

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014



BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

Robert Avery
Ian Bauckham, Accounting Officer
Michael Carson¹
John Constanti^{1,2}
Trevor Davis, Staff Trustee¹
Col. William English (resigned 21 July 2014)
Jackie Evans, Vice Chair
David Godfrey (appointed 3 December 2013)
Angela Goodchild¹
Ven. Clive Mansell, Chair²
Shirley Midgley, Staff Trustee
David Ralph JP^{1,2}
Cherie Sargent
Katie York
Dave Pate (appointed 24 October 2013)
Simon Curtis (appointed 1 September 2014)

¹ Finance & Resources Committee

² Audit Committee

Company registered number

07542155

Principal and registered office

Culverden Down, Tunbridge Wells, Kent, TN4 9SH

School Business Manager & Company Secretary

Sue McAvoy

School Leadership Team

Ian Bauckham, Head Teacher
Karen Brookes, Deputy Head
Jon Sparke, Deputy Head
Michelle Gaines, Assistant Head
Julia Mills, Assistant Head
Richard Tyson, Assistant Head
Anna Taylor, HR Manager
Sue McAvoy, Business Manager

Independent auditors

MHA MacIntyre Hudson, Cornwallis House, Pudding Lane, Maidstone, Kent, ME14 1NH

Bankers

Lloyds TSB, 82 Mount Pleasant Rd, Tunbridge Wells, TN1 1RP

Solicitors

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

Bennett Memorial Diocesan School Trust
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in the Rochester Diocese. It had a roll of 1524 in the school census on January 2014.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Bennett Memorial Diocesan School Academy Trust Limited are also the directors and governors of the charitable company for the purposes of company law. The Charitable Company is known as Bennett Memorial Diocesan School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust. The cost of this insurance in the year was £3,112.

Principal Activities

The trust's principal activity is to provide, for public benefit, full time education for students aged from 11 to 19 years old.

In particular to maintain, develop and manage a school with a designated Church of England religious character offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Trustees

Recruitment and appointment of trustees is as set out in the trust's Articles of Association.

Members have appointed 9 trustees, the archdeacon and head teacher as an ex- officio trustees and 2 staff trustees through the staff voting process.

Parents of registered pupils at the school elect the 2 parent trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees receive an induction pack and all trustees attend trustee training seminars.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

Organisational Structure

The Board of Governors monitor the performance of the school through full Board of Governors meetings 3 times per year.

The Board of Governors annually reviews the Terms of Reference for each sub committee, which include details of delegation where applicable. The principle document showing the financial & contractual delegation of authority is the Financial Roles & Responsibilities Handbook; which is reviewed at least annually by the Finance & Resources committee.

The governors' sub committees for Strategy, Finance and Resources and Learning meet three times per year. The Head teacher and Chair of each subcommittee report to the Board of Governors at each meeting, or earlier if necessary.

The Head teacher is responsible for the overall leadership and management of the school. The school has a leadership management team who are responsible for operational matters relating to curriculum, teaching, learning, student attainment, achievement, broader development, welfare, recruitment and finance.

The Head teacher is the Accounting Officer for the school.

Financial monitoring is provided monthly to the Finance & Resources committee and this information is used to inform decision making about the future direction of the school and capital expenditure.

Connected Organisations, including Related Party Relationships

The Bennett Memorial School is fortunate enough to have both parental, past students & church support; historically this led to the setting up of a charitable trust; "The Bennett Memorial Diocesan School Charity" which enable gifts to be given tax effectively to the charity; enabling the trustees to make grants to the school or others as appropriate in support of the school in the widest possible sense. The trust is run by independent trustees (head teacher, 1 nominated by the School Leadership Team and 3 of appointed by the existing trustees) who receive bids from the school to fund particular projects or works. The charity is registered with the Charity Commission for England & Wales, to whom it reports.

Objectives and Activities

Objects and Aims

The purpose of the Bennett Memorial Diocesan School Trust is to run a Church of England School which provides excellent education, care and personal development for boys and girls aged 11 to 18 and which has an ethos informed by Christian faith. The school serves principally the area of the Archdeaconry of Tonbridge and other adjacent areas. The academy trust appoints the majority of trustees for the school's governing body with a view to the furtherance and maintenance of this purpose. The principal charitable purposes of the trust are the advancement of education and within this the advancement of religion.

Objectives, Strategies and Activities

In the current year the school aims to continue and further enhance the quality of education, care and personal development provided for its students, and is focussing on improving a range of targeted areas, either because they have been deemed to be of strategic importance, or because they have recently underperformed relative to other areas.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The principal prioritised areas are:

Section A: Improving the quality of teaching and learning

- 1) At GCSE our objective is to improve both attainment and the progress made by students so that achievement is outstanding at all levels in all subjects.
- 2) At AS and A level our objective is to improve both attainment and the progress made by students so that achievement is outstanding at all levels in all subjects.
- 3) Improve the quality of advice and guidance, developing a culture of aspiration and achievement throughout the school so that:
 - a. More students make a successful Higher Education application, with an objective of 90% of students in year 13 and a higher proportion of these (40%) being successful applications to Russell Group Universities.
 - b. More students who have the necessary foundation from GCSE are retained into the Bennett Sixth Form from year 11 to study A levels. The success indicator will be an increase to 95%+ of the students who achieve the criteria set for A level study.
 - c. More students stay in the sixth form from Year 12 to 13 with an objective of at least 95% retention.
 - d. Where students do not achieve the threshold for A level study an increased proportion go on to study on relevant level 3 courses at Bennett or elsewhere. The success indicator will be an increase to 70%+ of the students who do not achieve the criteria set for A level study going on to at least study level 3 qualifications.
- 4) Improve the quality of teaching so that more lessons result in outstanding outcomes for students.
Particular areas of focus are:
 - a. The central role of subject leadership
 - b. Developing a school-wide culture where effective interventions are made to improve attainment when students are identified as underperforming through assessment.
 - c. Improvement in the induction of all new staff including New Qualified Teachers, so that high standards of teaching are swiftly established and sustained through effective professional development.

Section B: Improving the way in which the co-curriculum provides opportunity, fulfilment, and moral character

1. Further improve experiences of collective worship so that more children engage at a deeper level in that worship and thereby develop through providing opportunities which are aesthetically stimulating, which provide moral challenge and which encourage children to interpret and reflect upon Christian religious beliefs and experiences
2. Further develop achievement in co-curricular sports so that:
 - a. High performance teams in Rugby and Netball in years 7, 8, 9 and the Sixth Form compete and win at a regional level
 - b. Teams in at least 2 further areas of sport compete and win at a regional level

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

3. Further develop achievement in chess so that:
 - a. All students in years 7 and 8 have the opportunity to play at a competitive level
 - b. Students from Bennett compete at chess at a regional level
4. Further develop opportunity and achievement in music and performing arts so that:
 - a. At least 60 students take part in a full scale high quality musical production
 - b. At least 30 students take part in a high quality spoken theatrical production
5. Further develop opportunity and achievement in public speaking and debating so that:
 - a. All students in year 7-9 have the opportunity to memorise and perform a piece of prose or poetry in an assembly or another similar public setting
 - b. Students in years 7-9 compete in and win at a regional level in public speaking competition
 - c. Students in years 10-13 compete in regional competition and win through to competition at a national level

Section C: The development of Bennett as a collaborative partner and a system leader

1. Support the nomination and election of the Headteacher on HTB for SESL
2. Support the Headteacher's role in chairing the RDAT
3. Assess the feasibility and desirability of a free school bid led by Bennett to enhance educational provision in the area
4. Assess the feasibility and desirability of moving to a multi academy trust model to facilitate the support of other schools local
5. Join a local teaching school partnership and apply for Teaching School status in the October round

All of these link to the charitable purposes set out above.

Public Benefit

The principal public benefit arising from the academy's charitable activities is the educational outcomes in terms of results and personal and faith development for the students educated at the academy. Both principles of public benefit identified on the Charity Commission website have been met: the benefits are identifiable in terms of educational outcome, it is clear what they are (for example examination results), they are related to the aims, and there is no identifiable detriment.

On the second principle, the beneficiaries are appropriate to the aims, in that the beneficiaries are children living in the locality of the academy, access to this public benefit is not restricted by ability to pay for it, and only in a practical way by geographical distance from the academy, and children in poverty are not excluded from benefiting: there are many practical examples of students in poverty who have achieved excellent outcomes, no fees are charged for core educational activities, and the academy has a wide ranging grants and concessions programme to enable those in poverty to take part in supplementary activities.

The Governors of the academy trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievements and Performance

Key Performance Indicators

Examination outcomes

The examination outcomes of students in the school year 2013-14 were as follows:

GCSE	2007	2008	2009	2010	2011	2012	2013	2014
Capped average point score	343	358	361	372	382	382	377	366
Capped average point score GCSE					372	363	360	362
% 5 A*-C	77.4	90.1	89.8	95.6	96.1	90	92.5	84.7
% 5 A*-C incl En & Ma	65	79	80	87	85	79	81	78

A Level	2009	2010	2011	2012	2013	2014
% A*-E	97	99	99	99	99	98
% A*-C	77	78	84	84	81	75
% A*-B	44	51	53	57	57	47
% A*-A		27	25	27	26	20

Financial outcomes

The main element of the school's funding is based on pupil numbers highlighting this as a key performance indicator. Pupil numbers for 2013/14 were 1,524, an increase in roll of 26 over 2012/13. It is anticipated that this will remain steady with a possible increase in 6th form numbers in subsequent years

Staffing costs are the most significant recurring expenditure for the school. The staffing cost ratio to total expenditure is used by Governors to benchmark financial performance with other similar schools. For 2013/14 the ratio is 70.9%, this is consistent with the national average of 71.7% for secondary converter academies.

An operating surplus was maintained throughout the year to support the strategic development of the school.

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TRUSTEES' REPORT (continued)
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Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Accounting policies

The Financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP 2005).

The Financial statements have been prepared under historical cost convention.

The Financial Statements have been prepared on a going concern basis. The trustees have made an assessment of the potential changes in funding and deem that current and future sources of funding and support to be adequate to meet the future needs of the Academy.

Income

Most of the academy trust's annual income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received to 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities SORP 2005, grants and donations received for specific capital purposes are shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Resources expended

Expenditure in the year was covered by grants from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

Resources expended are recognised in the period in which they are incurred.

In accordance with SORP 2005, expenditure has been analysed between the cost of generating funds, charitable activities and governance.

98% of the trust's expenditure relates to its educational operations; this directly links to the Academy's principal activity, in year objectives and aims.

Financial review

The operating result before actuarial losses on the defined benefit pension scheme was a surplus of £198,261. The combined Restricted General fund, Restricted Other fund and Unrestricted fund show an operating surplus before the actuarial losses on the defined benefit pension scheme of £268,261. This operating surplus is the result of detailed budgeting and budget control procedures which is imbedded in the trust's daily financial management.

At 31 August 2014 the net book value of fixed assets was £4,110,152 and movements in tangible fixed assets are shown in note 17.

The trust has a number of restricted funds. The purpose of these funds is set out in note 20.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

Reserves Policy

The trust held fund balances at 31 August 2014 of £3,918,322 consisting of unrestricted funds of £166,287 and restricted funds of £3,752,035.

The deficit of £1,147,000 included in the restricted funds relates to the trust's Local Government Pension Scheme fund liability. This deficit is not an immediate liability and so funds would not have to be made available to cover this balance at short notice.

At 31 August 2014 the total funds comprised:

Unrestricted	£ 166,287
Restricted: Fixed asset funds	£4,110,152
GAG	(£ 52,979)
Pension reserve	(£1,147,000)
Other	£ 841,862
	<u>£3,918,322</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

Investment Policy

Surplus funds are invested in banks or financial institutions which comply with the Charity Commission requirements for charity fund, which seek to provide security of funds and the best possible return in the limited approved market. The current reserves are held in instant access accounts in order to support the trust's main purpose to provide secondary education.

Principal Risks and Uncertainties

The academy trust practises through its Board, namely the Board of Governors and the constituted subcommittees, risk management principles. It formally reviews its comprehensive risk statement each term, three times per year, and considers whether each identified risk is appropriately assessed and whether the mitigation strategies identified for each is proportionate to the gravity of the risk. Risks are assessed, graded and prioritised in terms of their likelihood and their seriousness, should they occur. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

Key areas covered by the full risk register are set out below:

Strategic risk: failure to operate within or meet its strategic or charitable objectives - mitigated by frequent review against objectives by senior staff, trustees and members.

Public profile risk: academy not seen by its public as meeting its objectives and providing a high quality educational service – mitigated by review against objectives, use of benchmarked data for student performance, Ofsted review of educational outputs, canvassing parental and public views and acting on findings.

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Risk that management data for the curriculum and performance is not accurate – mitigated by trustees being given direct access both to data sources and external data evaluations such as RaiseOnline where the Academy's performance is nationally benchmarked.

Risk that financial data is not accurate – mitigated by trustees being given direct access to audit reports, monthly reports, and visits to the Academy finance office to cross check samples of primary data.

Personnel risks: insufficiently experienced or qualified personnel at member, trustee, senior staff, finance or teaching staff levels – mitigated by regularly reviewed and improved training, skills auditing, monitoring of job performance, sourcing of external support for example through the National Governors Association, early recruitment of teaching staff, participation in succession planning and in-house initial teacher development activities, compliance with employment and safeguarding legislation.

Financial risks: risk of insufficient income to deliver the Academy's objectives – mitigated by forward financial planning and scenario modelling, three year budget planning, 'worst case scenario' planning, familiarisation with conflicts of interest requirements in AFH

Financial risks: risks of financial systems not being adequate or failing – fully developed disaster management plan, regular cross checking, regularly reviewed security procedures in line with best practice

Pensions risk: risk that scheme is in deficit, that employers' rate increases – mitigated by regular reviews of actuarial reports and forward financial planning using the latest available information

The academy trust practices through its Board, namely the Board of Governors and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Governors accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Governors collectively, whilst more minor risks are dealt with by senior executive officers.

Plans for Future Periods

Student retention

- More students who have the necessary foundation from GCSE are retained into the Bennett Sixth Form from year 11 to study A levels. The success indicator will be an increase to 95%+ of the students who achieve the criteria set for A level study.
- More students stay in the sixth form from Year 12 to 13 with an objective of at least 95% retention.

Financial

- Maintain a balanced financial position by prudent budget planning and ensuring post 16 course provision is cost efficient and effective
- Review the current investment policy to maximise return on monies held by the school

Funds held as Custodian Trustee on behalf of others

The academy trust operates a school fund account for school trips for which monies received from students is held.

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TRUSTEES' REPORT (continued)
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Auditor

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 4 December 2014 and signed on the board's behalf by:



Ven. Clive Mansell

Chair of Trustees

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the head teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bennett Memorial Diocesan School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 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
Robert Avery	3	3
Ian Bauckham, Accounting Officer	3	3
Michael Carson	3	3
John Constanti	3	3
Trevor Davis, Staff Trustee	3	2
Col. William English	1	3
Jackie Evans, Vice Chair	3	3
David Godfrey	2	3
Angela Goodchild	3	3
Ven. Clive Mansell, Chair	3	3
Shirley Midgley, Staff Trustee	3	3
David Ralph JP	2	3
Cherie Sargent	3	3
Katie York	3	3
Dave Pate	2	3
Simon Curtis	0	0

Governance reviews:

Every committee reviews its role in the light of changes in legislation, responsibilities and accountability annually.

These reviews result in changes to the remits for committees and to changes in practice.

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to oversee the financial management of the school. Main priorities during this year have been to ensure that the day to day requirements of the school in terms of adequate teaching supply have been maintained, and that key developmental priorities for the school have been appropriately costed and budgeted for. These priorities are reflected in the school improvement plan for the past and forthcoming years. In addition, the Committee has had regard to its responsibility to ensure that the Academy's funding has been prudently spent for the efficient education of students, and that the Academy's finances have been run within budget and with appropriate medium term provision for future needs and priorities.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Ralph (Chair)	3	3
M Carson	3	3
J Constanti (Vice chair)	1	3
T Davis (Staff trustee)	1	3
D Godfrey	2	2
A Goodchild	2	3

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to review and report on the quarterly responsible officer reports and year end audit report from the external auditor.

No management action points were identified by the Responsible Officer checks.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ven C Mansell	1	1
D Ralph	1	1
J Constanti	1	1

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Bennett Memorial Diocesan School Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;

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GOVERNANCE STATEMENT (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Auditors have delivered the schedule of work as planned, no management actions were identified in the four areas under review.

REVIEW OF EFFECTIVENESS

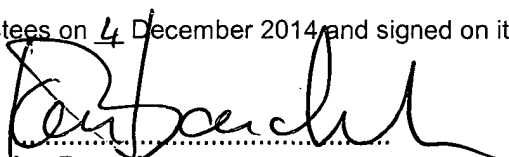
As Accounting Officer, the head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 4 December 2014 and signed on its behalf, by:


.....
Ven. Clive Mansell
Chair of Trustees


.....
Ian Bauckham
Accounting Officer

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST

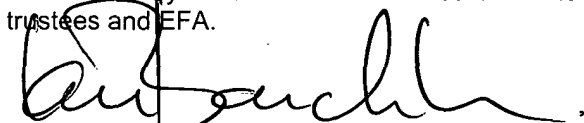
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Ian Bauckham
Accounting Officer

Date: 4 December 2014

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TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 4 December 2014 and signed on its behalf by:



Ven. Clive Mansell
Chair of Trustees

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BENNETT MEMORIAL DIOCESAN SCHOOL TRUST

We have audited the financial statements of Bennett Memorial Diocesan School Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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


BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BENNETT MEMORIAL
DIOCESAN SCHOOL TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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


James Gransby FCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Cornwallis House
Pudding Lane
Maidstone
Kent
ME14 1NH

Date:

9/12/14

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BENNETT MEMORIAL DIOCESAN SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22nd September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bennett Memorial Diocesan School Trust during the year 1 September 2013 to 31 August 2014 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 Bennett Memorial Diocesan School Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bennett Memorial Diocesan School Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bennett Memorial Diocesan School Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BENNETT MEMORIAL DIOCESAN SCHOOL TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Bennett Memorial Diocesan School Trust's funding agreement with the Secretary of State for Education dated 01 September 2011, and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BENNETT
MEMORIAL DIOCESAN SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Cornwallis House
Pudding Lane
Maidstone
Kent
ME14 1NH

Date: 9/12/14

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	12,936	210,212	223,148	359,450
Activities for generating funds	3	5,087	-	-	5,087	3,074
Investment income	4	12,893	-	-	12,893	14,333
Incoming resources from charitable activities	5	-	7,022,491	114,093	7,136,584	7,028,214
Other incoming resources	6	-	934,082	-	934,082	909,434
TOTAL INCOMING RESOURCES		17,980	7,969,509	324,305	8,311,794	8,314,505
RESOURCES EXPENDED						
Charitable activities	8/9/10	-	7,719,580	348,505	8,068,085	7,557,499
Governance costs	7	-	45,448	-	45,448	81,975
TOTAL RESOURCES EXPENDED	9	-	7,765,028	348,505	8,113,533	7,639,474
NET INCOMING RESOURCES BEFORE TRANSFERS		17,980	204,481	(24,200)	198,261	675,031
Transfers between Funds	19	-	(467,069)	467,069	-	-
NET INCOME FOR THE YEAR		17,980	(262,588)	442,869	198,261	675,031
Actuarial gains and losses on defined benefit pension schemes		-	165,000	-	165,000	(38,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		17,980	(97,588)	442,869	363,261	637,031
Total funds at 1 September 2013		148,307	(260,529)	3,667,283	3,555,061	2,918,030
TOTAL FUNDS AT 31 AUGUST 2014		166,287	(358,117)	4,110,152	3,918,322	3,555,061

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 23 to 42 form part of these financial statements.

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07542155

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	16		4,110,152		3,660,090
CURRENT ASSETS					
Debtors	17	133,564		401,169	
Cash at bank and in hand		1,378,289		1,241,459	
		<u>1,511,853</u>		<u>1,642,628</u>	
CREDITORS: amounts falling due within one year	18	(556,683)		(505,657)	
NET CURRENT ASSETS			<u>955,170</u>		<u>1,136,971</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,065,322</u>		<u>4,797,061</u>
Defined benefit pension scheme liability	24		(1,147,000)		(1,242,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>3,918,322</u></u>		<u><u>3,555,061</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	788,883		981,471	
Restricted fixed asset funds	19	4,110,152		3,667,283	
		<u>4,899,035</u>		<u>4,648,754</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,147,000)</u>		<u>(1,242,000)</u>	
Total restricted funds			<u>3,752,035</u>		<u>3,406,754</u>
Unrestricted funds	19		<u>166,287</u>		<u>148,307</u>
TOTAL FUNDS			<u><u>3,918,322</u></u>		<u><u>3,555,061</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 4 December 2014 and are signed on their behalf, by:


.....
Ven. C. Mansell
Chair of Trustees

The notes on pages 23 to 42 form part of these financial statements.

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	21	358,310	152,567
Returns on investments and servicing of finance	22	12,893	14,333
Capital expenditure and financial investment	22	(234,373)	(115,497)
INCREASE IN CASH IN THE YEAR		136,830	51,403

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
Increase in cash in the year	136,830	51,403
MOVEMENT IN NET FUNDS IN THE YEAR	136,830	51,403
Net funds at 1 September 2013	1,241,459	1,190,056
NET FUNDS AT 31 AUGUST 2014	1,378,289	1,241,459

The notes on pages 23 to 42 form part of these financial statements.

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

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

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,500 are capitalised.

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

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 carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and equipment	-	20-33% per year
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1.7 Taxation

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

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.8 Pensions

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

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.9 Leased Assets

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations- capital amounts	-	210,212	210,212	350,000
Donations	-	12,936	12,936	9,450
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	223,148	223,148	359,450
	<hr/>	<hr/>	<hr/>	<hr/>

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Rental income	5,087	-	5,087	3,074
	<u>5,087</u>	<u>-</u>	<u>5,087</u>	<u>3,074</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Interest	12,893	-	12,893	14,333
	<u>12,893</u>	<u>-</u>	<u>12,893</u>	<u>14,333</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational operations	-	7,136,584	7,136,584	7,028,214
	<u>-</u>	<u>7,136,584</u>	<u>7,136,584</u>	<u>7,028,214</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,822,395	6,822,395	6,784,081
Pupil Premium	-	83,745	83,745	79,619
DfE/EFA Capital Grants	-	114,093	114,093	44,185
Other DfE/EFA Grants	-	29,775	29,775	9,500
Local Authority Grants	-	69,302	69,302	97,263
Funding for 6th form students	-	17,274	17,274	13,566
	<u>-</u>	<u>7,136,584</u>	<u>7,136,584</u>	<u>7,028,214</u>

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Contributions towards school trips	-	289,829	289,829	338,023
Contributions towards clubs and educational activities	-	5,445	5,445	32,809
Other incoming resources	-	638,808	638,808	538,602
	-	934,082	934,082	909,434

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance auditors' remuneration	-	8,400	8,400	5,362
Governance Auditors' non audit costs	-	8,230	8,230	2,900
Legal and professional fees	-	28,818	28,818	73,713
	-	45,448	45,448	81,975

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,942,791	4,763,165
Educational supplies	776,726	791,063
Examination fees	149,779	139,050
Staff development and training	44,286	38,028
Other direct costs	3,845	35,411
	<u>5,917,427</u>	<u>5,766,717</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	469,249	477,417
Depreciation	91,556	65,689
FRS17 pension costs	46,000	35,000
Technology costs	138,248	124,442
Recruitment and support	31,737	28,218
Maintenance of premises and equipment	486,071	255,684
Cleaning	179,202	96,997
Rent and rates	28,831	28,101
Energy costs	138,233	140,693
Insurance	45,605	38,496
Security and transport	316,890	323,444
Catering	34,522	31,987
Other support costs	126,894	126,525
Water and sewerage	17,620	18,089
	<u>2,150,658</u>	<u>1,790,782</u>
	<u><u>8,068,085</u></u>	<u><u>7,557,499</u></u>

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Educational operations	4,942,791	974,636	5,917,427	5,766,717
Support costs - educational operations	469,249	1,681,409	2,150,658	1,755,782
Charitable activities	5,412,040	2,656,045	8,068,085	7,522,499
Governance	-	45,448	45,448	81,975
	5,412,040	2,701,493	8,113,533	7,604,474

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Educational operations	5,917,427	2,150,658	8,068,085	7,557,499

11. NET INCOMING RESOURCES

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets: - owned by the charity	91,556	65,689
Auditors' remuneration	8,400	5,362

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	4,398,246	4,169,788
Social security costs	292,828	285,370
Other pension costs (Note 24)	634,172	641,876
	<hr/>	<hr/>
	5,325,246	5,097,034
Supply teacher costs	86,794	143,548
	<hr/>	<hr/>
	5,412,040	5,240,582
	<hr/>	<hr/>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	82	84
Administration and support	39	39
Management	10	7
	<hr/>	<hr/>
	131	130
	<hr/>	<hr/>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £110,001 - £120,000	1	1
	<hr/>	<hr/>
	4	3
	<hr/>	<hr/>

The above employees participated in the Teachers' Pension Scheme and the Local Government Pension Scheme. Contributions during the year ended 31 August 2014 amounted to £37,705 towards the Teachers' Pension Scheme (2013: £35,781) and £13,454 towards the Local Government Pension Scheme.

BENNETT MEMORIAL DIOCESAN SCHOOL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

13. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration to 31 August 2014, fell within the following bands:

	2014 £	2013 £
Head Teacher (trustee)	114,386	113,130
Mr T Davis	40,000 - 45,000	40,000 - 45,000
Mrs S Midgley	15,000 - 20,000	15,000 - 20,000

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

14. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £3,112 (2013 - £4,062). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2014 £	2013 £
Expected return on pension scheme assets	66,000	42,000
Interest on pension scheme liabilities	(112,000)	(77,000)
	<u>(46,000)</u>	<u>(35,000)</u>

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

	Freehold property £	Fixtures and fittings £	Assets under construction £	Total £
Cost				
At 1 September 2013	3,115,000	220,184	456,800	3,791,984
Additions	447,200	94,418	-	541,618
Transferred from assets under construction	456,800	-	(456,800)	-
At 31 August 2014	4,019,000	314,602	-	4,333,602
Depreciation				
At 1 September 2013	-	131,894	-	131,894
Charge for the year	-	91,556	-	91,556
At 31 August 2014	-	223,450	-	223,450
Net book value				
At 31 August 2014	4,019,000	91,152	-	4,110,152
At 31 August 2013	3,115,000	88,290	456,800	3,660,090

The freehold property was professionally valued in the year of conversion to an academy trust on 27 October 2011 by Mr H F Camfield (MRICS).

The Rochester Diocesan Board own the legal title of the land and freehold property where the academy is situated therefore only the value of the land that is owned by the academy trust, comprising the school sports field and driveway is included in these financial statements. There is no formal lease in place and the Rochester Diocesan Board do not charge any rent for the use of the property.

17. DEBTORS

	2014 £	2013 £
Other debtors	65,361	28,667
Prepayments and accrued income	68,203	372,502
	<u>133,564</u>	<u>401,169</u>

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18. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	121,454	9,880
Other taxation and social security	96,502	92,008
Other creditors	66,795	79,664
Accruals and deferred income	271,932	324,105
	<u>556,683</u>	<u>505,657</u>

At the balance sheet date the academy trust was holding funds received in advance of the 2014/15 financial year in respect of rates relief and parental contributions towards school trips.

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	148,307	17,980	-	-	-	166,287
Restricted funds						
Restricted Funds - all funds	379,811	1,147,115	(685,064)	-	-	841,862
General Annual Grant (GAG)	601,660	6,822,394	(7,009,964)	(467,069)	-	(52,979)
Pension reserve	(1,242,000)	-	(70,000)	-	165,000	(1,147,000)
	<u>(260,529)</u>	<u>7,969,509</u>	<u>(7,765,028)</u>	<u>(467,069)</u>	<u>165,000</u>	<u>(358,117)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,667,283	324,305	(348,505)	467,069	-	4,110,152
Total restricted funds	<u>3,406,754</u>	<u>8,293,814</u>	<u>(8,113,533)</u>	<u>-</u>	<u>165,000</u>	<u>3,752,035</u>
Total of funds	<u>3,555,061</u>	<u>8,311,794</u>	<u>(8,113,533)</u>	<u>-</u>	<u>165,000</u>	<u>3,918,322</u>

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

Restricted general funds

These grants relate to the Academy's development and operational activities.

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FOR THE YEAR ENDED 31 AUGUST 2014**

19. STATEMENT OF FUNDS (continued)

Restricted pension funds

These funds represent the LGPS obligation to the employees of the academy trust.

Restricted fixed asset fund

These grants relate to capital funding to carry out works of a capital nature.

Unrestricted reserve

These funds relate to unrestricted income to be used to support the academy's objectives and educational activities.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	148,307	17,980	-	-	-	166,287
Restricted funds	(260,529)	7,969,509	(7,765,028)	(467,069)	165,000	(358,117)
Restricted fixed asset funds	3,667,283	324,305	(348,505)	467,069	-	4,110,152
	<u>3,555,061</u>	<u>8,311,794</u>	<u>(8,113,533)</u>	<u>-</u>	<u>165,000</u>	<u>3,918,322</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	4,110,152	4,110,152	3,660,090
Current assets	166,287	1,345,566	-	1,511,853	1,642,628
Creditors due within one year	-	(556,683)	-	(556,683)	(505,657)
Pension scheme liability	-	(1,147,000)	-	(1,147,000)	(1,242,000)
	<u>166,287</u>	<u>(358,117)</u>	<u>4,110,152</u>	<u>3,918,322</u>	<u>3,555,061</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before transfers	198,261	675,031
Returns on investments and servicing of finance	(12,893)	(14,333)
Depreciation of tangible fixed assets	91,556	65,689
Capital grants from DfE and other capital income	(307,245)	(394,185)
(Increase) / Decrease in debtors	267,605	(339,841)
Increase / (decrease) in creditors	51,026	121,206
FRS 17 pension cost less contributions payable	24,000	4,000
FRS 17 pension finance income	46,000	35,000
Net cash inflow from operations	358,310	152,567

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	12,893	14,333
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(541,618)	(509,682)
Capital grants from DfE / EFA	97,033	44,185
Capital funding received from sponsors and others	210,212	350,000
Net cash outflow capital expenditure	(234,373)	(115,497)

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,241,459	136,830	-	1,378,289
Net funds	1,241,459	136,830	-	1,378,289

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £66,795 were payable to the scheme at 31 August 2014 (2013 - £79,573) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the Teachers' pension Scheme was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the Teachers' Pension Scheme from September 2015.

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £208,000, of which employer's contributions totalled £162,000 and employees' contributions totalled £46,000. The agreed contribution rates for future years are 25.8% for employers and 5.5% to 10.0% 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.70	990,000	6.60	745,000
Bonds	3.60	171,000	4.40	124,000
Property	5.90	148,000	4.60	83,000
Gilts	3.00	18,000	3.50	-
Target return portfolio	5.90	63,000	5.00	41,000
Cash	2.90	61,000	0.50	41,000
Total market value of assets		<u>1,451,000</u>		<u>1,034,000</u>
Present value of scheme liabilities		<u>(2,598,000)</u>		<u>(2,276,000)</u>
(Deficit) in the scheme		<u>(1,147,000)</u>		<u>(1,242,000)</u>

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(2,598,000)	(2,276,000)
Fair value of scheme assets	<u>1,451,000</u>	<u>1,034,000</u>
Net liability	<u>(1,147,000)</u>	<u>(1,242,000)</u>

The amounts recognised in the Statement of financial activities are as follows:

	2014 £	2013 £
Current service cost	(186,000)	(154,000)
Interest on obligation	(112,000)	(77,000)
Expected return on scheme assets	<u>66,000</u>	<u>42,000</u>
Total	<u>(232,000)</u>	<u>(189,000)</u>

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

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

	2014 £	2013 £
Opening defined benefit obligation	2,276,000	1,888,000
Current service cost	186,000	154,000
Interest cost	112,000	77,000
Actuarial Losses	1,000	120,000
Benefits paid	(23,000)	(3,000)
Employee contributions	46,000	40,000
	<u>2,598,000</u>	<u>2,276,000</u>
Closing defined benefit obligation	<u>2,598,000</u>	<u>2,276,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,034,000	723,000
Expected return on assets	66,000	42,000
Actuarial gains and (losses)	166,000	82,000
Contributions by employer	162,000	150,000
Benefits paid	(23,000)	(3,000)
Employee contributions	46,000	40,000
	<u>1,451,000</u>	<u>1,034,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £165,000 (2013 - £(38,000)).

The academy expects to contribute £134,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.70 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.90 %
Inflation assumption (CPI)	2.60 %	2.90 %

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

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

	2014	2013
Retiring today		
Males	22.7	20.1
Females	25.1	24.1
Retiring in 20 years		
Males	24.9	22.1
Females	27.4	26.0

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(2,598,000)	(2,276,000)	(1,888,000)	(1,327,000)	-
Scheme assets	1,451,000	1,034,000	723,000	464,000	-
Deficit	<u>(1,147,000)</u>	<u>(1,242,000)</u>	<u>(1,165,000)</u>	<u>(863,000)</u>	<u>-</u>
Experience adjustments on scheme liabilities	(1,000)	(120,000)	-	(68,000)	-
Experience adjustments on scheme assets	<u>166,000</u>	<u>82,000</u>	<u>27,000</u>	<u>(9,000)</u>	<u>-</u>

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25. RELATED PARTY TRANSACTIONS

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

The Rochester Diocesan Board own the legal title of the land and freehold property where the academy is situated therefore only the value of the land that is owned by the academy trust, comprising the school sports field and driveway, is included in these financial statements. There is no formal lease in place and the Rochester Diocesan Board do not charge any rent for the use of the property.

During the year £210,212 (2013 - £350,000) was received from the Bennett Memorial Diocesan School Charity as a contribution towards capital expenditure.

26. COMPANY LIMITED BY GUARANTEE

The academy trust is a company limited by guarantee and does not have share capital.