



The Rodillian Multi Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2018



**Company Registration Number:
07990619 (England and Wales)**

The Rodillian Multi Academy Trust

Contents

	Page
Reference and Administrative Details	3
Trustees' Report	4 – 13
Governance Statement	14 – 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21 – 23
Independent Reporting Accountant's Report on Regularity	24 – 25
Consolidated Statement of Financial Activities incorporating Income & Expenditure Account	26
Consolidated Balance Sheet	27
Academy Trust Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	30 – 35
Other Notes to the Financial Statements	36 – 54

The Rodillian Multi Academy Trust

Reference and Administrative Details

Members	A Winn M Foster A Hudson M Wade (appointed 9 October 2018)	
Trustees	A Winn (Chairman) J Bennett A Goulty (CEO, Executive Head and Accounting Officer) M Wade (resigned 9 July 2018) B Sheldrake (resigned 25 September 2017) A Holdsworth (resigned 25 September 2017) S O'Brien (resigned 9 July 2018) M Peacock (resigned 19 October 2017) I Sewell (appointed 25 January 2018) A Sorby (appointed 24 January 2018) D Garnham (appointed 25 January 2018, resigned 27 September 2018) D Samwell (appointed 9 July 2018, resigned 14 August 2018) J East (appointed 28 September 2018) L Hunter (appointed 17 October 2018) C Cooke (appointed 24 November 2018) I Comfort (appointed 29 November 2018) T Hudson (appointed 5 December 2018)	
Senior Management Team:	A Goulty L Bradley W Bush N Lawson S Luffman A Moon	Chief Executive Officer Head of School Head of School (appointed 13 September 2017) Chief Financial Officer Head of School Head of School
Principal and Registered Office	The Rodillian Academy Longthorpe Lane Lofthouse, Wakefield WF3 3PS	
Company Registration Number	07990619 (England and Wales)	
Independent Auditor	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX	
Bankers	Lloyds Bank Park Row Leeds Branch PO Box 1000 BX1 1LT	
Solicitors	Michelmores LLP 48 Chancery Lane London WC2A 1JF	

The Rodillian Multi Academy Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2017 to 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 30 to 35 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of 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 (FRS102) (Effective 1 January 2015) (SORP 2015).

The Trust currently operates three secondary academies in West Yorkshire and one in North Yorkshire. Its academies have a combined Planned Admission Number of 921 and had a roll of 3,268 in the 2018 Autumn School Census.

The Trust also works with a number of other academies to support school improvement.

Southway at The Rodillian Academy Ltd is a subsidiary company of The Rodillian Multi Academy Trust. It was originally set up to provide alternative education for those students who may otherwise be excluded from seven secondary schools in the south of Leeds. Southway now provides services to schools throughout Leeds and from the surrounding area.

Structure, Governance and Management

Constitution

The Rodillian Multi 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 The Rodillian Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Rodillian Multi Academy Trust (TRMAT).

TRMAT is the parent company to Southway at the Rodillian Academy Ltd (Southway). The academy is the sole owner of the company and decisions on strategic direction and funding are made by the company's directors.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

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.

TRMAT is the parent company to Southway at the Rodillian Academy Ltd.

Trustees' Indemnities

TRMAT is a member of the Risk Protection Arrangement which is an alternative to insurance where UK government funds cover losses that arise. The cost of this line of cover is not separately available.

The Rodillian Multi Academy Trust

Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the Members. The Trust Board consists of six directors as at 31 August 2018. Since that date one trustee has resigned and four trustees have joined the trust. The trust recruits trustees through a variety of channels including the use of Academy Ambassadors and Inspiring Governance

The number of Directors of the company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. The Articles of Association set out the categories of directors and this includes the following:

- Directors appointed under Article 50
- The Chief Executive Officer
- A minimum of 2 parent directors appointed under Article 53 – 56D (unless there are local governing bodies which include at least 2 parent members)

Policies and Procedures Adopted for the Induction and Training of Trustees

All newly appointed trustees are required to attend trustee training. There is also a training package called Virtual Learning, supplied by National Governance Association, which is available for all trustees to participate in and renew / refresh their knowledge. We also subscribe to The Key for School Governors and the National Governance Association.

Training is an item on the agenda for the full Trust Board meetings and the Clerk to the Trustees is responsible for training. Trustees are asked to complete a Skills and Training Audit which identifies their training needs and any skills gaps on the Trust Board.

Any declarations of interest are requested at each committee and Trust Board meeting. A declaration of interest form is completed each year by each member of the Trust Board and monitored for any conflicts of interest.

Organisational Structure

The Trustees are responsible for exercising oversight of the governance and management of the Trust. In exercising their responsibilities, Trustees consider the advice given by the Executive Headteacher, other executive officers and the Chairs of the Local Governing Bodies (LGB), as appropriate.

An external review of the trust's governance was conducted and the trustees are using the outcomes of the review to strengthen the board of trustees and enhance the future governance of the trust.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Executive Headteacher is the trust's Accounting Officer. To improve the quality of the advice on internal controls, systems and processes, the Trustees developed a schedule of agreed procedures with Saffery Champness LLP. This work is conducted separately from the external audit work; the work is coordinated through separate teams and separate audit partners. The Scheme of Delegation gives details of delegated responsibilities.

The Rodillian Multi Academy Trust

Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

The key management personnel are the Trustees and Senior Management Team as set out on Page 3. Trustees who are not employees do not receive any remuneration.

The pay and remuneration of the CEO is set by the full Trust Board following a performance management cycle taking account of the scope of the role and benchmarking the salary to similar sized roles in the Wakefield/Leeds area. The pay and remuneration of the other key management personnel is set by the CEO following a performance management cycle taking account of the scope of the role and benchmarking the salary to similar sized roles in the area. The salary ranges for the key management personnel are reviewed periodically and the CEO makes the award within the set ranges.

Trade union facility time

The following information has been gathered in relation to the Trade Union (Facility Time Publication Requirements) Regulations 2017 which came into force on the 1st April 2017. Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake TU duties and activities as a TU representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties. There is no such entitlement to paid time off for undertaking activities.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.88

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% to 50%	1
51% to 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£201.90
Total pay bill	£16,269,000
Percentage of the total pay bill spent on facility time	0.00%

The Rodillian Multi Academy Trust

Trustees' Report (continued)

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.00%
---	-------

Related Parties and other Connected Charities and Organisations

Southway at The Rodillian Academy Ltd, a subsidiary company of the academy, was born of a government initiative regarding exclusions. Initially Southway provided alternative provision to Woodkirk Academy, Bruntcliffe School, Royds School, Cockburn School, Morley Academy and The South Leeds Academy as well as Rodillian Academy. Due to its success the centre now takes admissions from other schools in the city and from other local authority areas, under individual agreement.

Rodillian also has a partnership with the local Specialist Inclusive Learning Centre (SILC), Broomfield, who has use of the facilities at the academy for the purposes of bringing together pupils on the rolls of the SILC and the academy in a way which maximises progress educationally, socially, physically and emotionally for all.

During 2017/18, TRMAT provided teaching staff to the Leeds Jewish Free School (LJFS). This contract has now ended.

During 2017/18, TRMAT provided school improvement services and leadership to John Smeaton Academy. This arrangement has now ended.

The Trust also has ongoing arrangements with University Academy Keighley, Dixons Academy Trust, Roundhay and Engineering UTC North Lincolnshire.

Objectives and Activities

Objects and Aims

Our objects as set out in the Articles of Association are:

- To advance, for the public benefit, education in the United Kingdom, without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies offering a broad and balanced curriculum.
- To promote, for the benefit of the inhabitants of Wakefield, Featherstone, Kirklees and Selby and the surrounding areas, the provision of facilities for recreation or other leisure time occupation of individuals who have need for such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Our aims are:

- Create a safe, secure and positive environment where young people feel listened to and valued
- Develop a stimulating, flexible curriculum in order to meet the needs and aspirations of different individuals
- Create varied learning and enrichment opportunities to encourage the personal development of young people so that they gain the positive attributes and ethical grounding needed to make a valuable contribution to their society

The Rodillian Multi Academy Trust

Trustees' Report (continued)

- Develop high quality teaching and learning provision alongside effective student support structures, so that every young person is able to achieve their full academic potential
- Ensure access to relevant, engaging and effective professional development opportunities so that staff, as well as students, become lifelong learners
- Collaborate with the wider community and work in partnership with relevant organisations in order to enhance our educational provision and strengthen community spirit
- Ensure high quality and effective communication and consultation with staff, students, parents/carers and the wider community
- Be an innovative and flexible organisation, receptive to new ideas that will bring further improvement to our learning community

Objectives, Strategies and Activities

TRMAT's objectives aim for its students to be successful learners who enjoy learning, make progress and achieve both their full potential and targets set; are confident individuals who have a sense of self-worth and personal identity and are responsible citizens who make a positive contribution to society.

The strategic aim for our schools is to provide a broad based education supported by a wide range of extra-curricular activities including sport, music, drama, and the opportunity to participate in a vast number of cultural trips and visits, which broaden the horizons of all students.

In pursuit of these aims, the Head of School at each academy draws on its School Improvement Plan with progress against the Plan being reviewed by the Chief Executive Officer.

In order to plan and review medium term strategic development, rolling School Improvement Plans incorporate key areas. The targets continue to build on previous strategies.

The aim of this is to further improve Student Attainment and provide an outstanding education for students at our academies and partner schools.

TRMAT also has a three-year business plan, which sets out the strategic objectives of the Trust, which are reviewed annually by the board. The intention, of which, is to guarantee stability of the group, balanced against growth and development and to ensure success in our core purpose as a sponsor to improve education locally through spreading the Rodillian ethos.

Public Benefit

In setting the objectives, Trustees have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit and supplementary guidance on education as published on their website. The main public benefit delivered by the Trust is the provision of a high quality education to its students.

The Rodillian Multi Academy Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The Rodillian Academy had another successful year with 78% of students gaining 4+Basics (Standard Pass) and 63% gaining 5+ Basics (Strong Pass) with a Progress 8 figure of +0.29. The academy is classed as Above Average. The last Ofsted Inspection report in January 2016 judged that Rodillian Academy's overall effectiveness was Good and that Leadership and Management and Behaviour were both Outstanding.

The Featherstone Academy was re-brokered from EACT in 2014. The academy was taken out of special measures in March 2015, only 7 months after RMAT became the academy sponsor and the Ofsted Inspection report concluded that Leadership and Management was Outstanding and that Behaviour was Good. The latest Ofsted inspection in February 2017 led to an outcome of Good overall with Personal Development, Behaviour and Welfare being considered Outstanding. The outcomes for students in 2018 showed a significant improvement on 4+ Basics.

BBG Academy joined the Trust in July 2015 after it had been placed in special measures in October 2014. The last Ofsted Inspection report in March 2016 rated the academy's overall effectiveness as Good with all four inspection categories rated as Good. The outcomes for students have continued to improve with Progress 8 score at +0.39, placing it within the Above Average category.

Brayton Academy joined the Trust from the local authority on 1 September 2016. The outcomes for students were excellent on their first year of being part of the Trust. 73% of the students gained 4+ Basics (Standard Pass) the Progress 8 score was +0.31 and the school is classed as Above Average.

Southway is a top performing alternative provision both locally and nationally. The data indicates that Southway remains in the top 1% of similar provisions.

The Trust continues to provide school to school support within the local area. Support has been provided to John Smeaton Academy, up to December 2017 and Swallow Hill Academy until August 2018, both of which are members of Multi Academy Trusts and we continue to support University Academy Keighley, a single academy trust. We have been supporting Engineering UTC Northern Lincolnshire (ENLUTC), as was Humber UTC since September 2017 and are now also working with Leeds UTC.

Going Concern

In February 2018 the trust was given a financial notice to improve by the Education and Skills Funding Agency (ESFA). The trust has worked closely with the ESFA and has developed a detailed recovery plan that will return the trust to a stable financial position by August 2020. This work has entailed integrated financial curriculum planning and a review of all expenditure. Detailed cashflow forecasts were produced and subsequently the ESFA agreed to provide the trust with a cash advance. A repayment plan has been agreed which defers repayment until the trust is in a stronger financial position (Note 15 refers).

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.

The Rodillian Multi Academy Trust

Trustees' Report (continued)

Financial Review

The majority of the Trust's income is received from the ESFA in the form of grants the use of which is restricted to specific purposes. These grants received in the year to 31 August 2018 and associated expenditure are shown as restricted funds in the statement of financial activities (SOFA).

The Trust also receives grants for fixed assets, either as an allocation per student or as a grant for a given project following a bid for funds from the Condition Improvement Fund and received £625k in 2017/18. This income is shown in the SOFA as restricted income in the fixed asset fund. The major expenditure in the year was on replacing windows at Featherstone Academy and Brayton Academy which will result in lower annual running costs. The restricted fixed asset fund is reduced each year by depreciation charges calculated in line with the Trust's accounting policies over the expected useful life of the asset. At 31 August 2018, the net book value of fixed assets was £32.9m (£32m August 2017).

Total funds at 1 September 2017 were £28.9m and increased to £29.4m at 31 August 2018. In the year ended 31 August 2018, the Trust received total income of £20.6m. Total expenditure was £21.2m which indicates that the trust was in deficit of £0.5m for the year before gains, losses and transfers of £1.0m. After gains, losses and transfers the trust was in surplus of £0.5m.

The restricted general funds income excluding pension reserve was £16.6m and the unrestricted fund income was £3.4m; a total of £20m. The equivalent expenditure was £20.1m; a net deficit of £0.1m. The Trust has reduced the deficit in the Unrestricted and Restricted General Funds excluding pension funds to £1.4m.

The academy trust (which excludes the subsidiary) held fund balances at 31 August 2018 of £29.4m comprising £33.0m of restricted fixed asset funds, a deficit of £1.4m on the aggregate of unrestricted general funds and the general fund (excluding pension fund) and a pension deficit of £2.1m. In the year ending August 2018, the academy trust had a net surplus of £31k on the restricted general fund (excluding pension). Net current assets have increased from a net liability of £0.1m at August 2017 to a balance of £0.3m August 2018. The bank balance has decreased from £1.6m to £0.6m.

The deficits in the Local Government Pension Schemes are recognised on the balance sheet in accordance with FRS 102. The pension deficit has decreased by £0.7m to £2.3m.

The Trust is in breach of its funding agreement by being in cumulative deficit of £1,325k on its restricted general and unrestricted funds. The recovery plan agreed with the ESFA will return the trust to a cumulative surplus by August 2020.

Reserves Policy

Given that the trust is in a cumulative deficit, the trustees monitor the level of reserve regularly. As part of the recovery plan the intention is that all academies will operate with an in-year surplus from 2018/19 until the Trust's reserves are re-established to ensure financial stability and be sufficient to support any future growth and capital plans.

The Trustees have approved a recovery plan to address the level of reserves and have set a target of accumulating a minimum level of £1m of reserves by the end of 2020. This level of reserves will provide sufficient working capital for the Trust to operate effectively. When the trust is in surplus the reserves policy will be re-assessed.

The Rodillian Multi Academy Trust

Trustees' Report (continued)

Investment Policy

A return on working capital should be optimized whilst allowing easy access of the funds. In balancing risk against return, the policy of TRMAT is clearly geared to avoiding risk rather than to maximizing return.

TRMAT operates interest bearing current accounts with a bank approved by the Trust Board and maintains a balance in those accounts that is sufficient to cover immediate payroll costs. The Trust's intention over the next two years is to improve the cash position of the Trust and does not envisage being in a position to invest surplus funds.

The investment in the subsidiary is valued at cost.

Principal Risks and Uncertainties

The Trust Board is responsible for the management of risks faced by TRMAT. The Trustees have decided that it should have an Audit and Risk Committee and this committee will also monitor the risks to the Trust. The major risks to which the Trust is exposed have been identified on a Risk Register. Consideration of the risks is undertaken by the Trustees. The Trustees ensure that the Senior Management Team actively manage the risks and report progress to the Trustees and that risks will be identified, assessed and controls established on an ongoing basis.

The main risks to TRMAT which have been identified are:

- Student progress does not hold at Above Average
- The Trust is in cumulative deficit and has a financial notice to improve
- The Trust does not return to a cumulative surplus by August 2020
- Staff retention and recruitment is impacted by the adverse press which impacts student progress
- The reduction in staff resources adversely impacts behaviour and attendance
- The nature of the operation at the subsidiary company, Southway, requires the activities to be delivered through an independent school
- The financial position of the trust impacts on trustee recruitment and retention
- Changes in Government legislation, particularly with regard to funding, and the national funding formula will impact the Trust in the near future
- The financial position of the Trust could affect its educational reputation, which could affect pupil numbers and therefore, funding and could affect school improvement contracts
- The requirement to bring the trust back to a surplus will delay investment in the Facilities and IT strategies

Through the risk management processes established at The Rodillian Multi Academy Trust, the Trust Board is satisfied that the major risks have been identified and will be adequately mitigated where appropriate. It is recognised that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The main controls used by TRMAT are:

- Formal agendas for all Trust Board, committee and Local Governing Body (LGB) meetings
- Detailed and comprehensive terms of reference for the Trust Board, committees and all LGB's (annually reviewed to ensure continuing relevance)
- Written Scheme of Delegation
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels

The Rodillian Multi Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

- Implementation of vetting and clearance procedures as required by law for the safe-guarding of children and young people
- Engagement of external auditors to examine the accounts and financial practices of the Trust
- External assessments on the effectiveness of internal controls and procedures

Fundraising

The trust does not actively raise funds from the public. In the period to August 2018 the trust received donations totalling £2,000 from The Friends of Rodillian.

Plans for Future Periods

In order to plan and review medium term strategic development, a rolling School Improvement Plan incorporates key areas. These objectives are described fully in the section above entitled objectives, strategies and activities.

The Trust has developed a 3-year business plan and this has been shared with the Regional Schools Commissioner.

The Trust plans to:

- Move all schools to Good or better in an appropriate timeframe
- Ensure that all students progress
- Ensure that staffing, curriculum and accountability systems are in place to deliver high quality outcomes
- Incorporate our resilience, Rise and Read literacy improvement and mastery curriculums in every academy

TRMAT is creating a structure with the capacity to drive transformational and rapid educational achievement in its sponsored academies

The key objective of the Trust Board is to deliver the agreed recovery plan to address the deficit position in its reserves. The Trust will focus on this plan and will consolidate its position for the next two financial years. When the Trust is financially stable with a healthy level of reserves, consideration may be given to controlled expansion. Any schools joining the Trust will be subject to rigorous due diligence and will not be considered if there is risk they may affect adversely the educational or financial position of the trust as a whole.

Following a review of Southway at the Rodillian Academy Limited by the Department for Education, the trust will submit an application to register the activity delivered at Southway as a registered school.

The Rodillian Multi Academy Trust

Trustees' Report (continued)

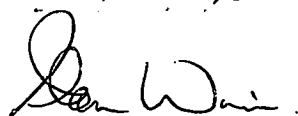
Plans for Future Periods (continued)

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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, was approved by order of the board of trustees, as the company directors, on *11 December* 2018 and signed on the board's behalf by:



Alan Winn
Chair of Trustees

The Rodillian Multi Academy Trust

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Rodillian Multi Academy Trust (TRMAT) 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 Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Rodillian Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
A Winn (Chair)	5	5
J Bennett	5	5
SJ O'Brien**	1	3
D Garnham#	2	3
A Goulty *	4	5
A Holdsworth**	1	1
I Sewell#	2	3
B Sheldrake**	1	1
A Sorby#	3	3
M Peacock**	1	1
M Wade**	3	3
D Samwell#**	0	0

* Executive Head and Accounting Officer

** Resigned during 2017/18

New appointee in 2017/18

The structure of governance was amended in 2016/17 to comply with the guidance in the Academies Financial Handbook 2017. The Director of Governance and the CEO ceased to be Members and new appointments were made. A fourth Member was appointed in 2018/19 and the trust intends appointing another Member in 2018/19.

In 2017/18, two members of staff who were trustees resigned leaving the Executive Headteacher as the only trustee who is also an employee.

An external review of governance was conducted during the year and the trustees are taking the appropriate action arising from the review's observations. The trust operates a Finance Committee and an Audit and Risk Committee and the meeting schedule for 2018/19 exceeds the requirement set out in the Academies Financial Handbook 2018. The trust is adding additional capacity and skills to the board and has already recruited an additional two trustees.

The Rodillian Multi Academy Trust

Governance Statement (continued)

Attendance at Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Bennett	4	4
D Garnham	1	1
A Goulty	6	6
A Holdsworth	1	1
SJ O'Brien	1	4
M Peacock	1	1
I Sewell	1	2
B Sheldrake	1	1
A Sorby	4	4
M Wade	4	4
A Winn	4	6

Attendance at Audit and Risk Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Bennett	4	4
D Garnham	1	2
A Goulty	4	4
A Holdsworth	1	1
SJ O'Brien	1	3
M Peacock	1	1
I Sewell	2	2
B Sheldrake	1	1
M Wade	2	2
A Winn	2	2

Review of Value for Money

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

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

Assessing its staffing requirement now and in the near future and deciding how best to secure talented staff and develop them. The trust used an integrated financial and curriculum planning model to assess its teaching requirements and determine the most appropriate curriculum for each of the schools in the trust. Account was taken of the level of support required to improve the educational outcomes of the academies in the Trust and a projection was made, based on recent experience, of the level of resource required to support any anticipated expansion of the Trust. The trust has reduced the number of teaching staff and the contact ratios and pupil teacher

The Rodillian Multi Academy Trust

Governance Statement (continued)

ratios have improved. A number of staff are also seconded to schools outside the trust for their personal development.

The Trust recognised that it was not leveraging the full benefit of being a multi academy trust and that it did not have the procurement skills and resources available within the Trust to make a rapid impact. The Trust also recognised that savings could be made by improving procurement compliance. The Trust recruited a procurement specialist to review its current procedures and practices. New procedures were developed and briefed to staff which will strengthen controls on ordering. A full contract review was conducted and a contract database is being populated. As contracts are renewed, more contracts are being let at a trust level and savings of over £125,000 were made when contracts for planned maintenance, SIMS, software, utilities and ground maintenance were re-negotiated.

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 The Rodillian Multi Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees identified that an increased focus on the management and monitoring of risk within the trust was required. The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. The Trustees recognised that the internal controls have not been as strong as they should be. To address this, the Trustees are working with the Chief Financial Officer to identify and address improvements that are required to ensure that the system for internal financial control is appropriate, adequate and strengthened where necessary.

Following a review of the finance team, the trustees supported the Chief Financial Officer and strengthened the team by recruiting additional qualified accountants. The team has been further strengthened by the appointment of an additional temporary accountant and extending the contract of the procurement manager.

The Rodillian Multi Academy Trust

Governance Statement (continued)

Controls will necessarily include:

- 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 audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The quality of management information, the level of financial control and the approach to procurement have all improved during the year. The board of trustees has requested further enhancements to the level of management information that they receive and this will be delivered in 2018/19.

The Board of Trustees considered the need for an assessment of internal controls and as a result the Audit and Risk Committee sets an annual programme of work on a calendar year basis taking in to account identified risks and the outcomes from the external audit and the resultant management letter points raised. Reviews done have include purchasing and procurement and a review of payroll procedures.

Review of Effectiveness

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

- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

The Rodillian Multi Academy Trust

Governance Statement (continued)

Approved by order of the members of the board of Trustees on 11/12/18 2018 and signed on its behalf by:



Alan Winn
Chair of Trustees



Andrew Goulty
Accounting Officer

The Rodillian Multi Academy Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of The Rodillian Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

- During the year there were two instances where the Trust's procurement processes had not been followed in full; three quotes had not been obtained for expenditure in excess of £10,000.
- The register of interests disclosed on the website does not include all the relevant business and pecuniary interest of members, trustees, local governors and accounting officers.



Andrew Goulty
Accounting Officer

Date: 11 / 12 - 2018

The Rodillian Multi Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of The Rodillian Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 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:

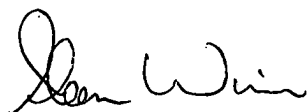
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of Trustees on 11 December 2018 and signed on its behalf by:



Alan Winn
Chair of Trustees

The Rodillian Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of the Rodillian Multi Academy Trust

Opinion

We have audited the financial statements of The Rodillian Multi Academy Trust for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and Academy Trust's Balance Sheets, Consolidated Statement of Cash Flows 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).

In our opinion the financial statements:

- give a true and fair view of the group and of the parent charitable company's state of affairs as at 31 August 2018 and of the group's 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 Companies Act 2006, SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which explains that the Trust is under a Financial Notice to Improve (FNtI) as issued by the ESFA in February 2018 and is in receipt of an advance of funding from the ESFA that requires repayment by June 2021. The Trust is currently in a deficit position on its restricted general fund of £1,418k at 31 August 2018. The Trust has prepared budgets and forecast which show a return to surplus by August 2020 and has an agreed recovery plan with the ESFA, nevertheless the delivery of this recovery plan is a key risk in the ability of the Trust to continue as a going concern. These events and conditions indicate the existence of a material uncertainty which may cast doubt on the Trust's ability to continue as a going concern. 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 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.

The Rodillian Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of the Rodillian Multi Academy Trust (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

The Rodillian Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of the Rodillian Multi Academy Trust (continued)

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

Auditor's responsibilities for the audit of the financial statements

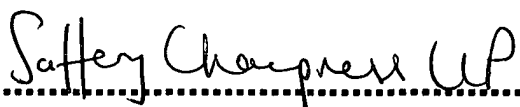
We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

Use of our report

This report is made solely to the charitable company's members and the trustees, 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....

21/12/18.

Sally Appleton (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Date:

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Rodillian Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Rodillian Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the The Rodillian Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have *been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.*

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

Respective responsibilities of The Rodillian Multi Academy Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Rodillian Multi Academy Trust's funding agreement with the Secretary of State for Education dated July 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 period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The Rodillian Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Rodillian Multi Academy Trust and the Education and Skills Funding Agency (continued)

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

- During the year there were two instances where the Trust's procurement processes had not been followed in full; three quotes had not been obtained for expenditure in excess of £10,000.
- The register of interests disclosed on the website does not include all the relevant business and pecuniary interest of members, trustees, local governors and accounting officers.

Saffery Champness LLP

21/12/18

Sally Appleton

Reporting accountant
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX
Date:

The Rodillian Multi Academy Trust

Consolidated Statement of Financial Activities for the year ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	2	-	2	625	627	1,773
Transfer from local authority on conversion		-	-	-	-	9,483
Charitable activities:						
Funding for the academy trust's educational operations	3	1,720	16,566	-	18,286	18,144
Other trading activities	4	1,725	-	-	1,725	2,089
Investments	5	1	-	-	1	1
Total		3,446	16,568	625	20,639	31,490
Expenditure on:						
Raising funds	6	1,574	-	-	1,574	1,857
Charitable activities:						
Academy trust educational operations	7	1,586	16,985	1,028	19,599	21,413
Total		3,160	16,985	1,028	21,173	23,270
Net income / (expenditure)		286	(417)	(403)	(534)	8,220
Transfer between funds	17	(129)	129	-	-	-
Other recognised gains / (losses):						
Actuarial gains on defined benefit pension schemes	17,25	-	1,022	-	1,022	2,323
Net movement in funds		157	734	(403)	488	10,543
Reconciliation of funds						
Total funds brought forward		(64)	(4,428)	33,407	28,915	18,372
Total funds carried forward		93	(3,694)	33,004	29,403	28,915

The Rodillian Multi Academy Trust

Consolidated Balance Sheet as at 31 August 2018

Company Number 07990619

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	11		32,929		31,992
Current assets					
Stock		1		1	
Debtors	13	1,018		1,396	
Cash at bank and in hand		645		1,604	
		1,664		3,001	
Liabilities					
Creditors: Amounts falling due within one year	14	(1,378)		(3,099)	
Net current assets/(liabilities)			286		(98)
Total assets less current liabilities			33,215		31,894
Creditors: Amounts falling due after more than one year	15		(1,536)		
Defined benefit pension scheme liability	25		(2,276)		(2,979)
Total net assets			29,403		28,915
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	17	33,004		33,407	
. General fund	17	(1,418)		(1,449)	
. Pension reserve	17	(2,276)		(2,979)	
Total restricted funds			29,310		28,979
Unrestricted income funds	17		93		(64)
Total funds			29,403		28,915

The financial statements on pages 26 to 54 were approved by the trustees and authorised for issue on 2018 and are signed on their behalf by

11 November



Alan Winn
Chair of Trustees

The Rodillian Multi Academy Trust

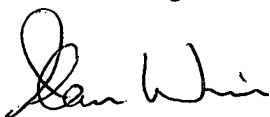
Academy Trust Balance Sheet as at 31 August 2018

Company Number 07990619

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	11		32,892		31,987
Current assets					
Stock		1		1	
Debtors	13	944		1,470	
Cash at bank and in hand		509		1,496	
		<u>1,454</u>		<u>2,967</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(1,224)</u>		<u>(2,996)</u>	
Net current assets/(liabilities)			<u>230</u>		<u>(29)</u>
Total assets less current liabilities			33,122		31,958
Creditors: Amounts falling due after more than one year	15		(1,536)		-
Defined benefit pension scheme liability	25		<u>(2,112)</u>		<u>(2,815)</u>
Total net assets			<u>29,474</u>		<u>29,143</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund		33,004		33,407	
. General fund		(1,418)		(1,449)	
. Pension reserve		<u>(2,112)</u>		<u>(2,815)</u>	
Total restricted funds			29,474		29,143
Unrestricted income funds			<u>-</u>		<u>-</u>
Total funds			<u>29,474</u>		<u>29,143</u>

The financial statements on pages 26 to 54 were approved by the trustees and authorised for issue on 2018 and are signed on their behalf by

11 December.



Alan Winn
Chair of Trustees

The Rodillian Multi Academy Trust

Consolidated Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/ (used in) operating activities	21	380	(215)
Cash flows from investing activities	22	(1,339)	787
Change in cash and cash equivalents in the reporting period		(959)	572
Cash and cash equivalents at 1 September 2017		1,604	1,032
Cash and cash equivalents at 31 August 2018	23	645	1,604

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018

1 Statement of accounting policies

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

Basis of Preparation

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

The Rodillian Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

The consolidated financial statements comprise the accounts of The Rodillian Multi Academy Trust and its subsidiary, Southway at the Rodillian Academy Limited, made up to 31 August 2018. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy trust alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Going Concern

At the end of August 2017 the trust had a deficit on unrestricted funds of £64k and a deficit on restricted general funds of £1,449k; a total deficit of £1,513k on these two funds. The trust was issued with a financial notice to improve by the ESFA in February 2018. The ESFA agreed the recovery plan submitted by the trust and the trust is working towards returning to a surplus position by August 2020.

Nevertheless, the trust continues to be dependent on facilities in place under the financial notice to improve, provided by the ESFA, in order to address the short term funding and deficit position. As part of the recovery plan, detailed cash management forecasts were produced for each school in the trust. This identified the need for a cash advance from the ESFA which was received in August 2018. The repayment of all money due has been deferred until 2020 and a repayment schedule has been agreed.

The trust has budgeted surpluses for each year going forward and the management accounts received by trustees show that the trust is operating in surplus in 2018/19. The trust has also produced a forecast for 2018/19 onwards which confirms that the trust will be in surplus for the foreseeable future. The cashflow forecasts also demonstrate that the trust is generating a cash surplus which is sufficient to meet its operational requirements and meet the repayments to the ESFA.

Given that the trust has a financial notice to improve, the trustees recognise the need to monitor delivery of the recovery plan and identify this as a key risk. The board of trustees believe that the trust will meet the conditions of the financial notice to improve.

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.

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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.

- **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 abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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'.

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 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.

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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.

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 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:

- Long leasehold buildings and improvements 10 - 125 years
- Furniture and Equipment 5 years
- ICT equipment 3 years
- Motor vehicles 5 years

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

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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.

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.

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.

Investments

The academy's shareholding in the wholly owned subsidiary, Southway at the Rodillian Academy Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

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.

Pensions 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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

Pensions Benefits (continued)

therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 notes 14. 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.

Fund Accounting

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

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

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

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

Agency Arrangement

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	625	625	1,773
Donated fixed assets on conversion	-	-	-	10,572
Donated pension scheme deficit	-	-	-	(1,089)
Other donations	-	2	2	-
	<u>-</u>	<u>627</u>	<u>627</u>	<u>11,256</u>
2017 Total	<u>-</u>	<u>11,256</u>	<u>11,256</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
. General Annual Grant (GAG)	-	15,496	15,496	15,216
. Start Up Grants	-	-	-	371
. Other DfE/ESFA grants	-	817	817	856
	<u>-</u>	<u>16,313</u>	<u>16,313</u>	<u>16,443</u>
Other Government grants				
. Local authority grants	-	152	152	142
. AIP funding	1,361	-	1,361	1,261
. Other grants	-	101	101	-
	<u>1,361</u>	<u>253</u>	<u>1,614</u>	<u>1,403</u>
Other income from the academy trust's educational operations				
. Other income	359	-	359	298
	<u>1,720</u>	<u>16,566</u>	<u>18,286</u>	<u>18,144</u>
2017 Total	<u>1,559</u>	<u>16,585</u>	<u>18,144</u>	

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Staff secondments	1,248	-	1,248	1,666
School fund	19	-	19	-
Hire of facilities	11	-	11	15
Staff placements/training	74	-	74	116
Management fees	325	-	325	125
Miscellaneous	48	-	48	167
	<u>1,725</u>	<u>-</u>	<u>1,725</u>	<u>2,089</u>
2017 Total	<u>2,089</u>	<u>-</u>	<u>2,089</u>	

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
2017 Total	<u>1</u>	<u>-</u>	<u>1</u>	

6 Expenditure

	Non Pay Expenditure			Total 2018 £000	Total 2017 £000
	Staff Costs £000	Premises £000	Other £000		
Expenditure on raising funds	1,574	-	-	1,574	1,857
Academy's educational operations:					
· Direct costs	12,643	1,028	1,401	15,072	16,133
· Allocated support costs	2,052	1,629	846	4,527	5,280
	<u>16,269</u>	<u>2,657</u>	<u>2,247</u>	<u>21,173</u>	<u>23,270</u>
2017 Total	<u>17,800</u>	<u>2,686</u>	<u>2,784</u>	<u>23,270</u>	

Net income/(expenditure) for the period includes:

	2018 £000	2017 £000
Operating lease rentals	228	92
Depreciation	1,027	1,004
Fees payable to auditor for:		
- audit	30	29
- other services	14	8

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

7 Charitable activities

	Total 2018 £000	Total 2017 £000
Direct costs – educational operations	15,072	16,133
Support costs – educational operations	4,527	5,280
	19,599	21,413

Analysis of support costs

	Total 2018 £000	Total 2017 £000
Support staff costs	2,053	2,645
Technology costs	45	19
Recruitment and support	35	51
Maintenance of premises and equipment	1,009	999
Cleaning	124	122
Rent and rates	248	263
Energy costs	171	175
Insurance	75	122
Security and transport	67	118
Catering	130	136
Governance costs	58	50
Other support costs	512	580
Total support costs	4,527	5,280

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2018 £000	Total 2017 £000
Wages and salaries	12,389	13,402
Social security costs	1,310	1,342
Operating costs of defined benefit pension schemes	2,264	2,095
	15,963	16,839
Supply staff costs	233	364
Staff restructuring costs	73	597
	16,269	17,800
Staff restructuring costs comprise:		
Redundancy payments	56	466
Severance payments	17	131
Other restructuring costs	-	-
	73	597

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

8 Staff (continued)

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £16,500 (2017: £131,000), which was one payment of £11,500 and one payment of £5,000.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	248	268
Administration and support	171	207
Management	6	11
	425	486

d. Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	9	6
£70,001 - £80,000	2	3
£80,001 - £90,000	4	3
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£220,001 - £230,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £843,891 (2017: £958,147).

9 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees.

The value of trustees' remuneration and other benefits was as follows:

A Goulty (CEO, Executive Head and Trustee):

Remuneration £225,000 - £230,000 (2017: £220,000 - £225,000)

Employer's pension contributions £35,000 - £40,000 (2017: £30,000 - £35,000)

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

9 Related Party Transactions – Trustees' remuneration and expenses (continued)

B Sheldrake (Director of Governance and Trustee up to resignation 25 September 2017):

Remuneration £0 - £5,000 (2017: £50,000 - £55,000)

Employer's pension contributions £0 - £5,000 (2017: £5,000 - £10,000)

A M Holdsworth (Chief Operating Officer and Trustee up to resignation 25 September 2017)

Remuneration £5,000 - £10,000 (2017: £70,000 - £75,000)

Employer's pension contributions £0 - £5,000 (2017: £10,000 - £15,000)

Both B Sheldrake and A M Holdsworth resigned as trustees on 25 September 2017, therefore only remuneration up to this point is disclosed in this note.

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil were reimbursed or paid directly to trustees (2017: £5,012 to 4 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 £10,000,000 on any one claim. The cost for the 12 months ended 31 August 2018 not identifiable from the RPA.

11 Tangible fixed assets – Group

	Leasehold Land and Buildings £000	Assets under construction £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2017	32,707	267	487	542	59	34,062
Additions	62	1,800	11	63	29	1,965
At 31 August 2018	32,769	2,067	498	605	88	36,027
Depreciation						
At 1 September 2017	1,525	-	199	307	39	2,070
Charged in year	750	-	99	167	12	1,028
At 31 August 2018	2,275	-	298	474	51	3,098
Net book values						
At 31 August 2018	30,494	2,067	200	131	37	32,929
At 31 August 2017	31,182	267	288	235	20	31,992

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

Tangible fixed assets – Parent

	Leasehold Land and Buildings £000	Assets under construction £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2017	32,707	267	487	519	59	34,039
Additions	62	1,800	5	43	14	1,924
At 31 August 2018	32,769	2,067	492	562	73	35,963
Depreciation						
At 1 September 2017	1,525	-	199	289	39	2,052
Charged in year	750	-	98	162	9	1,019
At 31 August 2018	2,275	-	297	451	48	3,071
Net book values						
At 31 August 2018	30,494	2,067	195	111	25	32,892
At 31 August 2017	31,182	267	288	230	20	31,987

12 Investments

The Multi Academy Trust has a 100% interest in its trading subsidiary which is registered in England, being £1 share capital. Southway at the Rodillian Academy Limited operates a pupil referral unit used by a number of local schools.

Total comprehensive income of £158,530 (2017: £154,070) was made in the year ended 31 August 2018. The result before the actuarial gain on the defined benefit pension scheme was a profit of £111,530 (2017: loss of £13,930). At 31 August 2018 the shareholder's funds were in deficit by £70,460 (2017: deficit of £228,990).

13 Debtors

	Group 2018 £000	Parent 2018 £000	Group 2017 £000	Parent 2017 £000
Trade debtors	259	122	602	679
Amounts owed from subsidiary	-	2	-	8
Other debtors	6	6	6	2
VAT recoverable	299	299	234	234
Prepayments and accrued income	454	515	554	547
	1,018	944	1,396	1,470

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

14 Creditors: amounts falling due within one year

	Group 2018 £000	Parent 2018 £000	Group 2017 £000	Parent 2017 £000
Trade creditors	540	517	1,709	1,652
Other tax and social security	167	167	161	161
Amounts due to funding body	-	-	24	24
Other creditors	79	66	518	515
Accruals and deferred income	592	474	687	644
	1,378	1,224	3,099	2,996

	Group 2018 £000	Parent 2018 £000
Deferred income at 1 September 2017	20	-
Resources deferred in year	107	53
Amount released from prior year	(20)	-
Deferred income at 31 August 2018	107	53

The group deferred income balance is made up of the income transferred by the Area Inclusion Partnership (AIP) in relation to Southway to fund the project going forward. It also includes rates relief received from the ESFA in relation to the next year.

15 Creditors: amounts falling due in greater than one year

	Group 2018 £000	Parent 2018 £000	Group 2017 £000	Parent 2017 £000
Amounts due to funding body	1,536	1,536	-	-
	1,536	1,536	-	-

The above amount is interest free and is repayable to the ESFA in instalments of £100k that will be deducted from Rodillian Academy's monthly GAG payment commencing April 2020. The ageing of the repayment is shown below:

	2018 £000	2017 £000
Amounts due within one year	-	-
Amounts due between one and five years	1,536	-
Amounts due after five years	-	-
	1,536	-

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

16 Central Services

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

- School improvement and leadership support
- Human resources
- Finance services
- Others as arising

All schools in the trust are charged 7% of GAG funding for these services. Rodillian Academy paid 3% of GAG funding and the other schools 5% of GAG funding in 2016/17. The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Rodillian Academy	499	216
Featherstone Academy	130	95
BBG Academy	311	109
Brayton	137	196
	1,077	616

17 Funds

Consolidated Funds:

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	(1,449)	15,496	(15,594)	129	(1,418)
Other DfE/ESFA grants	-	819	(819)	-	-
Local Authority	-	152	(152)	-	-
Other grants	-	101	(101)	-	-
Pension reserve	(2,979)	-	(319)	1,022	(2,276)
	(4,428)	16,568	(16,985)	1,151	(3,694)
Restricted fixed asset funds					
Transfer on conversion	30,767	-	-	-	30,767
DfE/ESFA capital grants	2,481	625	(1,028)	-	2,078
Capital expenditure from other funds	159	-	-	-	159
	33,407	625	(1,028)	-	33,004
Total restricted funds	28,979	17,193	(18,013)	1,151	29,310
Total unrestricted funds	(64)	3,446	(3,160)	(129)	93
Total funds	28,915	20,639	(21,173)	1,022	29,403

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

17 Funds (continued)

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

The General Annual Grant and other restricted funds were paid specifically to cover the running costs of the Trust for the year to 31 August 2018, together with grants from different funding bodies.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The academy trust is carrying a net deficit of £1,325k on restricted general funds (excluding pension reserve) plus unrestricted funds. This situation arose as a result of the decision to bring Brayton Academy in to the trust. The academy was operating in deficit and the investment and restructuring costs were greater than anticipated. Additionally, the trust had to account for the clawback of grants to the funding body. The academy trust is under a Financial Notice to Improve and has agreed a recovery plan with the ESFA. The academy trust has used integrated financial and curriculum planning to target teaching staff reductions and increase the average teaching loads. Support staff costs have also been reviewed, non-staff costs have been reduced and where possible contracts are being re-negotiated on a trust-wide basis.

Other restricted funds include Pupil Premium which is used to raise the attainment of disadvantaged pupils and Special Education Needs income which is received for the provision of education to high needs pupils.

The restricted fixed asset fund includes the net book value of the assets held, plus the balance of the devolved capital grants and CIF funding given by the ESFA and unspent. The main restriction is that it is to be spent on capital assets.

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	-	14,891	(16,685)	345	(1,449)
Start Up Grant	-	371	(371)	-	-
Other DfE/ESFA grants	-	855	(855)	-	-
Local Authority	-	468	(468)	-	-
School funds	4	-	(4)	-	-
Pension reserve	(3,651)	(1,089)	(562)	2,323	(2,979)
	(3,647)	15,496	(18,945)	2,668	(4,428)
Restricted fixed asset funds					
Transfer on conversion	21,143	10,572	(948)	-	30,767
DfE/ESFA capital grants	442	1,773	(36)	302	2,481
Capital expenditure from other funds	174	-	(15)	-	159
	21,759	12,345	(999)	302	33,407
Total restricted funds	18,112	27,841	(19,944)	2,970	28,979
Total unrestricted funds	260	3,649	(3,326)	(647)	(64)
Total funds	18,372	31,490	(23,270)	2,323	28,915

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	30,387	(32,279)	474	(1,418)
Start Up Grant	-	371	(371)	-	-
Other DfE/ESFA grants	-	1,674	(1,674)	-	-
Local Authority	-	620	(620)	-	-
Other grants	-	101	(101)	-	-
School funds	4	-	(4)	-	-
Pension reserve	(3,651)	(1,089)	(881)	3,345	(2,276)
	(3,647)	32,064	(35,930)	3,819	(3,694)
Restricted fixed asset funds					
Transfer on conversion	21,143	10,572	(948)	-	30,767
DfE/ESFA capital grants	442	2,398	(1,064)	302	2,078
Capital expenditure from other funds	174	-	(15)	-	159
	21,759	12,970	(2,027)	302	33,004
Total restricted funds	18,112	45,034	(37,957)	4,121	29,310
Total unrestricted funds	260	7,095	(6,486)	(776)	93
Total funds	18,372	52,129	(44,443)	3,345	29,403

Total fund analysis by academy

Fund balances of The Academy Trust (excludes Southway at the Rodillian Academy Limited) at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
The Rodillian Academy	(399)	(201)
Featherstone Academy	(649)	(783)
BBG Academy	(126)	255
Brayton Academy	(311)	(502)
Central services	67	(218)
Total before fixed asset fund and pension reserve	(1,418)	(1,449)
Restricted fixed asset fund	33,004	33,407
Pension reserve	(2,112)	(2,815)
Total	29,474	29,143

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

17 Funds (continued)

The Trust is in a cumulative deficit. To address this, a recovery plan has been developed that will return each school to an in-year surplus in 2018/19. The Trust will be in cumulative surplus by August 2020.

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	Total 2018 £000	Total 2017 £000
Rodillian Academy	5,267	408	206	1,624	7,505	9,262
Featherstone Academy	1,396	274	30	783	2,483	2,661
BBG Academy	2,973	279	124	1,112	4,488	3,888
Brayton Academy	1,642	229	55	504	2,430	2,977
Central services	2,227	632	48	131	3,038	1,782
	13,505	1,822	463	4,154	19,944	20,570

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	32,929	32,929
Current assets	190	818	656	1,664
Current liabilities	(97)	(1,281)	-	(1,378)
Non current liabilities	-	(955)	(581)	(1,536)
Pension scheme liability	-	(2,276)	-	(2,276)
Total net assets	93	(3,694)	33,004	29,403

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	5	-	31,987	31,992
Current assets	133	1,448	1,420	3,001
Current liabilities	(202)	(2,897)	-	(3,099)
Pension scheme liability	-	(2,979)	-	(2,979)
Total net assets	(64)	(4,428)	33,407	28,915

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

19 Capital commitments

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	195	2,113

20 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:

	Group 2018 £000	Parent 2018 £000	Group 2017 £000	Parent 2017 £000
Amounts due within one year	1,036	1,036	990	990
Amounts due between one and five years	3,585	3,585	3,749	3,749
Amounts due after five years	92,410	92,410	93,221	93,221
	97,031	97,031	97,960	97,960

Included above is the PFI agreement for the Rodillian Academy, under which the trust is committed to pay a standard contribution. The standard contribution for the 2018/19 Financial Year and Future years will be calculated in order to meet the relevant proportion of the Unitary Charge less the PFI grant, paid under section 31 of the Local Government Acts 2003. The standard contribution for PFI includes the PFI factor as noted above as well as other amounts for services supplied. The annual charge for the current year was £835,361 (2017: £788,338). The agreement expires in 2137.

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

	2018 £000	2017 £000
Net (expenditure)/income for the reporting period	(534)	8,220
Adjusted for:		
Impact of transfer during the year	-	(9,483)
Depreciation	1,028	1,005
Capital grants from DfE and other capital income	(625)	(1,773)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	249	471
Defined benefit pension scheme finance cost	70	91
(Increase)/decrease in debtors	378	(360)
Increase/(decrease) in creditors	(185)	1,615
Net cash provided by/(used in) Operating Activities	380	(215)

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

22 Cash flows from investing activities

	2018 £000	2017 £000
Interest receivable	1	1
Purchase of tangible fixed assets	(1,965)	(987)
Capital grants from DfE/ESFA	625	1,773
Net cash (used in)/provided by investing activities	(1,339)	787

23 Analysis of cash and cash equivalents

	At 31 August 2018 £000	At 31 August 2017 £000
Cash in hand and at bank	645	1,604
Total cash and cash equivalents	645	1,604

24 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.

25 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 West Yorkshire Pension Fund (Rodillian Academy, Southway at the Rodillian Academy Limited, BBG Academy, Featherstone Academy) and North Yorkshire Pension Fund (Brayton Academy). 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.

Contributions amounting to £66,170 were payable to the schemes at 31 August 2018 (2017: £63,949) 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 Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,565,866 (2017: £1,534,931).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £575,000 (2017: £631,000), of which employer's contributions totalled £429,000 (2017: £474,000) and employees' contributions totalled £146,000 (2017: £157,000). The agreed employer contribution rates for future years are between 12.1% and 21.7% dependent on the pension fund.

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.

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

In addition to the agreed contribution rates, two academies are contributing additional payments to mitigate the pension deficit. The level of contributions is reviewed at each triennial valuation of the pension fund.

Principal actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.25 %	3.3%
Rate of increase for pensions in payment/inflation	2.0 %	2.0%
Discount rate for scheme liabilities	2.8 %	2.5%
Inflation assumption (CPI)	2.0 %	2.0%
Commutation of pensions to lump sums	50.0%	50.0%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	23.1	23.0
Females	27.1	27.0

Sensitivity analysis

For the principal assumptions used to measure scheme liabilities, the measurement of scheme liabilities would have been affected by changes in the relevant assumption that were reasonably possible at the balance sheet date. The table below shows the effect on the net liability of changes to the assumptions used:

	2018 £000	2017 £000
Discount rate +0.1%	(254)	(242)
Discount rate -0.1%	261	249
Mortality assumption – 1 year increase	(319)	(317)
Mortality assumption – 1 year decrease	319	318
CPI rate +0.1%	182	173
CPI rate -0.1%	(178)	(170)

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	6,389	5,662
Debt instruments	1,273	1,055
Property	407	394
Cash	173	98
Other	519	346
Total market value of assets	8,761	7,555

The actual return on scheme assets was £198,000 (2017: £134,000)

Amount recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	(678)	(842)
Net interest cost	(70)	(91)
Total operating charge	(748)	(933)

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

	2018 £000	2017 £000
At 1 September	10,534	9,560
Upon conversion	-	1,661
Current service cost	678	842
Interest cost	268	225
Employee contributions	146	157
Actuarial (gain)	(747)	(1,843)
Benefits paid	158	(171)
Past service cost	-	103
At 31 August	11,037	10,534

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

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

	2018 £000	2017 £000
At 1 September	7,555	5,909
Upon conversion	-	572
Interest income	198	134
Actuarial gain	275	480
Employer contributions	429	474
Employee contributions	146	157
Benefits paid	158	(171)
At 31 August	8,761	7,555

26 Related party transactions

Owing to the nature of the 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The following transactions took place with The Rodillian MAT's 100% subsidiary, Southway at the Rodillian Academy Limited, during the year:

	2018 £000	2017 £000
Purchase of Alternative Provision	44	53
Recharge of goods and services	9	7
Recharge of central services	150	90

The following balances were outstanding at the year end (eliminated on consolidation):

	2018 £000	2017 £000
Amounts owed from Southway included in debtors	2	8
Amounts owed from Southway included in creditors	-	95

27 Principal subsidiaries

The wholly owned trading subsidiary Southway at the Rodillian Academy Limited is incorporated in the United Kingdom (company number 08492483). Southway at the Rodillian Academy Limited provides alternative education services.

The Rodillian Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

27 Principal subsidiaries (continued)

The summary financial performance of the subsidiary alone is:

	2018	2017
	£000	£000
Turnover	1,439	1,261
Administrative expenses	(1,327)	(1,275)
Interest receivable and similar income	-	-
Profit/(loss) for the financial year	112	(14)
Actuarial gain on defined benefit pension scheme	47	168
Total comprehensive income for the year	159	154

The assets and liabilities of the subsidiary were:

	2018	2017
	£000	£000
Fixed assets	37	4
Current assets	344	133
Current liabilities	(287)	(202)
Provision for liabilities	(164)	(164)
Total net assets	(70)	(229)

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the academy trust received £25,341 and disbursed £21,225 from the fund. An amount of £27,762 is included in other creditors relating to undistributed funds that is repayable to ESFA.