

Registration number: 8270657 (England and Wales)



Rochester Diocesan Multi-Academy Education Trust
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

On behalf of the Directors of Rochester Diocesan Multi-Academy Education Trust ("RDAT"), I am pleased to present the Annual Report for the Trust for 2017/18.

In May 2015 the Diocesan Board of Education for the Diocese of Rochester made the decision to focus its resources on growing its school-initiated multi academy trusts in local areas of the diocese, rather than supporting the growth of a diocese-wide MAT. As a result of this strategic decision, the RDAT directors determined that RDAT would not take on any further academies, and, as and when possible, its remaining academy, Rosherville Church of England Primary Academy ('Rosherville'), would be transferred to another Church of England Trust. After considerable dialogue during 2017 and 2018 with the Regional Schools Commissioner ("RSC") and Aletheia Anglican Academies Trust ('Aletheia'), Rosherville was rebrokered to that Trust with effect from 1 September 2018.

Rosherville, which is located in Northfleet, Kent, joined the Trust in November 2014. The school has required intensive levels of support, new leadership and new governance arrangements in order to tackle and drive up educational standards.

The academic results for the academy at the end of Key Stage 2 for the academic years 2014/15, 2015/16 and 2016/17 confirmed that considerable progress had been made and the academy had improved under the new leadership arrangements brought in by the Trust. In May 2017, a SIAMS Inspection rated the Academy as outstanding. However an Ofsted inspection in September 2017 rated the academy as Requiring Improvement. It identified key areas for improvement in learning (especially for those who are the most able and those who have special educational needs and/or disabilities), ironing out inconsistencies in teaching across year groups, strengthening leadership and management and making sure that pupils attend school regularly. Plans were immediately drawn up to address these areas as a matter of urgency, working closely with Aletheia.

I am pleased to report that these plans were driven forward relentlessly by the Rosherville leadership team and governors during 2017/18 and that the academic results for the academy at the end of Key Stage 2 for the academic year 2017/18 and at other levels show further very considerable improvement as indicated in more detail within the Trustees' report later on in these accounts.

As part of the rebrokerage, it was agreed with the RSC, the Educational & Skills Funding Agency (ESFA) and Aletheia that all of RDAT's funds as at 31 August 2018 would be transferred to Aletheia. RDAT's directors have agreed that, following the rebrokerage and consequent transfer of the academy, RDAT will be wound up once it has fulfilled its reporting responsibilities to its members and to the ESFA and complied with its other responsibilities.

Finally, I would like to take this opportunity to thank my fellow Board members, all of our staff engaged directly in education at Rosherville and our Finance Officer, Toyin Coker, for their work for the Trust over the past year.



Mr David Bridger
Chair of the RDAT Board
5 December 2018

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

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ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Reference and Administrative Details

Members	David Bridger Incorporated Rochester Diocesan Board of Education
Trustees	David Bridger (Chair) Jean Craig Ann-Marie Jefferys Martin Robert Gillespie
Senior Management Team:	
• Acting Operations Manager	David Bridger
• Accounting Officer	Martin Gillespie
• Finance Officer	Toyin Coker
Company Name	Rochester Diocesan Multi-Academy Education Trust
Principal and Registered Office	Rochester Diocesan Office St Nicholas Church Boley Hill Rochester, Kent ME1 1SL
Company Registration Number	08270657 (England and Wales)
Independent Auditor	Crowe UK LLP Riverside House 40-46 High Street Maidstone, Kent ME14 1JH
Bankers	National Westminster Bank 148 High Street Chatham, Kent ME4 4DB
Solicitors	Winckworth Sherwood LLP Minerva House 5, Montague Close London SE1 9BB

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Trustees' Report

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the Trust for the year ended 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under Company Law.

The Financial Statements have been prepared in accordance with the accounting policies on pages 27 to 33 of the Financial Statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and the Academies Accounts Direction 2017 to 2018.

During 2017/18, Rochester Diocesan Multi-Academy Education Trust ("RDAT") only had one academy - Rosherville Church of England Primary Academy. This was rebrokered to Aletheia Anglican Academies Trust ("Aletheia") with effect from 1 September 2018.

Structure, Governance and Management

Constitution

RDAT is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Trustees of RDAT are also the directors of the Charitable Company for the purposes of Company Law.

Details of the Trustees who served RDAT throughout 2017/18 are included in the Reference and Administrative Details on page 4.

Members' Liability

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

Trustees' Indemnities

The Trustees benefit from an indemnity by way of insurance purchased by the Trust, pursuant to Articles 5(p) and 6.3 of the Articles.

Composition of the Board of Trustees

Articles 46 to 49 detail the composition of the Board of Trustees, with their appointment being regulated by Articles 50 to 63.

Policies and Procedures Adopted for the Induction and Training of Governors

Trustees are able to access appropriate and necessary training seminars.

Organisation Structure

The Board of Trustees monitor the performance of RDAT through full board meetings. The Trustees have met 6 times during the accounting period.

Following the Trustees' decision to wind down RDAT, the operations of RDAT were managed by the Chair of Trustees carrying out the role of Acting Operations Manager. The Board operates with full integrity and at each meeting there is a clear process in place for any declarations of pecuniary interest which are recorded. Each member of the Board has completed a Declaration of Interest Form.

The Board is responsible for the strategic direction of the organisation and maintaining financial probity. The Acting Operations Manager is responsible for the overall leadership and management and

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Trustees' Report (continued)

operational matters of RDAT. Full reports providing updates on the current matters are provided to the Board of Trustees at their meetings.

One of the directors, Martin Gillespie, carries out the role of Accounting Officer for RDAT.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

None of the trustees receives any remuneration. RDAT's only school was led since July 2017 by Mrs Justine Roddan who is employed by Aletheia and was seconded to the school under a Memorandum of Understanding with Aletheia. The school met her employment costs as agreed with Aletheia. Her employment costs are subject to the school teachers' pay and conditions as she is required to be a qualified teacher and as such the pay ranges are set by reference to these conditions. In addition, her remuneration reflects her responsibilities and accountability, professional expertise and nature and challenge of the role. RDAT has pay and appraisal policies for other staff in leadership roles.

Related Parties and other Connected Charities and Organisations

RDAT is a standalone charitable company set up by the Rochester Diocesan Board of Education to sponsor Church of England Academies offering a broad and balanced curriculum in accordance with the principles, practices and tenets of the Church of England. As such it is required to have regard to the advice of the Rochester Diocesan Board of Education (RDBE), which is also one of its corporate members.

Rosherville was rebrokered to Aletheia with effect from 1 September 2018 on terms approved by the ESFA as well as the RDAT Board. During 17/18, RDAT worked closely with Aletheia as a prelude to the rebrokerage and made arrangements for the following services to be provided by Aletheia:

- Head of School seconded from Aletheia
- School improvement advisory services
- PE lessons provision
- Senco support
- Installing upgraded IT systems

Catchment area and basis for pupil admission

The catchment area for the trust's only school during 17/18 was within the postcode area of DA11.

The basis on which its pupils were admitted during 17/18 were:

- Special educational needs (pupils with an EHCP) and looked after children
- Sibling link
- Distance

Objectives and Activities

Objects and Aims

In May 2015, the Trustees decided to wind down the activities of RDAT and to transfer its academies to other multi-academy trusts. The transfer process was completed wef 1 September 2018.

Whilst RDAT continued during 17/18 to secure a new sponsor for its remaining academy, it also continued to focus on its primary objective which was the advancement of excellent education, care and personal development for all pupils within its remaining academy with an ethos informed by Christian faith.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Trustees' Report (continued)

The Vision of RDAT while it continued to run an academy:

Educational excellence with a strong Christian ethos where every pupil is able to realise their full potential and is prepared for life.

The Mission of RDAT while it continued to run an academy:

To support and encourage the work of the academy in RDAT promoting Christian distinctiveness and excellent education of children and young people.

The values by which RDAT operated while it continued to run an academy:

- To develop a strong culture of professional development amongst our teaching staff as the quality of education in our academy can never exceed the quality of its teachers
- To promote high quality professional development and encourage mutual support in the pursuit of effective teaching and good student progress
- To make use of the latest research in pedagogy and child development
- To foster, maintain and celebrate Christian distinctiveness in our academy
- To recognise and enable those who often remain invisible, through ethnic or cultural disadvantage, or through disability or poverty
- To ensure our academy had a particular vocation to the least advantaged to enable them through education to change their lives

The purpose of RDAT whilst it continued to run an academy:

The purpose of RDAT while it continued to run an academy was to move that academy towards being good or outstanding and to ensure its rapid improvement.

As a Trust, the behaviours we expect to see:

- We encourage strong and capable leaders
- We enable our people to excel to provide outstanding education

The principles by which we managed the organisation while we continued to run an academy:

- Openness to build trust, be transparent, sharpen accountability and drive improvement
- We operated a simple efficient low-cost organisation
- We operated an effective & strong governance framework
- Tight control of our resources to achieve economies, efficiencies and effectiveness across our operations

Objectives, Strategies and Activities:

While it continued to run an academy, RDAT aimed to deliver the best in:

1. Corporate Governance:

To ensure that the Board of Trustees acted on behalf of its moral and legal owners in the best interests of RDAT, governing lawfully in accordance with its Articles of Association and having governance arrangements that demonstrated legitimate and visionary leadership, clarity of governing and managerial relationships, effective oversight, adequate support structures for sustainability and to achieve the greatest possible economies.

2. School Improvement - Teaching & Learning:

To ensure that our one academy provided the very best teaching in order to promote and provide high quality learning for our children and young people and that there was support in place for Teachers to achieve this and make a difference for our pupils.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Trustees' Report (continued)

3. Continued Professional Development:

To implement a CPD programme for our academy to ensure that our staff had the right skills to further raise standards, deliver good teaching and learning and disseminate good practice to ensure the rapid improvement of the school's pupils.

4. Quality Assurance:

To ensure that there was a rigorous and robust programme of Quality Assurance that helped to support teachers, build expertise and capacity and raise standards in our remaining academy to deliver positive outcomes for pupils.

5. Integrated Support & Shared Services while the Trust continues to run an academy:

To ensure that RDAT had business arrangements that were efficient and effective which enabled it to deliver on its commitments to grow, prosper and achieve value for money across all of our operations.

While it continued to run an academy, the Board agreed to focus on the following priorities:

- School improvement and effectiveness
- Enhancing the governance of the Board of Trustees
- Improving the local governing body to ensure a better performing academy
- Financial management, business efficiencies & effectiveness

Public Benefit:

The Directors confirm that the activities of RDAT provided identifiable benefits, namely educational, which were in pursuance to its aims and objectives. This benefit was available to young people aged from 5 to 11 years. Furthermore the Directors confirm that they have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission.

Pursuant to Section 417(5) (b) of the Companies Act 2006 ("the Act"), RDAT in its activities as an Educational provider undertook environmentally appropriate activities. Furthermore, its educational business was not environmentally significant. RDAT liaised with its local communities over wide ranging matters but especially with regards to its religious commitments.

Strategic Report

Achievements and Performance

This year RDAT has focused its resources on endeavouring to rapidly improve the educational standards and outcomes for children in the Trust's one primary academy. An Ofsted inspection in September 2017 rated the academy as Requiring Improvement. It identified key areas for improvement in learning (especially for those who are the most able and those who have special educational needs and/or disabilities), ironing out inconsistencies in teaching across year groups, strengthening leadership and management and making sure that pupils attend school regularly. Plans were immediately drawn up to address these areas as a matter of urgency, working closely with Aletheia.

We are pleased to report that these plans were driven forward relentlessly by the Rosherville leadership team and governors during 2017/18 and that the academic results for the academy at the end of Key Stage 2 for the academic year 2017/18 and at other levels show further very considerable improvement as indicated below.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Trustees' Report (continued)

We were pleased with our results this year. All results at both Key Stage One and Key Stage Two were above national outcomes with the exception of Reading at Key Stage Two – greater depth.

Early Years Foundation Stage Good Level of Development (GLD) Free School Meals (FSM)

GLD	2016 All	2016 FSM	2017 All	2017 FSM	2018 All	2018 FSM
School	63.6%	66.7%	70.0%	75.0%	75%	100%
National	69.3%	No data	70.7%	No data	71.5%	No data

Attainment in Phonics Year 1 & 2:

Phonics	2016 All	2016 FSM	2017 All	2017 FSM	2018 All	2018 FSM
Year 1 School	57.9%	50%	86.4%	85.7%	85%	85.7%
Year 1 National	80.6%	No data	81.2%	No data	71.5%	No data
Year 2 School	50%	50%	88.9%	100%	100%	0
Year 2 National	66.7%	No data	61.6%	No data	60.8%	No data

Year 2 – 2018 Attainment	Expected+ All%	Expected+ FSM%	Greater Depth All%	Greater Depth FSM%
Reading				
School	85.0	100	25.0	40.0
National	75.4	No data	25.6	No data
Writing				
School	85.0	100	30.0	20.0
National	69.9	No data	15.9	No data
Mathematics				
School	85.0	100.0	25.0	20.0
National	76.1	No data	21.8	No data

Year 6 – 2018 Attainment	Expected+ All	Expected+ FSM	Greater Depth All	Greater Depth FSM
Reading				
School	85	71.4	25	14.3
National	75	No data	28	No data
Writing				
School	100	100	20	0
National	78	No data	20	No data
SPAG				
School	90	85.7	60	42.9
National	78	No data	34	No data
Mathematics				
School	95	100	55	14.3
National	76	No data	24	No data
All Subjects				
School	85	71.4	5	0
National	64	No data	10	No data

- SATs (Statutory Attainment Tests at Year 2 and Year 6) were graded with children achieving as follows:-
- Expected +: At least in line with Age Related Expectations (ARE)

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Trustees' Report (continued)

- Greater Depth: Above Age Related Expectations (ARE)
- Free School Meal Pupils (Disadvantaged) (FSM).

Average progress scores – Expected = 0

Year 6 2018	All	FSM
Reading		
School	+1.0	-0.3
National	0.0	
Writing		
School	+3.1	+3.1
National	0.0	
Maths		
School	+4.7	+3.8
National	0.0	

RDAT continued to monitor the performance of its one academy and worked closely with the governing body and leadership team of that academy to ensure that pupil progress and standards of attainment continued to improve.

Key Performance Indicators

RDAT undertook monitoring of both a financial and non-financial nature, as follows:

Financial:

- Budget: income and expenditure to actual performance – these were reviewed at least once each term by the Governing Body of Rosherville CoE School and the RDAT Board of directors.
- Staff pay as a proportion of income – this was regularly reviewed and for the year end represented 72.16% (2016/17 – 63.81%) of income. Factors causing the increase include additional pension costs because of auto-enrolment commencing in Nov 2017, extra SENCO costs and changed head teacher arrangements.
- Specific income and expenditure items to budget – regular detailed budget reviews

Non-Financial:

- Pupil numbers – reviewed by reference to Rosherville's published admission number and local and national demand for places.
- Curriculum – reviewed at Local Governing Body level and through working in partnership with other schools and educational providers.
- Examination/test results – reviewed against local and national statistics published by the Department for Education together with data provided via Analysing School Performance (ASP) (a document produced by the DfE for all schools)
- Value added – reviewed against local and national statistics published by the Department for Education together with data provided via Analysing School Performance (ASP) (a document produced by the DfE for all schools).
- Pupil Premium and value for money - reviewed against local and national statistics published by the Department for Education together with data provided Analysing School Performance (ASP) although 2018 ASP data is not yet validated so these figures are provisional and are provided by management Information collected by Kent CC's data department who collate results from all schools in their Local Authority area.

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Trustees' Report (continued)

- Facilities – the condition of premises were monitored with and through the local governing body and the necessary bids for funding were made.
- Staff Performance – this was monitored through annual staff appraisal based on a single policy; RDAT ensured that staff performance was monitored and rewarded consistently and effectively.

Going Concern

The educational activity of the Trust ceased on 1st September 2018 following the transfer of Rosherville to Alethia Anglican Academies Trust but the company will continue to exist in order to facilitate the orderly winding up of its affairs. As it is the Directors' intention to wind down RDAT the directors have concluded that it is not appropriate to state that RDAT is a going concern and have therefore not prepared the accounts on a going concern basis.

Since Alethia took over the undertakings and operations of the Academy from 1st September 2018 with virtually all of its assets and liabilities as reflected in the financial statements to 31st August 2018, the Directors do not consider that any assets were impaired as at 31st August 2018, and hence no restatement of assets and liabilities are required as at this date.

After making appropriate enquiries the directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue to meet its liabilities as they fall due until the trust is wound up and it has adequate resources to continue in operational existence until that date. The Directors have made this assessment in respect of the forecast position of RDAT from the date of approval of the financial statements until the expected date of it being wound up.

Financial Review

The Financial Statements have been prepared on the bases set out in Note 1 to the accounts taking account of the preceding two paragraphs relating to RDAT no longer being a going concern.

Incoming resources for the year ended 31 August 2018 were £ 767,280 (2017 – £839,567). A large proportion of the RDAT's annual income was from the Education & Skills Funding Agency (ESFA) in the form of recurring and non-recurring grants. The grants are restricted for particular purposes. The grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The total amount received from the ESFA in the year was £703,072 (2017 - £765,663) comprising Capital grants of £8,701 (2017 - £36,041) and DfE/ESFA revenue grants of £694,371 (2017 - £729,622).

Resources expended for the year ended 31 August 2018 were £899,607 (2017 -£755,106)excluding the impact of the Rosherville transfer out before a pension surplus/(deficit) of £46,000 (2017: £80,000). The main factors causing the increase in expenditure include; increases in staff pay and pension benefits; Aletheia educational support; substantial repair works to the modular buildings; updating the ICT hardware provision with the purchase of ipads, interactive whiteboards, laptops and personal computers; enhancing the PE curriculum with the additional PE and Sports Grant funding; and fire alarm etc upgrades. All of RDAT's expenditure relates to its educational operations; this directly links to RDAT's principal activity, objectives and aims of 2017/18. In accordance with SORP 2015, expenditure has been analysed between the cost of generating funds and charitable activities.

The net surplus/(deficit) including the pension surplus/(deficit) but before the net deficit on the rebrokerage of Rosherville to Aletheia was £(86,327) (2017: £164,461). The net deficit on the rebrokerage of Rosherville to Aletheia of £65,066 comprised funds transferred to Aletheia (cash and debtors less liabilities assumed by Aletheia) of £(179,066) less a gain on the transfer out of the related pension deficit of £114,000.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Trustees' Report (continued)

As a result of the financial agreement for the rebrokerage of Rosherville to Aletheia at 31 August 2018 the value of current assets were £ 9,969 (2017:£325,335) and net current assets were Nil (2017: £277,104).

Reserves Policy

The Directors have regularly reviewed the reserve levels of RDAT. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

After making appropriate enquires, the directors have a reasonable expectation that RDAT has adequate resources to continue in existence until wound up.

The Trust has been committed to using its funds for the learning and development of the children. As the Trust is currently winding down, it is current policy to ensure that it has sufficient funds or access to funds for costs to be incurred after 31 August 2018 to continue in operation until wound up.

Investment Policy

The current funds are held in instant access accounts.

Principal Risks and Uncertainties

The Trustees confirm that the major risks to which RDAT is exposed and proposed procedures to mitigate identified risks have been reviewed. The Trustees have ensured that RDAT has had an effective system of internal financial control.

The Directors consider the greatest risks to RDAT are:

- Having sufficient funds to continue to run RDAT until wound up.
- Any breaches of legislation/regulatory requirements e.g. health and safety/employment legislation/safeguarding emerging in respect of the period while RDAT had an academy. Suitable insurance cover is in place.

There are processes in place to mitigate against each risk as follows:

- Having sufficient funds – Projected forward cash flows are monitored regularly and presented to the Board.
- Breach of legislation/regulatory requirements – updates from Rosherville's Head of School at Governing Body meetings in 17/18 or otherwise on any such issues which arise.

Plans for Future Periods

In May 2015, the Board of Trustees decided to wind down the activities of RDAT and to transfer its two academies to other multi-academy trusts. St John's, Penge was transferred out on 2 May 2016 and Rosherville on 1 September 2018.

The process of winding up RDAT is in hand.

Funds Held as Custodian Trustee on Behalf of Others

RDAT does not act as custodian trustee.

Auditors

Insofar as the trustees are aware:

- there is no relevant audit information of which RDAT's auditors are unaware


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Trustees' Report (continued)

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The re-appointment of the auditors, Crowe UK LLP, was confirmed by the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on the board's behalf by:



David Bridger
Chair of Board of Directors
5 December 2018

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that RDATE 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 delegated the day-to-day responsibility to the Acting Operations Manager and 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 RDATE and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control. Since August 2017, these responsibilities rest with David Bridger (the Chair of the Board) and Martin Gillespie (Accounting Officer).

Governance

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

Trustee	Meetings attended	Out of a possible
David Bridger (chairman)	6	6
Jean Craig	6	6
Ann-Marie Jefferys	6	6
Martin Gillespie (accounting officer)	5	6

Review of Value for Money

As Accounting Officer, Martin Gillespie has had responsibility for ensuring that RDATE 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 RDATE'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 RDATE has delivered improved value for money during the year by delivering:

Improved Educational Outcomes:

The Trust's only primary academy continued to improve and now exceeds national levels for combined reading, writing, SPAG and maths at the end of Key Stage 2.

The only primary academy, using existing resources, put in place strategies and targeted interventions to improve pupil outcomes. The academy had assessment strategies in place to ensure that the provision in place delivered the expected pupil outcomes thereby providing value for money in relation to the funding the academy received.

The academy benefited from the provision of educational advice provided by Aletheia.

Effective Financial Monitoring, Budgeting and managing

Effective financial monitoring at local governing body and trust level has been in place throughout 17/18 and since the year end. Rosherville Academy's actual deficit for 17/18 was £60k compared to a deficit

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

GOVERNANCE STATEMENT (continued)

budget of £29k but the actual deficit included £33k of substantial essential repairs to the school's modular buildings, £27k for significant IT upgrades and reduced Higher Needs Funding of £10k.

Notable features were:

- Negotiating the contract for substantial essential repairs to the School's modular buildings saving £8.5k compared to the initial estimate by quantity surveyors. Other maintenance costs were tightly managed and savings of £6k were made.
- Retaining all staff throughout the year with consequent improved pupil education and savings in agency costs (£10k) and recruitment costs (£4.5k). Savings in staff costs of £12k were also made compared to budget.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

RDAT's system of internal financial control has been 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 included:

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

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST GOVERNANCE STATEMENT (continued)

The board of Trustees considered the need for a specific internal audit function and decided not to appoint an internal auditor. One of the Trustees maintains close scrutiny of income received and expenditure made and the external auditors take account of the lack of an internal audit function in planning their own work.


Review of Effectiveness

The Accounting Officer has had 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 Trust Finance Officer
- the work of the external auditor
- the financial management and governance 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 the external auditor's review of the system of internal control.

Approved by order of the members of the Board of Trustees on 5 December 2018 and signed on its behalf by



David Bridger
Chair of Board
5 December 2018



Martin Gillespie
Accounting Officer
5 December 2018

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer for RDAT, I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017/2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017/2018.

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

A handwritten signature in black ink, appearing to read 'MR Gillespie', written in a cursive style.

Martin Gillespie
Accounting Officer
5 December 2018

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Rochester Diocesan Multi-Academy Education Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business as is the case for RDAT.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the Charity's Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:



David Bridger
Chair of Board

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Independent Auditor's Report on the Financial Statements to the Members of Rochester Diocesan Multi-Academy Education Trust

Opinion

We have audited the financial statements of Rochester Diocesan Multi-Academy Education Trust for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2017 to 2018 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We draw attention to page 27 in the financial statements, which indicates that the Trusts financial statements have not been prepared on the going concern basis because plans have been put in place to wind the Trust down post year end. There is no impact on the financial statements or concern that the Trust will not be able to meet its liabilities as they fall due. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Independent Auditor's Report on the Financial Statements to the Members of Rochester Diocesan Multi-Academy Education Trust (continued)

report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report included within the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of [trustees]

As explained more fully in the trustees' responsibilities statement set out on page 18 the trustees (who are also the 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
Independent Auditor's Report on the Financial Statements to the
Members of Rochester Diocesan Multi-Academy Education Trust
(continued)

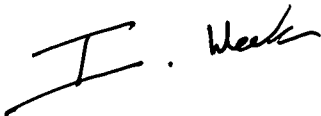
to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Ian Weekes

Senior Statutory Auditor

For and on behalf of

Crowe UK LLP

Riverside House

40-46 High Street

Maidstone

Kent

ME14 1JH

11th December 2018

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

Independent Reporting Accountant's Assurance Report on Regularity to Rochester Diocesan Multi-Academy Education Trust and the Education Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 October 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rochester Diocesan Multi-Academy Education Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Rochester Diocesan Multi-Academy Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Rochester Diocesan Multi-Academy Education Trust's funding agreement with the Secretary of State for Education dated 25 March 2014 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant

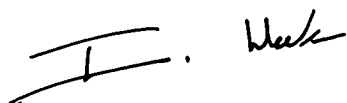
ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
Independent Reporting Accountant's Assurance Report on Regularity
to Rochester Diocesan Multi-Academy Education Trust and the
Education Skills Funding Agency (continued)

matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Conclusion

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



Ian Weekes
Senior Statutory Auditor

For and on behalf of
Crowe UK LLP
Statutory Auditor
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

11th December 2018

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £	2016/17 Total £
Income and endowments from:						
Donations and capital grants	2	-	30,594	8,701	39,295	62,850
Charitable activities:						
Funding for the academy trust's educational operations	3	1,527	726,458	-	727,985	776,717
Other trading activities	4	-	-	-	-	-
Total		1,527	757,052	8,701	767,280	839,567
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust educational operations	5	1,527	859,123	38,957	899,607	755,106
Total		1,527	859,123	38,957	899,607	755,106
Net income/(expenditure)		-	(102,071)	(30,256)	(132,327)	84,461
Transfers between funds		30,655	(30,660)	5	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	46,000	-	46,000	80,000
(Loss) on transfer of Rosherville	5	-	(179,066)	-	(179,066)	-
Gain on transfer of Rosherville defined benefit pension scheme		-	114,000	-	114,000	-
Net movement in funds		30,655	(151,797)	(30,251)	(151,393)	164,461
Reconciliation of funds						
Total funds brought forward		(30,655)	151,797	30,251	151,393	(13,068)
Total funds carried forward		-	-	-	-	151,393

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
BALANCE SHEET
AS AT 31 AUGUST 2018

Company Number 08270657

	Note	2018 £	2018 £	2017 £	2017 £
Fixed Assets					
Intangible assets	11		-		-
Tangible assets	12		-		289
Current Assets					
Debtors	13	2,938		78,440	
Cash at bank and in hand		<u>7,031</u>		<u>246,895</u>	
		9,969		325,335	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(9,969)</u>		<u>(48,231)</u>	
Net Current Assets			-		277,104
Creditors: Amounts falling due after more than one year			-		-
Net Assets excluding pension liability			-		277,393
Defined benefit pension scheme liability	24		-		(126,000)
Total Net Assets			-		<u>151,393</u>
Funds of the Academy					
Trust:					
Restricted Funds					
Fixed Asset Fund	16	-		30,251	
Restricted Income Fund	16	-		247,142	
Pension Reserve	16	-		<u>(126,000)</u>	
Total Restricted Funds			-		151,393
Unrestricted Income Funds	16		-		-
Total Funds			-		<u>151,393</u>

The financial statements on pages 24 to 49 were approved by the Trustees and authorised for issue on 5 December 2018 and signed on their behalf by



David Bridger
Chair of Board of Directors

The notes on pages 27 to 49 form part of these financial statements

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	(248,565)	40,332
Cash flows from investing activities	21	8,701	36,041
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		(239,864)	76,373
Cash and cash equivalents at 1 September 2017		246,895	170,522
Cash and cash equivalents at 31 August 2018	22	7,031	246,895

The notes on pages 27 to 49 form part of these financial statements

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Rochester Diocesan Multi Academy Education Trust meets the definition of a public benefit entity under FRS 102.

The registered office of the Rochester Diocesan Multi Academy Education Trust is St Nicholas Church, Boley Hill, Rochester, ME1 1SL.

Going Concern

The educational activity of the Trust ceased on 1st September 2018 following the transfer of Rosherville to Alethia Anglican Academies Trust and as a consequence it is the Directors' intention to wind down RDAT. Accordingly the Directors have not prepared the accounts on a going concern basis. All monetary amounts within the financial statements are presented as under one year.

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.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets (excluding Transfer on conversions/into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

- **Expenditure on 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.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 33% per annum

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Furniture and equipment 25% per annum
- Computer equipment 25% per annum

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

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

Premises held under licence

Part of the land and buildings of Rosherville CEP Academy owned by the Vicar and Churchwardens of the Ecclesiastical Parish of Northfleet and Rosherville were held under a Church Supplemental Agreement which permits the use of the premises on a rolling basis with a 2 year notice period. The trust's occupation for this period is recognised as follows:

- a. a notional donation for the two year notice
- b. a notional rental expense for the use of the premises in the first year
- c. a prepayment representing the notional rental expense for the remaining notice period – the second year. Prepayments outstanding at 31 August 2018 have been written off following the rebrokerage of Rosherville to Aletheia

The value of the donation is the amount the trust would otherwise have had to pay to secure the premises sufficient for its operations for the period. This has been estimated as an amount equivalent to the annual depreciation on the previous valuation of the school plus a 10% yield. The estimate amounts to a rental charge of £24,311 per annum.

Rosherville CEP Academy leased its playing fields from Ranburn Ltd. This has been accounted for as an operating lease.

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.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Provisions

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

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

Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

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

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

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Unsold uniform is valued at the lower of cost and net realisable value. For the purposes of these accounts stock is immaterial.

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.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Pension Benefits

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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

Head office employees of the academy trust are not members of a Pension Scheme.

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 and includes grants from the ESFA/DfE.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA/DfE.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2018**

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

A Trustees valuation has been used to recognise the notional donation and rental expense for the use of Church owned land and buildings.

2. Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	2017/18 Total £	2016/17 Total £
Capital grants	-	-	8,701	8,701	36,041
Other donations	-	30,594	-	30,594	26,809
	-	30,594	8,701	39,295	62,850
2017 Total	-	26,809	36,041	62,850	

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

3. Funding for the Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	2017/18 Total £	2016/17 Total £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	611,302	611,302	639,098
Other DfE Group Grants	-	83,069	83,069	90,524
	<u>-</u>	<u>694,371</u>	<u>694,371</u>	<u>729,622</u>
Other Government Grants				
Local Authority Grants	-	18,616	18,616	27,107
	<u>-</u>	<u>18,616</u>	<u>18,616</u>	<u>27,107</u>
Other income from the academy trust's educational operations	1,527	13,471	14,998	19,988
	<u>1,527</u>	<u>726,458</u>	<u>727,985</u>	<u>776,717</u>
2017 Total	<u>1,021</u>	<u>775,696</u>	<u>776,717</u>	

4. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2017/18 Total £	2016/17 Total £
Income from other charitable activities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2017 Total	<u>-</u>	<u>-</u>	<u>-</u>	

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

5. Expenditure

	Non Pay Expenditure			2017/18	2016/17
	Staff Costs £	Premises £	Other £	Total £	Total £
Expenditure on raising funds:					
Direct Costs	-	-	-	-	-
Allocated support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	488,652	-	152,967	641,619	561,995
Allocated support costs	70,675	130,567	56,746	257,988	193,110
Gain/(loss) on transfer of Rosherville	-	-	179,066	179,066	-
	<u>559,327</u>	<u>130,567</u>	<u>388,779</u>	<u>1,078,673</u>	<u>755,105</u>
2017 Total	<u>521,636</u>	<u>62,978</u>	<u>170,491</u>	<u>755,105</u>	

Expenditure by fund

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	2017/18 Total £	2016/17 Total £
Expenditure on raising funds:					
Direct Costs	-	-	-	-	-
Allocated support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	1,527	633,425	6,667	641,619	561,995
Allocated support costs	-	225,698	32,290	257,988	193,110
Gain/(loss) on transfer of Rosherville	-	179,066	-	179,066	
	<u>1,527</u>	<u>1,038,189</u>	<u>38,957</u>	<u>1,078,673</u>	<u>755,105</u>
2017 Total	<u>-</u>	<u>749,315</u>	<u>5,790</u>	<u>755,105</u>	

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Net income/(expenditure) for the period includes:

	2017/18	2016/17
	£	£
Operating lease rentals	3,880	3,880
Depreciation	289	995
(Gain)/loss on transfer of Rosherville	179,066	-
Fees payable to auditor for:		
-audit	7,500	7,500
-other services	750	1,375

6. Charitable activities

	2017/18	2016/17
	£	£
Direct costs – educational operations	641,619	561,995
Support costs – educational operations	257,988	193,110
Loss on transfer of Rosherville	179,066	-
	1,078,673	755,105

Analysis of support costs

	Educational Operations	2017/18 Total	2016/17 Total
	£	£	£
Support staff costs	70,675	70,675	61,489
Depreciation	289	289	993
Technology costs	22,287	22,287	15,043
Premises costs	130,567	130,567	62,978
Other support costs	23,083	23,083	35,081
Governance costs	11,087	11,087	17,526
Total support costs	257,988	257,988	193,110

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2018**

7. Staff

a. Staff Costs

Staff costs during the period were:

	2017/18 £	2016/17 £
Wages and salaries	446,404	402,978
Social security costs	26,972	20,185
Pension costs	45,772	38,787
	519,148	461,950
Agency staff costs	6,179	33,686
Staff restructuring costs	-	3,000
	525,327	498,636
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	3,000
Other restructuring costs	-	-
	-	3,000

b. Staff numbers

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

	2017/18 No.	2016/17 No.
Teachers	6	6
Administration and support	17	16
Management	1	1
	24	23

c. Higher paid staff

No employee was paid emoluments exceeding £60,000 during the year.

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 4. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £24,803 (2017: £15,173)

8. Central Services

The academy trust has provided the following central services to Rosherville CEP Academy during the year:

- Human resources
- Financial services
- Educational support services
- Legal services

The trust charges for these services on the following basis:

- Flat percentage of GAG income; 5%

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- At cost for specific clearly identifiable additional accounting services not covered by the 5%

The actual amount charged during the year was as follows

	2017/18	2016/17
	£	£
Rosherville CEP Academy	40,773	90,683
	<u>40,773</u>	<u>90,683</u>

Central Services costs for 2017 included the recharge of the costs of the Executive Headteacher whose contract was with RDAT centre rather than Rosherville school.

9. Related Party Transactions – Trustees remuneration and expenses

No trustee has been paid remuneration or received other benefits from the academy trust during the year.

During the period ended 31 August 2018 no travel or subsistence expenses were reimbursed or paid directly to any trustee, (2017: £88 to 2 trustees).

10. Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2018 was £872 (2017: £185). The cost of this insurance is included in the total insurance cost.

The academy trust has also 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 also 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.

11. Intangible fixed assets

	Computer Software	Total
	£	£
Cost		
At 1 September 2017	13,800	13,800
Additions	-	-
At 31 August 2018	<u>13,800</u>	<u>13,800</u>
Amortisation		
At 1 September 2017	13,800	13,800
Charged in year	-	-
At 31 August 2017	<u>13,800</u>	<u>13,800</u>
Carrying Amount		
At 31 August 2017	-	-
At 31 August 2018	<u>-</u>	<u>-</u>

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

12. Tangible fixed assets

	Computer Hardware £	Total £
Cost		
At 1 September 2017	3,973	3,973
Additions	-	-
At 31 August 2018	<u>3,973</u>	<u>3,973</u>
Depreciation		
At 1 September 2017	3,684	3,684
Charged in year	289	289
At 31 August 2018	<u>3,973</u>	<u>3,973</u>
Net book values		
At 31 August 2017	289	289
At 31 August 2018	<u>-</u>	<u>-</u>

13. Debtors

	2018 £	2017 £
Trade debtors	-	-
Vat recoverable	2,938	8,545
Other debtors	-	-
Prepayments and accrued income	-	69,895
	<u>2,938</u>	<u>78,440</u>

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	131	15,271
Other taxation and social security	-	-
Other creditors	2,938	156
Accruals and deferred income	<u>6,900</u>	<u>32,804</u>
	<u>9,969</u>	<u>48,231</u>
Deferred income		
Deferred income at 1 September 2017	-	17,422
Released from previous years	-	(17,422)
Resources deferred in the year	-	15,914
Deferred income at 31 August 2018	<u>-</u>	<u>15,914</u>

Accruals include employee costs for preparation of the statutory accounts and ESFA accounts return post year end and for preparing the Trust to be wound up.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

15. Financial instruments

	2018	2017
	£	£
Financial assets at amortised cost	-	-
Financial liabilities at amortised cost	9,969	32,316
Cash which is a basic financial instrument	7,031	246,895

16. Funds

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	131,064	654,967	(723,038)	(23,073)	39,920
Start Up Grant	139,146	-	-	-	139,146
Pupil Premium	-	48,290	(48,290)	-	-
Other DfE grants	1,532	35,179	(35,179)	(1,532)	-
Local Authority grants	6,055	18,616	(18,616)	(6,055)	-
Loss on transfer of Rosherville	-	-	-	(179,066)	(179,066)
Pension Reserve	(126,000)	-	12,000	114,000	-
	<u>151,797</u>	<u>757,052</u>	<u>(813,123)</u>	<u>(95,726)</u>	<u>-</u>
Restricted fixed asset funds					
DfE Group capital grants	30,251	8,701	(38,957)	5	-
	<u>30,251</u>	<u>8,701</u>	<u>(38,957)</u>	<u>5</u>	<u>-</u>
Total restricted funds	<u>182,048</u>	<u>765,753</u>	<u>(852,080)</u>	<u>(95,721)</u>	<u>-</u>
Total unrestricted funds	<u>(30,655)</u>	<u>1,527</u>	<u>(1,527)</u>	<u>30,655</u>	<u>-</u>
Total funds	<u>151,393</u>	<u>767,280</u>	<u>(853,607)</u>	<u>(65,066)</u>	<u>-</u>

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

Restricted General Funds – The GAG must be used to meet the general costs of running Rochester Diocesan Multi-Academy Education Trust. 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. Other DfE/ESFA and other grants received are used for the furtherance of education within the trust.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2018**

The pension reserve is the trust's share of the liability arising under the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset Funds – these funds are resources which are to be applied to specific capital projects imposed by the ESFA/DfE or other funders.

Unrestricted Funds – includes income generated from activities and any other donations or investment income, which are not restricted for any specific purpose and can be spent as determined by the trustees.

Under the rebrokerage commercial transfer agreement for the transfer of Rosherville to Aletheia, all of the Academy Trusts reserves were transferred to Aletheia on 31 August 2018. Consequently the unrestricted reserves deficit brought forward at 31 August 2017 of £30,655, the reasons for which had previously been discussed with the ESFA, were netted off against surplus restricted reserves. The commercial transfer agreement arrangement was approved by the ESFA.

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

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	55,386	684,874	(609,196)	-	131,064
Start Up Grant	139,146	-	-	-	139,146
Pupil Premium	-	59,950	(59,950)	-	-
Other DfE grants	-	30,573	(29,041)	-	1,532
Local Authority grants	6,055	27,107	(27,107)	-	6,055
Pension Reserve	(183,000)	-	57,000	-	(126,000)
	<u>17,587</u>	<u>802,504</u>	<u>(668,294)</u>	<u>-</u>	<u>151,797</u>
Restricted fixed asset funds					
DfE Group capital grants	-	36,041	(5,790)	-	30,251
	<u>-</u>	<u>36,041</u>	<u>(5,790)</u>	<u>-</u>	<u>30,251</u>
Total restricted funds	<u>17,587</u>	<u>838,545</u>	<u>(674,084)</u>	<u>-</u>	<u>182,048</u>
Total unrestricted funds	<u>(30,655)</u>	<u>833</u>	<u>(833)</u>	<u>-</u>	<u>(30,655)</u>
Total funds	<u>(13,068)</u>	<u>839,378</u>	<u>(674,917)</u>	<u>-</u>	<u>151,393</u>

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant GAG)	55,386	1,339,841	(1,332,234)	(23,073)	39,920
Start Up Grant	139,146	-	-	-	139,146
Pupil Premium	-	108,240	(108,240)	-	-
Other DfE grants	-	65,752	(64,220)	(1,532)	-
Local Authority grants	6,055	45,723	(45,723)	(6,055)	-
Loss on transfer of Rosherville	-	-	-	(179,066)	(179,066)
Pension Reserve	(183,000)	-	69,000	114,000	-
	<u>17,587</u>	<u>1,559,556</u>	<u>(1,481,417)</u>	<u>(95,726)</u>	<u>-</u>
Restricted fixed asset funds					
DfE Group capital grants	-	44,742	(44,747)	5	-
	-	44,742	(44,747)	5	-
Total restricted funds	<u>17,587</u>	<u>1,604,298</u>	<u>(1,526,164)</u>	<u>(95,751)</u>	<u>-</u>
Total unrestricted funds	<u>(30,655)</u>	<u>2,360</u>	<u>(2,360)</u>	<u>30,655</u>	<u>-</u>
Total funds	<u>(13,068)</u>	<u>1,606,658</u>	<u>(1,528,524)</u>	<u>(65,066)</u>	<u>-</u>

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018 £	2017 £
Rosherville CEP Academy	-	149,812
Central services	-	97,330
Total before fixed assets and pension reserve	-	247,142
Restricted fixed asset fund	-	30,251
Pension reserve	-	(126,000)
Total	<u>-</u>	<u>151,393</u>

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2018**

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	2017/18 Total £	2016/17 Total £
Rosherville CEP Academy	487,444	64,790	84,294	215,156	851,684	632,307
Central Services	-	24,803	-	22,830	47,633	41,806
Academy Trust	487,444	89,593	84,294	237,986	899,317	674,113

17. Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	-	-
Current assets	-	9,969	-	9,969
Current liabilities	-	(9,969)	-	(9,969)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	-	-	-
Total net assets	-	-	-	-

Comparative information in respect of the preceding period is as follows

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	289	-	-	289
Current assets	-	325,335	-	325,335
Current liabilities	-	(48,231)	-	(48,231)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(126,000)	-	(126,000)
Total net assets	289	151,104	-	151,393

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

18. Commitments under operating leases

Operating leases

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

	2018	2017
	£	£
Amounts due within one year	-	3,880
Amounts due between one and five years	-	16,250
Amounts due after five years	-	380,250
	<u>-</u>	<u>400,380</u>

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017/18	2016/17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(311,393)	84,462
Adjusted for:		
Depreciation	289	993
Capital grants from DfE and other capital income	(8,701)	(36,041)
Defined benefit pension scheme cost less contributions payable (note 24)	31,000	19,002
Defined benefit pension scheme finance cost (note 24)	3,000	4,000
(Increase)/decrease in debtors	75,502	(5,965)
Increase/(decrease) in creditors	(38,262)	(26,119)
Net cash provided by/used in operating activities	<u>(248,565)</u>	<u>40,332</u>

20. Cash flows from financing activities

	2017/18	2016/17
	£	£
Repayments of borrowing	-	-
Cash flows from new borrowing	-	-
Net cash provided by/used in financing activities	<u>-</u>	<u>-</u>

21. Cash flows from investing activities

	2017/18	2016/17
	£	£
Dividends, interest and rents from investments	-	-
Proceeds for sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	-	-
Capital grants from DfE Group	8,701	36,041
Capital funding received from sponsors and others	-	-
Net cash provided by/used in investing activities	<u>8,701</u>	<u>36,041</u>

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2018**

22. Analysis of cash and cash equivalents

	2017/18	2016/17
	£	£
Cash at bank and in hand	7,031	246,895
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	7,031	246,895

23. 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.

24. 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 Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council Pension Fund. Both are multi-employer defined benefit schemes. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2018**

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £19,010 (2017: £23,456).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £34,218 (2017: £19,624), of which employer's contributions totalled £26,730 (2017: £15,331) and employees' contributions totalled £7,488 (2017: £4,293). The agreed contribution rates for future years are 20% for employers and between 5.5% and 12.5% for employees.

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

Kent County Council Pension Fund – Rosherville CEP Academy

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.70%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations from age 65 are:

	2018	2017
Life expectancy from age 65 years)		
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.2	25.1

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2018**

Retiring in 20 years

Males	25.3	25.2
Females	27.5	27.4

Sensitivity analysis

	2018 £000	2017 £000
Adjustment to discount rate:		
Present value of total obligation +0.1%	267	240
Present value of total obligation -0.1%	283	254
Projected service cost +0.1%	49	31
Projected service cost -0.1%	51	33
Adjustment to long term salary increase:		
Present value of total obligation +0.1%	276	248
Present value of total obligation -0.1%	274	246
Projected service cost +0.1%	50	32
Projected service cost -0.1%	50	32
Adjustment to pension increases and deferred revaluation:		
Present value of total obligation +0.1%	282	252
Present value of total obligation -0.1%	268	242
Projected service cost +0.1%	51	33
Projected service cost -0.1%	49	31
Adjustment to life expectancy assumptions:		
Present value of total obligation +1 year	284	255
Present value of total obligation -1 year	267	239
Projected service cost +1 year	52	33
Projected service cost -1 year	48	31

Assets

The academy trust's share of the assets in the scheme were:

	2018 £000	2017 £000
Equities	110	84
Gilts	1	1
Other bonds	14	12
Property	20	15
Cash and other liquid assets	5	4
Absolute return fund	11	5
Total market value of assets	161	121

The actual return on scheme assets was £5,000 (£20,000).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Amount recognised in the Statement of Financial Activities

	2017/18	2016/17
	£000	£000
Service cost	58	34
Net interest on the defined liability/(asset)	3	4
Administration expenses	-	-
Total amount recognised in the SOFA	61	38

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

	2017/18	2016/17
	£000	£000
At 1 September	247	294
Current service cost	58	34
Interest cost	7	7
Employee contributions	8	4
Changes in financial assumptions	(45)	(10)
Experience loss/(gain) on defined benefit obligation	-	(82)
At 31 August	275	247

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

	2017/18	2016/17
	£000	£000
At 1 September	121	111
Interest income	4	3
Return on assets less interest	1	17
Actuarial gains/(losses)	-	(29)
Employer contributions	27	15
Employee contributions	8	4
At 31 August	161	121
Defined benefit pension scheme liability	114	126

25. 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account.

ROCHESTER DIOCESAN MULTI-ACADEMY EDUCATION TRUST
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26. Transfer out on academies leaving the academy trust

Transfer of Rosherville CEP Academy to the Aletheia Anglican Academies Trust

	£
Intangible/ tangible fixed assets	-
Current assets	
Debtors	51,564
Cash at bank and in hand	191,196
Liabilities	
Creditors due in less than 1 year	63,694
Pensions	
Pension scheme liabilities	114,000
Net assets/(liabilities)	<u>65,066</u>

27. Funds available for costs to be incurred after 31 August 2018 for winding down the Trust

As part of the financial arrangements for the rebrokerage of Rosherville to Aletheia, the Trust retained £6,900 to meet remaining staff costs arising after 31 August 2018. Further Aletheia has agreed to meet the audit costs of the Trust's 2017/18 statutory accounts and ESFA accounts return and meet other winding down costs up to £7,100. The trustees consider that these amounts will be sufficient to meet all foreseeable liabilities as they fall due.