<u>485,283</u>	<u>421,349</u>
Catering income	179,413	-	-	179,413	-
Other income from educational operations	234,597	-	-	234,597	119,204
	<u>414,010</u>	<u>-</u>	<u>-</u>	<u>414,010</u>	<u>119,204</u>
	<u>414,010</u>	<u>15,636,619</u>	<u>-</u>	<u>16,050,629</u>	<u>10,395,730</u>

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

6 Expenditure

	Staff Costs £	Non Pay Premises £	Expenditure Other £	Total 2016 £	Total 2015 £
Expenditure on raising funds	156,889	-	28,202	185,091	209,820
Academy's educational operations					
Direct costs	10,236,590	-	845,351	11,081,941	7,046,072
Allocated support costs	<u>2,445,301</u>	<u>1,091,738</u>	<u>2,674,247</u>	<u>6,211,286</u>	<u>3,786,482</u>
	<u>12,838,780</u>	<u>1,091,738</u>	<u>3,547,800</u>	<u>17,478,318</u>	<u>11,042,374</u>

Net income/(expenditure) for the period includes:

	2016 £	2015 £
Operating lease rentals	26,247	8,343
Depreciation	222,486	130,245
Fees payable to auditor for:		
Audit	20,800	25,000
Other services	<u>6,400</u>	<u>13,548</u>

7 Charitable Activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	11,081,941	7,046,072
Support costs - educational operations	<u>6,211,286</u>	<u>3,786,482</u>
	<u>17,293,227</u>	<u>10,832,554</u>

Analysis of support costs

	Educational operations £	Total 2016 £	Total 2015 £
Support staff costs	2,445,301	2,445,301	1,307,781
Depreciation	222,486	222,486	130,245
Technology costs	280,057	280,057	194,003
Premises costs	1,091,738	1,091,738	734,462
Other support costs	2,068,962	2,068,962	1,292,795
Governance costs	<u>102,742</u>	<u>102,742</u>	<u>127,196</u>
	<u>6,211,286</u>	<u>6,211,286</u>	<u>3,786,482</u>

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

8 Staff

a. Staff costs

	2016	2015
	£	£
Staff costs during the period were:		
Wages and salaries	9,942,176	6,040,393
Social security costs	648,149	362,942
Operating costs of defined benefit pension schemes	1,809,532	1,057,345
	<u>12,399,857</u>	<u>7,460,680</u>
Supply staff costs	438,923	413,593
Staff restructuring costs	54,608	29,768
	<u>12,893,388</u>	<u>7,904,041</u>
Staff restructuring costs comprise:		
Termination (including severance) payments	54,608	29,768
	<u>54,608</u>	<u>29,768</u>

Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £54,608 (2015: £29,768). Individually, the payments were: £4,608, £9,500, £15,000 and £25,500.

b. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2016	2015
	No.	No.
Charitable Activities		
Teachers	214	112
Management, Administration & Support staff	378	127
	<u>592</u>	<u>239</u>

c. Higher paid staff

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

	2016	2015
	No.	No.
£60,001 - £70,000	2	4
	<u>2</u>	<u>4</u>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of benefits payable in respect of the services provided by the four paid key management personnel to the academy trust was £224,225 (2015: 200,701).

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

9 Central Services

The academy trust has provided the following central services to its academies during the year:
educational services and school improvements;
human resources support;
governance support;
accountancy support

The trust charges for these services on the following basis:
5% of the Academy's GAG for the period to 31 August 2016

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
John Henry Newman CE England Academy	75,380	79,679
Grove CE Primary School	32,131	32,258
Hendreds CE Primary School	22,815	23,846
St Christopher's CE Primary School	76,131	75,449
Wheatley CE Primary School	57,775	56,842
St Peter's Middle School, Old Windsor	52,561	45,575
Burchetts Green CE Infants School	19,635	15,171
St Luke's CE Primary School	55,979	37,707
The Blake CE Primary School	70,865	38,070
St Christopher's CE Primary School, Langford	25,173	13,132
St Peter's CE Infant School, Alvescot	16,397	8,817
North Leigh CE Primary School	33,991	5,832
Bampton CE Primary School	26,861	2,311
The Batt CE Voluntary Aided Primary School	51,814	-
Burford Primary School	20,342	-
Brize Norton Primary School	11,523	-
Holyport CE Primary School	16,943	-
St Mary's CE Controlled Infant School	13,681	-
	679,997	434,689

10 Related Party Transactions - Trustees' Remuneration & Expenses

The trustees did not receive any payments, other than expenses, from the academy trust during the period in respect of their role as trustees. During the period ended 31 August 2016, travel and subsistence expenses totalling £3,305 were reimbursed or paid directly to 5 trustees. (2015: £777 to 5 trustees).

11 Trustees' and Officers' Insurance

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

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

12 Tangible Fixed Assets

	Long Leasehold Land £	Long Leasehold Buildings £	Plant and Machinery £	Computer Equipment £	Total £
Cost					
At 1 September 2015	9,847,000	-	481,036	330,565	10,658,601
Transfer on conversion	3,460,000	1,827,000	55,037	37,155	5,379,192
Additions	-	252,594	3,227	43,512	299,333
At 31 August 2016	<u>13,307,000</u>	<u>2,079,594</u>	<u>539,300</u>	<u>411,232</u>	<u>16,337,126</u>
Depreciation					
At 1 September 2015	-	-	116,661	102,517	219,178
Charged in year	-	35,382	85,021	102,083	222,486
At 31 August 2016	<u>-</u>	<u>35,382</u>	<u>201,682</u>	<u>204,600</u>	<u>441,664</u>
Net book values					
At 31 August 2016	<u>13,307,000</u>	<u>2,044,212</u>	<u>337,618</u>	<u>206,632</u>	<u>15,895,462</u>
At 31 August 2015	<u>9,847,000</u>	<u>-</u>	<u>364,375</u>	<u>228,048</u>	<u>10,439,423</u>

The trust's transactions relating to land and buildings included:

The academy trust occupies land and buildings which are provided to it and owned by various land Trustees ('the Site Trustees'). The academy trust occupies this land and buildings under the terms of Supplemental Agreements between the Oxford Diocesan Board of Education, the Site of Trustees and the academy trust, which provide the academy trust with the right to use the land and buildings of the Academies for an indefinite period, subject to a 2 year termination notice period, which amounts to a mere licence. Having considered the fact that the academy trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence, which transfers to the academy trust no rights or control over the sites save that of occupying it at the will of the Site Trustees under the terms of the relevant site trust, the Directors have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust.

On conversion the land and buildings occupied by Burford Primary School and Brize Norton Primary School were assigned to the academy trust under 125 year leases. The fair value of the associated land and buildings totalling £5,287,000 were recognised in accordance with valuations provided by Mouchel, a company acting on behalf of the EFA, on a depreciated replacement cost basis.

The academy trust also occupies school playing fields, under 125 year leases with Oxfordshire County Council and Royal Borough of Windsor and Maidenhead, which has been accounted for as long leasehold property and included in the balance sheet based on the Directors' valuation.

13 Debtors

	2016 £	2015 £
Trade debtors	33,252	22,616
VAT recoverable	149,679	133,300
Other debtors	113,560	336,844
Prepayments and accrued income	784,493	253,132
	<u>1,080,984</u>	<u>745,892</u>

14 Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	442,207	446,836
Taxation and social security	225,983	144,889
Other creditors	29,848	26,558
Accruals and deferred income	503,204	237,059
	<u>1,201,242</u>	<u>855,342</u>

Deferred income

	2016 £	2015 £
Deferred income at 1 September 2015	192,988	126,047
Released from previous years	(192,988)	(126,047)
Resources deferred in the year	329,288	192,988
Deferred income at 31 August 2016	<u>329,288</u>	<u>192,988</u>

The majority of the balance of the deferred income at 31 August 2016 relates to funds received in 2016 for Universal Free School Meals which will be utilised in the year ended 31 August 2017.

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

15 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, Losses & Transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	197,781	13,667,490	(14,686,221)	1,255,519	434,569
Other DfE/EFA grants	42,635	1,308,846	(1,283,090)	-	68,391
Start Up Grant	90,786	175,000	(69,816)	-	195,970
School Improvement grant	36,000	-	(14,951)	-	21,049
Primary Chain Development grant	70,180	-	(70,180)	-	-
CAF Church of England CEO Development grant	-	2,000	-	-	2,000
Local Authority grants	21,200	485,283	(506,483)	-	-
Pension reserve	(3,232,000)	(1,083,000)	(440,000)	(3,987,000)	(8,742,000)
	<u>(2,773,418)</u>	<u>14,555,619</u>	<u>(17,070,741)</u>	<u>(2,731,481)</u>	<u>(8,020,021)</u>
Restricted fixed asset funds					
Transfer on conversion	10,272,372	5,422,438	(87,539)	-	15,607,271
DfE/EFA capital grants	182,701	804,099	-	(299,333)	687,467
Fixed assets purchased with capital grants	-	-	(50,531)	299,333	248,802
Capital expenditure from GAG and other unrestricted funds	103,387	-	(84,416)	-	18,971
	<u>10,558,460</u>	<u>6,226,537</u>	<u>(222,486)</u>	<u>-</u>	<u>16,562,511</u>
Total restricted funds	<u>7,785,042</u>	<u>20,782,156</u>	<u>(17,293,227)</u>	<u>(2,731,481)</u>	<u>8,542,490</u>
Unrestricted funds					
Unrestricted funds	1,051,881	1,496,192	(185,091)	(1,255,519)	1,107,463
Total unrestricted funds	<u>1,051,881</u>	<u>1,496,192</u>	<u>(185,091)</u>	<u>(1,255,519)</u>	<u>1,107,463</u>
Total funds	<u>8,836,923</u>	<u>22,278,348</u>	<u>(17,478,318)</u>	<u>(3,987,000)</u>	<u>9,649,953</u>

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

General annual grant

This is used for educational purposes in line with the academy trust's objectives and its funding agreements.

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 2016.

Other DfE/EFA grants

This represents revenue grants and other income which are used to provide additional support in specific areas in the school as set out by the terms of the respective grants and funders.

Primary Chain Development and Start Up Grants

These were used to cover the costs incurred in establishing the additional Academies that joined the academy trust during the year and to fund the ongoing development of the academy trust.

Charities Aid Foundation grant

This was a grant awarded to Oxford Diocesan Schools Trust towards the cost of the finance director attending a Church of England CEO Development Course.

Local Authority grants

These were used to cover repairs and maintenance to the building and to supply Special Needs support and Nursery places for 3-4 year olds.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and monies transferred from the GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

Transfers between funds

Transfers from the General Annual Grant Fund to the fixed asset fund relate to fixed assets purchased from these funds.

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
John Henry Newman CE Academy	57,758	116,315
Grove CE Primary School	(21,492)	(17,374)
Hendreds CE Primary School	150,212	135,260
St Christopher's CE Primary School	119,638	107,986
Wheatley CE Primary School	118,426	76,326
St Peter's Middle School, Old Windsor	(26,460)	78,722
Burchetts Green CE Infant School	104,774	81,080
St Luke's CE Primary School	155,187	146,167
The Blake CE Primary School	13,942	27,793
St Christopher's CE Primary School, Langford	148,771	109,484
St Peter's CE Infant School, Alvescot	142,489	126,911
North Leigh CE Primary School	145,488	115,539
Bampton CE Primary School	81,809	87,831
The Batt CE Voluntary Aided Primary School	93,764	-
Burford Primary School	90,265	-
Brize Norton Primary School	55,342	-
Holyport CE Primary School	68,563	-
St Mary's CE Controlled Infant School	38,275	-
Central services	292,691	318,423
Total before fixed assets and pension reserve	1,829,442	1,510,463
Restricted fixed asset fund	16,562,511	10,558,460
Pension reserve	(8,742,000)	(3,232,000)
Total	9,649,953	8,836,923

Grove CE Primary School:

The school is carrying a net deficit of £21,492 on these funds because the planned budget only had a small planned surplus, and a decision was taken in the prior year, in conjunction with the Trust, to focus additional resources on improving educational outcomes. This meant that for this financial year there was additional and specific allocated expenditure on supply and curriculum support as well as leadership and management capacity building. The school has been able to set a surplus budget which is expected to bring the school back into balance by the end of 2016/17.

St Peter's Middle School, Old Windsor:

The school is carrying a net deficit of £26,460 due to additional expenditure on school improvement, bought in services and agency supply teaching. Other areas of overspend relate to recruitment fees and premises works.

The academy trust has provided a significant level of operational support during the latter part of 2015/16 to enable the school and governors to implement effective financial controls and monitoring processes.

The provision of leadership and school improvement services from Churchmead Secondary school will result in a continued deficit for 2016/17, however budgets are being revised and new staffing structures will enable the school to bring its budget back into balance within three years.

The Director of Schools and the Finance Director are working with the school's leadership team to ensure all measures being taken to improve standards are affordable in the context of the school's budget.

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

15 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation)	Total 2016	Total 2015
	£	£	£	£	£	£
John Henry Newman CE Academy	1,211,095	243,205	22,020	448,220	1,924,540	2,107,823
Grove CE Primary School	529,478	99,859	15,940	140,939	786,216	870,356
Hendreds CE Primary School	303,444	44,351	12,998	163,647	524,440	537,842
St Christopher's CE Primary School	1,292,949	173,866	62,873	357,230	1,886,918	1,934,718
Wheatley CE Primary School	830,047	172,656	21,594	289,230	1,313,527	1,373,068
St Peter's Middle School, Old Windsor	725,285	118,264	27,216	340,386	1,211,151	961,997
Burchetts Green CE Infant School	249,731	44,254	2,990	104,638	401,613	328,043
St Luke's CE Primary School	764,763	136,424	24,115	305,213	1,230,515	810,111
The Blake CE Primary School	1,144,260	179,572	26,317	324,377	1,674,526	771,769
St Christopher's CE Primary School, Langford	384,333	61,683	10,567	127,909	584,492	287,922
St Peter's CE Infant School, Alvescot	247,976	21,817	7,797	77,285	354,875	186,279
North Leigh CE Primary School	489,982	35,371	16,183	172,524	714,060	120,957
Bampton CE Primary School	506,959	90,893	11,358	103,900	713,110	113,312
The Batt CE Infant School	846,474	87,283	34,977	220,566	1,189,300	-
Burford Primary School	323,380	87,627	21,595	76,946	509,548	-
Brize Norton Primary School	180,603	24,739	2,708	47,658	255,708	-
Holyport CE Primary School	260,202	41,393	1,347	48,241	351,183	-
St Mary's CE Controlled Infant School	207,452	37,006	11,157	84,959	340,574	-
Central services	-	787,104	60	502,372	1,289,536	718,993
Academy Trust	10,498,413	2,487,367	333,812	3,936,240	17,255,832	11,123,190

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	15,895,462	15,895,462
Current assets	2,308,705	721,979	667,049	3,697,733
Current liabilities	(1,201,242)	-	-	(1,201,242)
Pension scheme liability	-	(8,742,000)	-	(8,742,000)
Total net assets	1,107,463	(8,020,021)	16,562,511	9,649,953

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

17 Commitments under operating leases

Operating Leases

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

	2016 £	2015 £
Amounts due within one year	11,244	14,553
Amounts due between one and five years	12,912	7,146
	<u>24,156</u>	<u>21,699</u>

18 Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2016 £	2015 £
Net income for the reporting period (as per the Statement of Financial Activities)	4,800,030	2,886,132
Adjusted for:		
Depreciation charges (note 12)	222,486	130,245
Capital grants from DfE and other capital income	(804,099)	(145,941)
Interest receivable (note 4)	(2,168)	(1,815)
Fixed assets transferred from Local Authority on conversion	(5,379,192)	(3,700,033)
Net defined benefit pension cost	440,000	185,000
LGPS deficit transferred on conversion	1,083,000	1,447,000
(Increase)/decrease in debtors	34,978	(358,084)
Increase in creditors	290,953	399,775
Net Cash provided by Operating Activities	<u>685,988</u>	<u>842,279</u>

19 Cash flow from Investing Activities

	2016 £	2015 £
Dividends, interest and rents from investments	2,168	1,815
Purchase of tangible fixed assets	(244,386)	(181,633)
Capital grants from DfE/EFA	434,029	88,994
Capital funding received from sponsors and others	-	56,947
Net cash provided by / (used in) Investing Activities	<u>191,811</u>	<u>(33,877)</u>

20 Analysis cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash in hand and at bank	2,616,749	1,738,950
	<u>2,616,749</u>	<u>1,738,950</u>

21 Members' Liability

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

22 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Schemes (LGPS) for non-teaching staff, consisting of the Oxfordshire County Council Pension Fund which is managed by Oxfordshire County Council and the Royal County of Berkshire Pension Fund which is managed by the Royal Borough of Windsor and Maidenhead. Both are multi-employer defined benefit pension schemes.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor schools and the academy trust at the balance sheet date.

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 £4,381 (2015: £35,181) were payable to the schemes at 31 August 2016 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
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £934,096 (2015: £528,561).

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

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

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

22 Pension and Similar Obligations (continued)

Local Government Pension Schemes

The LGPS' are funded defined benefit pension schemes, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £729,000 (2015: £498,000), of which employer's contributions totalled £536,000 (2015: £381,000) and employees' contributions totalled £193,000 (2015: £117,000). The agreed minimum employer contribution rate in respect of the Oxfordshire County Council Pension Fund is 15.3% and in respect of the Royal County of Berkshire Pension fund is 16.6%.

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	Oxfordshire County Council		Royal County of Berkshire	
	At 31 August 2016	At 31 August 2015	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.50%	4.10%	4.50%
Rate of increase for pensions in payment/inflation	2.30%	2.70%	2.30%	2.70%
Discount rate for scheme liabilities	2.20%	4.00%	2.20%	3.60%
Inflation assumption (CPI)	3.20%	2.70%	3.20%	2.70%
Expected return on scheme assets at 31 August	2.20%	4.00%	2.20%	3.60%

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

	At 31 August 2016	At 31 August 2015	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>				
Males	23.3	23.3	22.9	22.8
Females	25.8	25.7	26.2	26.1
<i>Retiring in 20 years</i>				
Males	25.6	25.5	25.2	25.1
Females	28.1	28	28.5	28.4

	Fair value at 31 August 2016	Fair value at 31 August 2015	Fair value at 31 August 2016	Fair value at 31 August 2015
	£	£	£	£
The academy's share of the assets in the scheme were:				
Equities	2,437,000	1,500,000	463,000	200,000
Gilts	470,000	278,000	15,000	6,000
Other bonds	133,000	78,000	130,000	55,000
Property	267,000	156,000	123,000	59,000
Cash	130,000	72,000	40,000	22,000
Target Return Portfolio	-	-	151,000	79,000
Commodities	-	-	22,000	17,000
Infrastructure	-	-	46,000	18,000
Longevity insurance	-	-	(39,000)	(17,000)
LLPs	135,000	79,000	-	-
Diversified Growth Fund	153,000	104,000	-	-
Total market value of assets	3,725,000	2,267,000	951,000	439,000

The actual return on scheme assets (combined) was £531,000 (2015: £343,000).

Amounts recognised in the statement of financial activities

	2016	2015
	£	£
Current service cost (net of employee contributions)	1,912,000	1,491,000
Net interest cost	145,000	96,000
Admin expenses	2,000	1,000
Total operating charge	2,059,000	1,588,000

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

22 Pension and Similar Obligations (continued)

Remeasurement of net defined benefit obligation

	2016 £	2015 £
Return on fund assets in excess of interest	391,000	(44,000)
Change in financial assumptions	<u>(4,378,000)</u>	<u>11,000</u>
Actuarial loss	<u>(3,987,000)</u>	<u>(33,000)</u>

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

	2016 £	2015 £
At 1 September	5,938,000	3,410,000
Current service cost	829,000	507,000
Interest cost	285,000	172,000
Change in financial assumptions	4,378,000	(11,000)
Employee contributions	193,000	117,000
Estimated benefits paid net of transfers in	(12,000)	-
Liabilities assumed on settlements	<u>1,807,000</u>	<u>1,743,000</u>
At 31 August	<u>13,418,000</u>	<u>5,938,000</u>

Changes in the fair value of academy's share of scheme assets:

	2016 £	2015 £
At 1 September	2,706,000	1,418,000
Interest on assets	140,000	76,000
Return on assets less interest	391,000	(44,000)
Other actuarial gains/(losses)	-	-
Total actuarial gains/(losses)	-	-
Administration expenses	(2,000)	(1,000)
Contributions by employer including unfunded	536,000	381,000
Contributions by scheme participants and other employers	193,000	117,000
Estimated benefits paid plus unfunded net of transfers in	(12,000)	-
Settlement prices received	<u>724,000</u>	<u>759,000</u>
At 31 August	<u>4,676,000</u>	<u>2,706,000</u>

	2016 £	2015 £
Present value of defined benefit obligations	(13,418,000)	(5,938,000)
Fair value of share of scheme assets	4,676,000	2,706,000
Deficit in the schemes	<u>(8,742,000)</u>	<u>(3,232,000)</u>

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

23 Related Party Transactions

Owing to the nature of the academy trust 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 the academy trust 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. The following related party transactions took place in the period of account:

Mrs K M Winrow is an unpaid director of the academy trust and also an unpaid director of the Oxford Diocesan Board of Education ("ODBE"). During the year ended 31 August 2016, the academy trust paid £81,268 (2015: £111,496) to the ODBE for various support services, including the services of the CEO.

Mrs J A Davey is the CEO and a director of the academy trust and also an employee of ODBE. Lee Bolton Monier Williams ("LBMW"), the firm acting as the academy trust's solicitors is considered to be a related party as Mr H Dellar, an equity partner of LBMW is her domestic partner. During the year LBMW invoiced fees for academy conversions, HR and related advice totalling £29,406 (2015: £37,259). No decisions relating to the provision of legal services are made by the CEO, and the services are provided at direct cost.

The academy trust contracted with Mrs J Cousins, the wife of Mr D Cousins, a member of the senior management team of the academy trust, to provide training and consultancy services for academy headteachers and schools. The total amounts invoiced to the academy trust in the year were £2,917.

SBM Financial Services is a company controlled by Mrs S Bremner-Milne which provided financial services to the academy trust, in particular Mrs S Bremner-Milne was a member of the senior management team of the academy trust until Dec 2015. During the previous year the amounts invoiced totalled £135,139 and in the current financial year up to 31 December 2015, the company invoiced £47,215. A number of schools contracted the services of SBM Financial Services, both before converting to an academy trust and continuing afterwards. No financial decisions relating to the procurement of bursar services to schools were made by the central senior management team, as these decisions are fully delegated to headteachers and local governing body members.

24 Conversion to an academy trust

The following schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust for £nil consideration.

School name	Date of conversion	Local authority
The Batt CE Infant School	Thursday, October 1, 2015	Oxfordshire County Council
Burford Primary School	Thursday, October 1, 2015	Oxfordshire County Council
St Mary's CE Controlled Infant School	Tuesday, December 1, 2015	Oxfordshire County Council
Brize Norton Primary School	Tuesday, March 1, 2016	Oxfordshire County Council
Holyport CE Primary School	Wednesday, June 1, 2016	Royal Borough of Windsor and Maidenhead

The transfers have 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 the net income in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred on the conversion of the schools and an analysis of their recognition in the SOFA:

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	5,287,000	5,287,000
Other tangible fixed assets	-	-	92,192	92,192
Budget surplus / (deficit) on LA funds	320,163	-	-	320,163
Budget surplus / (deficit) on other school funds	-	-	43,246	43,246
LGPS pension deficit	-	(1,083,000)	-	(1,083,000)
Other identified assets and liabilities	77,524	-	-	77,524
Net assets	397,687	(1,083,000)	5,422,438	4,737,125

On conversion the land and buildings occupied by Burford Primary School and Brize Norton Primary School were assigned to the academy trust under 125 year leases. The fair value of the associated land and buildings totalling £5,287,000 were recognised in accordance with valuations provided by Mouchel, a company acting on behalf of the EFA, on a depreciated replacement cost basis.

Oxford Diocesan Schools Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

25 Prior year comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:				
Donations and capital grants	61,512	1,031	94,459	157,002
Transfer from local authority on conversion	683,534	(1,447,000)	3,743,890	2,980,424
Charitable activities:				
Funding for the academy trust's educational operations	80,985	10,314,745	-	10,395,730
Other trading activities	347,910	-	7,625	355,535
Investments	1,815	-	-	1,815
Total	<u>1,175,756</u>	<u>8,868,776</u>	<u>3,845,974</u>	<u>13,890,506</u>
Expenditure on:				
Raising Funds	209,820	-	-	209,820
Charitable activities:				
Academy trust educational operations	-	10,702,310	130,244	10,832,554
Total	<u>209,820</u>	<u>10,702,310</u>	<u>130,244</u>	<u>11,042,374</u>
Net income / (expenditure)	965,936	(1,833,534)	3,715,730	2,848,132
Transfers between funds	(407,250)	289,599	117,651	-
Other recognised gains / (losses)				
Actuarial losses on defined benefit pension schemes	-	(33,000)	-	(33,000)
Net movement in funds	<u>558,686</u>	<u>(1,576,935)</u>	<u>3,833,381</u>	<u>2,815,132</u>

26 Explanation of transition to FRS 102

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

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

Reconciliation of net income/(expenditure)

	Notes	31 August 2015 £
Net income previously reported under UK GAAP		2,886,132
Change in recognition of LGPS interest cost	A	<u>(38,000)</u>
Net income reported under FRS 102		<u>2,848,132</u>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to debit the previously reported pension finance expense by £38k and reducing the debit in other recognised gains and losses in the comparative SoFA by £38k.