

Company Registration No. 07552631 (England and Wales)

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

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RUTLAND AND DISTRICT SCHOOLS' FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees and Members

Ms J E Gilboy
Dr A J Wright (Resigned 12 July 2018)
Mr R E Mulvey
Mr A Holt
Ms L J Arnold
Mr N M Wainwright
Mr J P Simmonds (Resigned 1 September 2017)
Mr S Williams
Ms S Hearth
Ms S Kirkby
Ms A Mould
Mr M Nicoll (Resigned 29 August 2018)
Prof N T Gorman
Dr R B Guthrie
Mr M Rhowbotham
Dr L Howard (Appointed 1 April 2018)
Dr H Mani (Appointed 20 December 2017)
Mrs E Gautrey (Appointed 15 March 2018)

Senior management team

- Executive Principal S Williams
- Vice Principal J Macdonald
- Vice Principal J Harrison
- Vice Principal K Jackson
- Vice Principal O Teasel
- Vice Principal A Beckwith (Appointed 1 September 2017)
- Chief Financial Officer N Ray

Company secretary

Ms N Tyers

Company registration number

07552631 (England and Wales)

Registered office

Huntsmans Drive
Oakham
Rutland
LE15 6RP

Academies operated

Catmose College
Catmose Primary
Harington School

Location

Oakham
Oakham
Oakham

Executive Principal

S Williams
S Williams
S Williams

Independent auditor

Baldwins Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

HSBC
28 High Street
Oakham
Rutland
LE15 6AR

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the accounts and auditor's report of the charitable company for the year 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.

Structure, governance and management

Constitution

The Federation 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 Federation.

The Governors are the trustees of Rutland and District Schools' Federation and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Rutland and District Schools' Federation. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of Governors

Notwithstanding Article 16, the subsequent members of the company shall be the directors, pursuant to Article 16A; and any person who is interested in the objects and approved as a member by the trustees. The number of directors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 53, the Academy Trust shall have the following Trustees:

- a. up to 3 Trustees, appointed under Article 50;
- b. up to 5 Academy Trustees, pursuant to Articles 51 and 52;
- c. up to 2 Trustees appointed by the Local Governing Body of Catmose College pursuant to Article 50A;
- d. a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.;
and
- e. the Executive Principal, if he is appointed pursuant to Article 57.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the office, to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of governor, and governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new governors will depend on their existing experience. All new governors will be given a tour of the academy and the chance to meet with staff and students. All relevant governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The structure consists of three levels: the trustees, senior leadership team (SLT) and middle leaders (seven Senior Assistant Principals and two two Assistant Principals). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The senior leadership team are the Executive Principal who also acts as Accounting Officer, and Vice Principals, one of whom also acts as Chief Finance Officer. These leaders control the academy at an executive level, implementing the policies laid down by the trustees and governors, and reporting back to them. As a group, the senior leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for SLT posts will contain a trustee. Some spending control is devolved to the middle leaders.

Arrangements for setting pay and remuneration of key management personnel

Pay determination on appointment of Senior Leadership Team members is set out in full in a Policy displayed on the website "LEADERSHIP TEAM PAY AND APPRAISAL POLICY" which is updated annually. The Federation Resources Committee will determine the pay range for a senior team vacancy prior to advertising it. On appointment, the Executive Principal will determine the starting salary within that range to be offered to the successful candidate. In making such determinations, they may take into account a range of factors, including:

- the prior service of the candidate;
- the nature of the post;
- the level of qualifications, skills and experience required;
- market conditions;
- recruitment to shortage subjects;
- the wider Federation context.

Related parties and other connected charities and organisations

Related parties have been identified by the trustees in their annual disclosures of pecuniary interests. Further details are disclosed in note 23.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects, aims and objectives

Rutland & District Schools' Federation is an 11-16 mixed College, a primary school reception to year 6, a pre-school, and a sixth form school for 16-19 year olds serving the rural county of Rutland. We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others. Our ethos is one of equal value, outstanding progress.

The principal object of the academy trust is specifically restricted to the following, to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

We plan and act to ensure that all our students make exceptional progress academically and in a range of other pursuits to ensure when they leave us they are able to thrive in the global modern world. We do this by recruiting and retaining the best staff, developing our workforce in a highly committed and cohesive group. We will be the first choice for parents within the Oakham, surrounding villages and wider Rutland and Leicestershire area, who are attracted by our emphasis on traditional values of personal responsibility, high standards and excellent outcomes. Students will have a strong pride in their school, contributing to its wider life and that of their own communities ensuring the Federation has a positive public image which is seen as an exemplar of citizenship and civility.

We create an inspiring and stimulating learning environment in order to best nurture students who are engaged in their own independent learning. The curriculum we offer will be broad including languages, the sciences and humanities, complemented by a challenging range of enrichment subjects allowing students to specialise in their strengths as they grow in awareness of their own talents. The Arts, both visual and performing are an important part of our ethos; we believe that creative people will be successful. In addition, we offer an extensive range of opportunities to gain cultural and educational experiences outside of the classroom through our programme of trips and visits.

We will be an exemplar of best practice in SEN provision; and a fully inclusive philosophy allowing all students to fulfil their potential.

We will actively engage with parents and guardians of students to ensure high levels of engagement that support the progress their children make with us.

Equal opportunities policy

We are an inclusive workplace and place of learning - our Equal Opportunities Policy is available on our website.

Disabled persons

The academy trust complies fully with DDA regulations and is equipped to welcome and teach any child with a disability.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

The Federation is a Multi-Academy Trust (MAT) that exists to ensure that all those in its care receive the support and challenge they need to do their best. All of our partner academies are local to the Rutland area, ensuring that we can work effectively together and benefit from the services offered by each member.

The Federation is currently responsible for three schools: Catmose College (11-16, Ofsted Outstanding 2012), Catmose Primary (4-11, Ofsted Good 2016) and Harington School (16-18, Ofsted Outstanding 2017). Each school has its own Head of School and Local Governing Body (LGB) that is responsible for setting the educational ethos and standards for the academy.

At the Primary, attainment across all years groups, GLD, Year 1 and Year 2 Phonic Screening Check, KS1 SATs and KS2 SATs have shown year on year improvement, with all outcomes in line or above with national for 2018. This reflects the hard work and dedication of the School staff team and the good relationships with pupils and parents.

Student outcomes at the College are exceptional for all students, including those in the Designated Special Provision. Attendance is well above the national average at 96.7%. The progress 8 score in the summer of 2018 was +0.4 and 98% of the leavers went on to further education or training.

At Harington School there was a great deal to celebrate during the last academic year. The most publicised headlines, of course, were the outstanding A level results achieved by our students. Nearly 90% of all grades achieved were at the higher level of A*-C with 36% of all grades at A*-A. These achievements allowed the graduating students to access a wider range of courses that they had aspired to, including confirmed places at Oxbridge, Medical School, Veterinary, and highly competitive apprenticeships.

The academy trust continues to achieve our forecast numbers of students. The College and primary school were both oversubscribed, with more students applying for places than available. Total students in the period ended 31 August 2018 numbered 956 in the College and 210 in the Primary school. Harington School's number on role at 31 August 2018 had reached 184.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Federation has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total expenditure £9,253,119 was met by recurrent grant funding from the ESFA together with other incoming resources.

At 31 August 2018, the net book value of fixed assets was £29,453,794. Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

The academy trust held fund balances at 31 August 2018 of £28,582,846 comprising £27,756,256 of restricted funds and £826,590 of unrestricted general funds.

The Local Government Pension Scheme, in which the academy participates, showed a deficit of £1,855,000 at 31 August 2018 and is considered part of restricted funds.

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £550,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

In 2017/18, the College has completed an investment to enhance and add student accommodation to meet the needs of the expanding numbers. In addition to the third dining option built adjacent to the College we have created a new bespoke Admin & Client Services space – which frees up an area to create additional MFL classroom space; and created an additional Drama space – Hepburn. We offer catering facilities from 8.15am until 4.30pm. During 2017/18 reserves were used to fund these building projects to increase student numbers.

The level of GAG reserves and general funds held during the year is in excess of the policy noted above. The trustees anticipate that the excess will be used to support the continued expansion of the Federation.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy trust has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. Where significant risk still remains, governors have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls.

Plans for future periods

The academy trust will continue striving to improve the levels of performance of its students at all levels, and all age groups, and will continue its efforts to ensure its students achieve employment or a place in higher education once they leave.

The Federation has an outstanding understanding of its strengths and areas for development, based on rigorous analysis of data and monitoring of teaching and learning. The Federation makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The Transformation Plan is the trust's strategic plan for improvement and is based on regular analysis of data which is meticulously analysed by the Principal and the senior leadership team. The plan is adopted annually and regularly monitored by the SLT and trustees. It is underpinned by appropriate budget links.

School improvement strategies are highly effective because subjects identified as previously underperforming have been successfully addressed through a combination of rigorous monitoring, outstanding CPD, including coaching and thorough analysis of examination results. The schools makes good provision for personalised learning, support and intervention programmes for individual students and the quality of provision for inclusion is outstanding due to bespoke programmes aimed at raising achievement.

The strive for excellence is evident in many aspects of school life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff CPD is outstanding in the way that all staff work relentlessly at sharing best practice with schools and fulfil the school's moral imperative at improving the quality of learning both at a local, national and international level.

Funds held as custodian trustee on behalf of others

The academy trust and its trustees do not act as the custodian trustees of any charity.

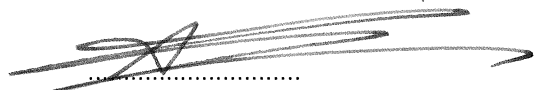
Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

As a result of Rawlinsons joining the Baldwins Group, the auditors of the charitable company have changed from Rawlinsons to Baldwins Audit Services. In accordance with the charitable company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6/12/18..... and signed on its behalf by:


.....
Mr A Holt

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Rutland And District Schools' Federation 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 Principal, 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 Rutland And District Schools' Federation 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 board of trustees has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governors	Meetings attended	Out of possible
Ms J E Gilboy	4	4
Dr A J Wright (Resigned 12 July 2018)	4	4
Mr R E Mulvey	3	4
Mr A Holt	2	4
Ms L J Arnold	4	4
Mr N M Wainwright	3	4
Mr J P Simmonds (Resigned 1 September 2017)	0	0
Mr S Williams	4	4
Ms S Hearth	2	4
Ms S Kirkby	2	4
Ms A Mould	4	4
Mr M Nicoll (Resigned 29 August 2018)	4	4
Prof N T Gorman	0	4
Dr R B Guthrie	3	4
Mr M Rhowbotham	4	4
Dr L Howard (Appointed 1 April 2018)	1	1
Dr H Mani (Appointed 20 December 2017)	1	2
Mrs E Gautrey (Appointed 15 March 2018)	2	2

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

As accounting officer the Executive Principal has responsibility for ensuring that the Federation 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 Federation applies the four principles of best value:

Challenge – Is the school's performance high enough? What do parents want?

Compare – How does the school's student performance and financial performance compare with other school? How does it compare with similar schools?

Consult – How does the school seek the views of stakeholders about the services the school provides?

Compete – How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Principal and CFO meet weekly at finance meetings. Each September, they considered the strands of the Federation Transformation Plan and made decisions regarding:

- The allocation of resources to best promote the aims and values of the schools.
- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to best support the various educational needs of all students.

There was discussion around priority use of Pupil Premium Grant funding (PPG) determined use through the year, including a delegated budget to the intervention team to target an improvement offer to ensure all students have the opportunity to raise their individual levels of attainment, and financial subsidies to ensure student participation in the elective programme to establish 'buy-in' from all students. Students who attend school, achieve. Trips participation is monitored and directed towards students who are in receipt of free school meals.

Funding was directed at enrichment and the College's unique scholarship programme (covering Music, Sport and Academic scholarships), and the popular elective programme.

The weekly meetings enabled sign off by the Accounting Officer (AO) of the budget, variance reports, Responsible Officer reports, PPG use, staffing rationale, payroll transactions and reports, and procurement (orders, payments, contracts). The AO also witnesses the signed off bank reconciliation report and bank statements.

The AO is both responsible and accountable for achieving value for money in their organisation. VFM is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all resources in the trust's charge. Where that is achieved, this will result in better educational results; waste and extravagance are avoided; there is prudent and economical administration of the organisation; there is rigorous financial governance, with up to date financial records and accountability. The Financial Management Policy lays down strict guidelines for purchasing and monitoring. When assessing contracts or tenders, the best value assessment is not always the cheapest solution.

The AO and Chief Finance Officer (CFO) reported to the Trust Resources Committee six times during the year. There was robust challenge on all aspects of resource management by the Committee, who received information on all staffing, financial, and operational matters.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Federation 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 Rutland and District Schools' Federation for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

The Federation worked within its budget and reserves, using resources wisely, both from an educational point of view and a wider societal point of view. There was an extensive trips and visits portfolio of opportunities available to students – more than 100 opportunities during the year. The College once again operated its elective afternoon on Wednesdays, offering more than 80 different activities for students to opt for on a termly basis (6 activities per year) to give them an experience which they may otherwise not have access or opportunity to try. These were wide ranging, from skiing to rock climbing, quizzes to salt dough creations, tennis to fencing, Masterchef to Potions. The Duke of Edinburgh programme runs successfully at Catmose College and Harington School.

All schools in the federation enjoy thriving arts and sports departments offering opportunities both after school and during curriculum time with specialist coaches. The Catmose College Sports teams once again retained the Varsity Cup, a local county wide competition running throughout the whole academic year involving over 20 sports. Shared staffing between the schools ensured that the College sustained a larger portfolio of staff, and the primary school had timetabled subject specialists for art, sport and languages. This close collaboration makes the schools stronger as one unit.

Efficiencies have been made across the federation sites by deploying the same catering and facilities management teams to all schools in the Trust, and by the sister schools tapping in to IT and marketing expert post holders based at the College. The finance function, including payroll, is performed at one site for all schools and the nursery.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Federation'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 accounts. This process is regularly reviewed by the board of Governors.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has engaged an external company Education Business Consultancy Limited to perform three Responsible Officer checks each year.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Responsible Officer's (RO) role includes giving advice on financial matters and performing a range of checks on the Federation's financial systems. The RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. Mr N Wainwright is the trustee with responsibility for audit, and sits on the Resources Committee.

We confirm that the RO has delivered three planned visits to scrutinise the work of the finance team and the Trust. Reports are all satisfactory and have been circulated to Trustees.

Review of effectiveness

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

- weekly finance meeting with the CFO;
- the work of the Responsible Officer;
- the work of the executive managers within the Federation 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 6/12/18..... and signed on its behalf by:



Mr A Holt



Mr S Williams

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Rutland and District Schools' Federation I have considered my responsibility to notify the Federation board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Federation 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 Federation's board of trustees are able to identify any material irregular or improper use of funds by the Federation, or material non-compliance with the terms and conditions of funding under the Federation's funding agreement and the Academies Financial Handbook.

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

Mr S Williams
Accounting Officer



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RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (who act as trustees for Rutland and District Schools' Federation and are also the directors of Rutland and District Schools' Federation for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 accounts 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 Governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 6/12/18 and signed on its behalf by:



Mr A Holt

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUTLAND AND DISTRICT SCHOOLS' FEDERATION

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Rutland and District Schools' Federation for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

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 accounts' section of our report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Federation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Governors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUTLAND AND DISTRICT SCHOOLS' FEDERATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 Federation and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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 Governors

As explained more fully in the statement of trustees' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the Federation'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 Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

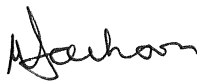
RUTLAND AND DISTRICT SCHOOLS' FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUTLAND AND DISTRICT SCHOOLS' FEDERATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



**Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

10.12.2018

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RUTLAND AND DISTRICT SCHOOLS' FEDERATION AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 20 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rutland and District Schools' Federation 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 Rutland and District Schools' Federation and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Rutland and District Schools' Federation and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rutland and District Schools' Federation and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rutland and District Schools' Federation's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Rutland and District Schools' Federation's funding agreement with the Secretary of State for Education 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 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 Federation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of trustees' meetings.

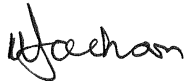
RUTLAND AND DISTRICT SCHOOLS' FEDERATION

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RUTLAND AND DISTRICT SCHOOLS' FEDERATION AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



Mr Mark Jackson FCA DChA

Reporting Accountant

Baldwins Audit Services

Ruthlyn House

90 Lincoln Road

Peterborough

Cambridgeshire

PE1 2SP

Dated: *10.12.2018*

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	-	-	189,581	189,581	1,479,853
Charitable activities:						
- Funding for educational operations	5	630,248	6,748,969	-	7,379,217	7,055,551
- Funding for teaching school	25	-	119,416	-	119,416	163,227
Other trading activities	4	490,017	-	-	490,017	495,265
Investments	6	12,329	-	-	12,329	13,475
Total income and endowments		1,132,594	6,868,385	189,581	8,190,560	9,207,371
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,156,553	7,201,165	784,209	9,141,927	8,745,418
- Teaching School	25	-	111,192	-	111,192	151,676
Total expenditure	8	1,156,553	7,312,357	784,209	9,253,119	8,897,094
Net income/(expenditure)		(23,959)	(443,972)	(594,628)	(1,062,559)	310,277
Transfers between funds		1,244	(112,339)	111,095	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	21	-	824,000	-	824,000	569,000
Net movement in funds		(22,715)	267,689	(483,533)	(238,559)	879,277
Reconciliation of funds						
Total funds brought forward		849,305	(1,965,227)	29,937,327	28,821,405	27,942,128
Total funds carried forward		826,590	(1,697,538)	29,453,794	28,582,846	28,821,405

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2017
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	-	1,479,853	1,479,853
Charitable activities:					
- Funding for educational operations	5	477,386	6,578,165	-	7,055,551
- Funding for teaching school	25	-	163,227	-	163,227
Other trading activities	4	495,265	-	-	495,265
Investments	6	13,475	-	-	13,475
Total income and endowments		<u>986,126</u>	<u>6,741,392</u>	<u>1,479,853</u>	<u>9,207,371</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	950,110	7,062,545	732,763	8,745,418
- Teaching School	25	-	151,676	-	151,676
Total expenditure	8	<u>950,110</u>	<u>7,214,221</u>	<u>732,763</u>	<u>8,897,094</u>
Net income/(expenditure)		36,016	(472,829)	747,090	310,277
Transfers between funds		-	(170,428)	170,428	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	569,000	-	569,000
Net movement in funds		<u>36,016</u>	<u>(74,257)</u>	<u>917,518</u>	<u>879,277</u>
Reconciliation of funds					
Total funds brought forward		813,289	(1,890,970)	29,019,809	27,942,128
Total funds carried forward		<u>849,305</u>	<u>(1,965,227)</u>	<u>29,937,327</u>	<u>28,821,405</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	14		29,453,794		29,928,836
Current assets					
Debtors	16	341,304		275,891	
Cash at bank and in hand		1,338,870		1,782,109	
			1,680,174		2,058,000
Current liabilities					
Creditors: amounts falling due within one year	17	(696,122)		(852,431)	
Net current assets			984,052		1,205,569
Net assets excluding pension liability			30,437,846		31,134,405
Defined benefit pension scheme liability	21		(1,855,000)		(2,313,000)
Net assets			28,582,846		28,821,405
Funds of the Federation:					
Restricted funds	20				
- Fixed asset funds			29,453,794		29,937,327
- Restricted income funds			157,462		347,773
- Pension reserve			(1,855,000)		(2,313,000)
Total restricted funds			27,756,256		27,972,100
Unrestricted income funds	20		826,590		849,305
Total funds			28,582,846		28,821,405

The accounts on pages 20 to 47 were approved by the Governors and authorised for issue on ...6/12/18... and are signed on their behalf by:



 Mr A Holt

Company Number 07552631

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash used in operating activities	22		(340,845)		(282,473)
Cash flows from investing activities					
Dividends, interest and rents from investments		12,329		13,475	
Capital grants from DfE Group		189,581		1,479,853	
Purchase of tangible fixed assets		(304,304)		(1,701,872)	
Net cash used in investing activities			(102,394)		(208,544)
Net decrease in cash and cash equivalents in the reporting period			(443,239)		(491,017)
Cash and cash equivalents at beginning of the year			1,782,109		2,273,126
Cash and cash equivalents at end of the year			1,338,870		1,782,109
Relating to:					
Bank and cash balances			1,269,425		1,712,532
Short term deposits			69,445		69,577

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Federation, 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.

Rutland and District Schools' Federation meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors have made this assessment in respect of a period of one year from the date of approval of the accounts, and consider that the going concern basis is appropriate.

1.3 Income

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

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 Federation has provided the goods or services.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 Federation's accounting policies.

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Federation 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 Federation's educational operations, including support costs and costs relating to the governance of the Federation apportioned to charitable activities.

Governance costs

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

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Federation's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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:

Freehold buildings	2%
Fixtures, fittings & equipment	25%
Motor vehicles	25%

The land for Catmose College introduced into the academy trust from the previous local authority school was transferred in at depreciated replaceable cost per the valuation at 31 March 2012 by a professional valuer commissioned by ESFA, however the property was transferred in at the construction value.

The property for Catmose Primary introduced into the academy trust from the previous local authority school was transferred in at depreciated replaceable cost per the valuation at 31 March 2013 by a professional valuer commissioned by ESFA.

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

1.6 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 Federation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The Federation only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Federation 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Federation 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Designated funds are where the trustees have ring fenced unrestricted income for specific projects.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

Accounting 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 Federation 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	189,581	189,581	1,479,853

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Catering income	368,720	-	368,720	371,661
Bussing income	39,364	-	39,364	33,529
Minibus income	7,895	-	7,895	6,008
Service users	74,038	-	74,038	84,067
	490,017	-	490,017	495,265

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Funding for the Federation's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,110,488	6,110,488	5,776,849
Start up grants	-	16,000	16,000	107,500
Other DfE / ESFA grants	-	273,415	273,415	289,774
	-	6,399,903	6,399,903	6,174,123
Other government grants				
Local authority grants	-	349,066	349,066	401,792
Other funds				
Other incoming resources	630,248	-	630,248	479,636
Total funding	630,248	6,748,969	7,379,217	7,055,551

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Interest receivable	12,329	-	12,329	13,475

7 Central services

The Federation does not have a central services function, however Catmose College do carry out various services on behalf of Catmose Primary and Harington School. These include:

- SLT function;
- facilities management;
- finance function;
- library service
- ICT; or
- primary sport liaison

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Expenditure

	Non Pay Expenditure			Total 2018 £	Total 2017 £
	Staff costs £	Premises & equipment £	Other costs £		
Academy's educational operations					
- Direct costs	4,862,732	-	896,696	5,759,428	5,413,649
- Allocated support costs	1,512,804	1,313,888	555,807	3,382,499	3,331,769
Teaching School					
- Direct costs	75,096	-	36,096	111,192	151,676
	<u>6,450,632</u>	<u>1,313,888</u>	<u>1,488,599</u>	<u>9,253,119</u>	<u>8,897,094</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	12,000	11,500
- Other services	1,750	1,750
Depreciation of tangible fixed assets	779,346	732,763
Net interest on defined benefit pension liability	62,000	57,000
	<u>855,100</u>	<u>713,013</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs - educational operations	599,229	5,160,199	5,759,428	5,413,649
Direct costs - teaching school	-	111,192	111,192	151,676
Support costs - educational operations	557,324	2,825,175	3,382,499	3,331,769
	<u>1,156,553</u>	<u>8,096,566</u>	<u>9,253,119</u>	<u>8,897,094</u>
Analysis of costs	Teaching school £	Educational operations £	Total 2018 £	Total 2017 £
Direct costs				
Teaching and educational support staff costs	75,096	4,831,582	4,906,678	4,615,747
Staff development	-	31,150	31,150	63,180
Technology costs	12,669	97,697	110,366	189,737
Educational supplies and services	23,427	189,498	212,925	340,840
Examination fees	-	89,402	89,402	86,097
Other direct costs	-	520,099	520,099	269,724
	<u>111,192</u>	<u>5,759,428</u>	<u>5,870,620</u>	<u>5,565,325</u>
Support costs				
Support staff costs	-	1,512,804	1,512,804	1,439,355
Depreciation and amortisation	-	784,209	784,209	732,763
Maintenance of premises and equipment	-	201,053	201,053	274,733
Occupancy costs	-	328,626	328,626	292,870
Transport	-	79,371	79,371	75,763
Catering	-	250,810	250,810	258,508
Interest and finance costs	-	62,000	62,000	57,000
Other supplies and services	-	132,846	132,846	168,153
Governance costs	-	30,780	30,780	32,624
	<u>-</u>	<u>3,382,499</u>	<u>3,382,499</u>	<u>3,331,769</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Governance costs

	Total 2018 £	Total 2017 £
All from restricted funds:		
Amounts included in support costs		
Legal and professional fees	16,445	16,938
Auditor's remuneration		
- Audit of financial statements	12,000	11,500
- Other audit costs	1,750	1,750
Trustees' expenses	585	2,436
	<u>30,780</u>	<u>32,624</u>

11 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	4,746,301	4,422,797
Social security costs	429,342	415,746
Pension costs	1,122,859	1,032,911
	<u>6,298,502</u>	<u>5,871,454</u>
Staff costs		
Agency staff costs	1,650	4,253
Staff restructuring costs	35,428	21,028
Staff development and other staff costs	115,052	221,547
	<u>6,450,632</u>	<u>6,118,282</u>

Staff restructuring costs comprise:

Redundancy payments	23,201	21,028
Other restructuring costs	12,227	-
	<u>35,428</u>	<u>21,028</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £2,536).

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	91	85
Administration and support	113	112
Management	7	7
	<u>211</u>	<u>204</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	79	78
Administration and support	74	78
Management	7	7
	<u>160</u>	<u>163</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	4	4
£100,001 - £110,000	1	1
	<u>5</u>	<u>5</u>

Key management personnel

The key management personnel of the Federation comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Federation was £561,043 (2017 : £563,878). This represents 7 (2017: 7) members of staff.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Trustees' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Federation. The Executive Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of trustees' remuneration and other benefits for the period that they were a trustee was as follows:

S Williams (Executive Principal and Trustee):

- Remuneration £105,000 - £110,000 (2017: £105,000 - £110,000)
- Employer's pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

During the year, travel and subsistence payments totalling £1,049 (2017: £1,803) were reimbursed or paid directly to 2 Governors (2017: 2 Governors).

In addition to the above the school employed one member of staff during the year who is related to a trustee. The total remuneration paid, including employer's pension contributions, was £61,327 (2017: £60,119).

Other related party transactions involving the Governors are set out within the related parties note.

13 Governors and officers insurance

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

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Tangible fixed assets

	Freehold buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2017	33,019,445	1,681,607	61,272	34,762,324
Additions	2,364	301,940	-	304,304
Disposals	-	(15,201)	-	(15,201)
At 31 August 2018	33,021,809	1,968,346	61,272	35,051,427
Depreciation				
At 1 September 2017	3,299,987	1,489,475	44,026	4,833,488
On disposals	-	(15,201)	-	(15,201)
Charge for the year	618,801	156,185	4,360	779,346
At 31 August 2018	3,918,788	1,630,459	48,386	5,597,633
Net book value				
At 31 August 2018	29,103,021	337,887	12,886	29,453,794
At 31 August 2017	29,719,458	192,132	17,246	29,928,836

15 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Trade debtors	140,672	54,733
Cash at bank	1,338,629	1,781,827
	1,479,301	1,836,560
Carrying amount of financial liabilities		
Trade creditors	183,686	230,637
Other creditors	99,287	93,208
Accruals	118,745	183,129
	401,718	506,974

16 Debtors

	2018 £	2017 £
Trade debtors	140,672	54,733
VAT recoverable	52,681	36,109
Prepayments and accrued income	147,951	185,049
	341,304	275,891

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	183,686	230,637
Other taxation and social security	106,394	98,226
Other creditors	99,287	93,208
Accruals and deferred income	306,755	430,360
	<u>696,122</u>	<u>852,431</u>
18 Deferred income	2018 £	2017 £
Deferred income is included within:		
Creditors due within one year	188,010	247,231
	<u>188,010</u>	<u>247,231</u>
Deferred income at 1 September 2017	247,231	459,156
Released from previous years	(247,231)	(459,156)
Resources deferred in the year	188,010	247,231
	<u>188,010</u>	<u>247,231</u>
Deferred income at 31 August 2018	<u>188,010</u>	<u>247,231</u>

At the balance sheet date the Federation was holding funds received in advance for the next school year. This consists of income for school trips, school meals and funding received in advance.

19 Analysis of net assets between funds	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	29,453,794	29,453,794
Current assets	985,282	694,892	-	1,680,174
Creditors falling due within one year	(158,692)	(537,430)	-	(696,122)
Defined benefit pension liability	-	(1,855,000)	-	(1,855,000)
	<u>826,590</u>	<u>(1,697,538)</u>	<u>29,453,794</u>	<u>28,582,846</u>
Total net assets	<u>826,590</u>	<u>(1,697,538)</u>	<u>29,453,794</u>	<u>28,582,846</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	29,928,836	29,928,836
Current assets	1,062,064	987,445	8,491	2,058,000
Creditors falling due within one year	(212,759)	(639,672)	-	(852,431)
Defined benefit pension liability	-	(2,313,000)	-	(2,313,000)
Total net assets	849,305	(1,965,227)	29,937,327	28,821,405

20 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	301,371	6,110,488	(6,196,684)	(112,339)	102,836
Start up grants	-	16,000	(16,000)	-	-
Other DfE / ESFA grants	-	273,415	(273,415)	-	-
Other government grants	-	349,066	(349,066)	-	-
Teaching School	46,402	119,416	(111,192)	-	54,626
Pension reserve	(2,313,000)	-	(366,000)	824,000	(1,855,000)
	(1,965,227)	6,868,385	(7,312,357)	711,661	(1,697,538)
Restricted fixed asset funds					
DfE group capital grants	8,453	189,581	(4,863)	(193,171)	-
Fixed asset fund	29,928,874	-	(779,346)	304,266	29,453,794
	29,937,327	189,581	(784,209)	111,095	29,453,794
Total restricted funds	27,972,100	7,057,966	(8,096,566)	822,756	27,756,256
Unrestricted funds					
General funds	777,597	577,796	(542,248)	(54,364)	758,781
Catmose pre school	-	73,392	(127,756)	54,364	-
School fund	71,708	481,406	(486,549)	1,244	67,809
	849,305	1,132,594	(1,156,553)	1,244	826,590
Total funds	28,821,405	8,190,560	(9,253,119)	824,000	28,582,846

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the College. Under the funding agreement with the Secretary of State, the Federation was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The restricted grant income in the year all relates to the provision of education for the students attending the Federation.

The pension provision equates to the deficit on the Local Government Pension Scheme FRS102 valuation.

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.

Restricted Fixed Assets Funds represent capital funding received from the ESFA and other sources. In accordance with the accounting policies set out in note 1, assets are capitalised where applicable, and depreciation is charged to this fund over the assets' useful economic life. Where costs are not capital in nature they are charged directly to this fund as an expense.

The School fund is designated by governors for use in a variety of different areas, including school trips.

The Catmose pre school fund represents funds generated from the pre school which was closed before the end of the financial year.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	651,179	5,776,849	(5,956,229)	(170,428)	301,371
Start up grants	-	107,500	(107,500)	-	-
Other DfE / ESFA grants	-	289,774	(289,774)	-	-
Other government grants	-	401,792	(401,792)	-	-
Teaching School	34,851	163,227	(151,676)	-	46,402
Other restricted funds	-	2,250	(2,250)	-	-
Pension reserve	(2,577,000)	-	(305,000)	569,000	(2,313,000)
	<u>(1,890,970)</u>	<u>6,741,392</u>	<u>(7,214,221)</u>	<u>398,572</u>	<u>(1,965,227)</u>
Restricted fixed asset funds					
DfE group capital grants	60,082	1,479,853	-	(1,531,482)	8,453
Fixed asset fund	28,959,727	-	(732,763)	1,701,910	29,928,874
	<u>29,019,809</u>	<u>1,479,853</u>	<u>(732,763)</u>	<u>170,428</u>	<u>29,937,327</u>
Total restricted funds	<u>27,128,839</u>	<u>8,221,245</u>	<u>(7,946,984)</u>	<u>569,000</u>	<u>27,972,100</u>
Unrestricted funds					
General funds	741,219	574,364	(519,390)	(18,596)	777,597
Catmose pre school	-	177,108	(195,704)	18,596	-
School fund	72,070	234,654	(235,016)	-	71,708
	<u>813,289</u>	<u>986,126</u>	<u>(950,110)</u>	<u>-</u>	<u>849,305</u>
Total funds	<u>27,942,128</u>	<u>9,207,371</u>	<u>(8,897,094)</u>	<u>569,000</u>	<u>28,821,405</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	651,179	11,887,337	(12,152,913)	(282,767)	102,836
Start up grants	-	123,500	(123,500)	-	-
Other DfE / ESFA grants	-	563,189	(563,189)	-	-
Other government grants	-	750,858	(750,858)	-	-
Teaching School	34,851	282,643	(262,868)	-	54,626
Other restricted funds	-	2,250	(2,250)	-	-
Pension reserve	(2,577,000)	-	(671,000)	1,393,000	(1,855,000)
	<u>(1,890,970)</u>	<u>13,609,777</u>	<u>(14,526,578)</u>	<u>1,110,233</u>	<u>(1,697,538)</u>
Restricted fixed asset funds					
DfE group capital grants	60,082	1,669,434	(4,863)	(1,724,653)	-
Fixed asset fund	28,959,727	-	(1,512,109)	2,006,176	29,453,794
	<u>29,019,809</u>	<u>1,669,434</u>	<u>(1,516,972)</u>	<u>281,523</u>	<u>29,453,794</u>
Total restricted funds	<u>27,128,839</u>	<u>15,279,211</u>	<u>(16,043,550)</u>	<u>1,391,756</u>	<u>27,756,256</u>
Unrestricted funds					
General funds	741,219	1,152,160	(1,061,638)	(72,960)	758,781
Catmose pre school	-	250,500	(323,460)	72,960	-
School fund	72,070	716,060	(721,565)	1,244	67,809
	<u>813,289</u>	<u>2,118,720</u>	<u>(2,106,663)</u>	<u>1,244</u>	<u>826,590</u>
Total funds	<u>27,942,128</u>	<u>17,397,931</u>	<u>(18,150,213)</u>	<u>1,393,000</u>	<u>28,582,846</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds (Continued)

Total funds analysis by academy

	2018	2017
	£	£
Fund balances at 31 August 2018 were allocated as follows:		
Catmose College	1,100,063	1,142,797
Catmose Primary	346,376	251,547
Harington School	(462,387)	(197,266)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	984,052	1,197,078
Restricted fixed asset fund	29,453,794	29,937,327
Pension reserve	(1,855,000)	(2,313,000)
	<hr/>	<hr/>
Total funds	<u>28,582,846</u>	<u>28,821,405</u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Catmose College	3,479,760	1,077,381	111,775	1,475,090	6,144,006
Catmose Primary	618,302	72,913	57,184	168,462	916,861
Harington School	815,509	60,325	43,966	130,951	1,050,751
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>4,913,571</u>	<u>1,210,619</u>	<u>212,925</u>	<u>1,774,503</u>	<u>8,111,618</u>

21 Pension and similar obligations

The Federation'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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £99,287 (2017: £93,208) were payable to the schemes at 31 August 2018 and are included within creditors.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the 2014 valuation and subsequent consultation were:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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 pension costs paid to the TPS in the period amounted to £508,194 (2017: £494,896).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £341,000.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

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.

Total contributions made	2018 £	2017 £
Employer's contributions	325,000	298,000
Employees' contributions	88,000	88,000
Total contributions	413,000	386,000

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.3	3.4
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.3	24.3
Retiring in 20 years		
- Males	23.8	23.8
- Females	26.2	26.2

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £'000	2017 £'000
0.5% decrease in Real Discount Rate	913	882
0.5% increase in the Salary Increase Rate	164	176
0.5% increase in the Pension Increase Rate	736	689

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations	(Continued)	
The Federation's share of the assets in the scheme	2018	2017
	Fair value	Fair value
	£	£
Equities	2,774,000	2,605,000
Bonds	1,208,000	778,000
Cash	89,000	194,000
Property	403,000	311,000
	<u>4,474,000</u>	<u>3,888,000</u>
Total market value of assets	<u>4,474,000</u>	<u>3,888,000</u>
The actual return on scheme assets was £192,000 (2017: £455,000).		
Amount recognised in the Statement of Financial Activities	2018	2017
	£	£
Current service cost	623,000	546,000
Past service cost	6,000	-
Interest income	(102,000)	(68,000)
Interest cost	164,000	125,000
	<u>691,000</u>	<u>603,000</u>
Total operating charge	<u>691,000</u>	<u>603,000</u>
Changes in the present value of defined benefit obligations	2018	2017
	£	£
At 1 September 2017	6,201,000	5,656,000
Current service cost	623,000	546,000
Interest cost	164,000	125,000
Employee contributions	88,000	88,000
Actuarial gain	(734,000)	(182,000)
Benefits paid	(19,000)	(32,000)
Past service cost	6,000	-
	<u>6,329,000</u>	<u>6,201,000</u>
At 31 August 2018	<u>6,329,000</u>	<u>6,201,000</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

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

21	Pension and similar obligations	(Continued)	
	Changes in the fair value of the Federation's share of scheme assets		
		2018	2017
		£	£
	At 1 September 2017	3,888,000	3,079,000
	Interest income	102,000	68,000
	Actuarial gain	90,000	387,000
	Employer contributions	325,000	298,000
	Employee contributions	88,000	88,000
	Benefits paid	(19,000)	(32,000)
		<hr/>	<hr/>
	At 31 August 2018	4,474,000	3,888,000
		<hr/> <hr/>	<hr/> <hr/>
22	Reconciliation of net income/(expenditure) to net cash flows from operating activities		
		2018	2017
		£	£
	Net (expenditure)/income for the reporting period	(1,062,559)	310,277
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(189,581)	(1,479,853)
	Investment income receivable	(12,329)	(13,475)
	Defined benefit pension costs less contributions payable	304,000	248,000
	Defined benefit pension net finance cost	62,000	57,000
	Depreciation of tangible fixed assets	779,346	732,763
	(Increase)/decrease in debtors	(65,413)	338,563
	(Decrease) in creditors	(156,309)	(475,748)
		<hr/>	<hr/>
	Net cash used in operating activities	(340,845)	(282,473)
		<hr/> <hr/>	<hr/> <hr/>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Related party transactions

Owing to the nature of the Federation's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Federation has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Federation's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The Federation paid R&H Technical Services, a business in which the husband of N Ray, the Federation Chief Financial Officer, has an interest, £49,057 (2017 - £39,832) in respect of electrical contract services.

The Federation paid Macca Digital Limited, a business in which the husband of J Macdonald, a Vice Principal, has an interest, £2,000 (2017 - £nil) in respect of website design services.

The Federation paid Melton & Rutland Young Persons Trust, a charity in which A Holt, a Trustee, has an interest, £1,572 (2017 - £nil) in respect of the provision of supervisors and training for the Duke of Edinburgh scheme.

Some of the Governors have children who are pupils at the Academy, consequently there will be transactions between those Governors and the Academy in respect of their children's education. These are on the same basis as other pupils at the Academy.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

No individual has a controlling interest in the charitable company.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Teaching School account	2018		2017	
	£	£	£	£
Direct income				
Government grants		46,000		48,000
Other external funding		73,416		115,227
		<u>119,416</u>		<u>163,227</u>
		119,416		163,227
Direct costs				
Direct staff costs	75,096		94,816	
Resources	1,830		5,885	
Marketing	833		879	
Office costs	1,213		1,552	
Placement school	22,020		33,974	
Travel costs	574		1,032	
Trainers	9,626		13,538	
	<u>111,192</u>		<u>151,676</u>	
Total expenditure		(111,192)		(151,676)
Surplus/(deficit) from all sources		8,224		11,551
Teaching School balances at 1 September 2017		46,402		34,851
Teaching School balances at 31 August 2018		<u>54,626</u>		<u>46,402</u>