

Company Registration No. 07552631 (England and Wales)

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017



RUTLAND AND DISTRICT SCHOOLS' FEDERATION

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the accounts	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the accounts including accounting policies	24 - 45

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees and Members

Ms J E Gilboy
Dr A J Wright
Mr R E Mulvey
Mr A Holt
Ms L J Arnold
Mr N M Wainwright
Mr J P Simmonds (Resigned 1 September 2017)
Mr N Quinn (Resigned 16 March 2017)
Mrs N Fowler (Resigned 2 December 2016)
Mr S Williams
Ms S Hearth
Ms S Kirkby
Ms A Mould
Mr M Nicoll
Prof N T Gorman
Dr R B Guthrie
Mr M Rhowbotham (Appointed 19 September 2016)

Senior management team

- Executive Principal S Williams
- Vice Principal V Savage (Resigned 31 August 2017)
- 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

Rawlinsons Chartered Accountants
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 2017

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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 2017

Organisational structure

The structure consists of three levels: the trustees, senior leadership team and team leaders. 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, Vice Principals, and Federation Manager who 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 team 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 22.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2017

Strategic report

Achievements and performance

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 2017 numbered 931 in the College and 211 in the Primary school. Harington School's number on role at 31 August 2017 had reached 137.

Students start at the College with levels of attainment that are generally in line with national average attainment at KS2. They progress exceptionally well and, by the end of Year 11, attainment is high in most subjects, with only slight variations year by year. The College has established a track record for enabling its students to attain consistently well above national average standards in GCSE examinations. Even more students are on track to achieve these high results again this year, than previously. Disabled students and those with special educational needs receive well-targeted support based on early diagnosis of need and, as a result, they too make exceptional progress. There are few differences in the achievement of different groups of students in the College and where gaps do occur robust action is taken to close them. (OFSTED Report 2012)

In the specialist provision for disabled students and those with special educational needs, students achieve exceptionally well. They mature into confident young people who work hard and thoroughly enjoy their time at college. These students are provided with frequent opportunities to work independently and make their own choices. (OFSTED Report 2012)

The primary school was last inspected in February 2012 and was judged good in all areas. Pupil numbers have increased year on year. Attainment across the core subjects of reading, writing and mathematics have all continued to improve and are now either above or broadly in-line with national averages.

Harington's recent Ofsted Inspection rated the School as 'Outstanding'. Students on track to achieve strong outcomes in their A levels results with high numbers progressing onto University.

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 2017

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 2017 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 2017, total expenditure £8,897,094 was met by recurrent grant funding from the ESFA together with other incoming resources.

At 31 August 2017, the net book value of fixed assets was £29,928,836. Movements in tangible fixed assets are shown in note 13 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 2017 of £28,821,405 comprising £27,972,100 of restricted funds and £849,305 of unrestricted general funds.

The Local Government Pension Scheme, in which the academy participates, showed a deficit of £2,313,000 at 31 August 2017 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 2016/17, the College has invested in facilities to meet demand from ever expanding numbers. A third dining option adjacent to the College has been built to support students from both academies. The refectory remains open until 5pm to meet demand from students who stay at College beyond the school day to participate in the wide range of extra curricular activities available, or to work independently. The College remains open until 5pm to facilitate the students. The Central Services Building is now occupied – this is an off site location for support services, whose relocation has freed up space to diverted to classroom use.

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 2017

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.

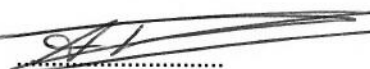
Auditor

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.

A resolution proposing that Rawlinsons Chartered Accountants 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 7/12/17 and signed on its behalf by:



Mr A Holt

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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	4	4
Mr R E Mulvey	3	4
Mr A Holt	4	4
Ms L J Arnold	2	4
Mr N M Wainwright	1	4
Mr J P Simmonds (Resigned 1 September 2017)	0	4
Mr N Quinn (Resigned 16 March 2017)	2	4
Mrs N Fowler (Resigned 2 December 2016)	2	4
Mr S Williams	4	4
Ms S Hearth	4	4
Ms S Kirkby	1	4
Ms A Mould	4	4
Mr M Nicoll	4	4
Prof N T Gorman	1	4
Dr R B Guthrie	3	4
Mr M Rhowbotham (Appointed 19 September 2016)	3	4

The Resources Federation Committee is a sub-committee of the main board of trustees. Its purpose is to advise the board of trustees on all matters regarding finance, the property and personnel.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Ms J E Gilboy		
Mr R E Mulvey	2	7
Mr A Holt	5	7
Mr N M Wainwright	0	7
Mr S Williams	7	7
Ms S Hearth	6	7
Mr M Nicoll	7	7
Dr R B Guthrie	6	7

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 seven 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 site matters.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

The Federation worked within its budget and used 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 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 both schools, 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. The Preschool provides provides good transition opportunities, and aims to break even financially in the federation.

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 2016 to 31 August 2017 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 the Responsible Officer checks.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The RO's 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.

The RO function has been delivered within ESFA guidelines during the period. There were no major issues arising as a result of the RO's work and all minor issues reported to the academy have been addressed.

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 Finance and General Purposes 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 7/12/17 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 2017

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

7/2/17
.....

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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 and 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 2016 to 2017;
- 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 board of trustees on 7/12/17..... 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

Opinion

We have audited the accounts of Rutland and District Schools' Federation for the year ended 31 August 2017 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 2016 to 2017 issued by the Education and 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 2017 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 2016 to 2017.

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)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

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

Auditor's responsibilities for the audit of the financial statements

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.

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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company'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 Rawlinsons Chartered Accountants**

~~15.12.2017~~

**Chartered Accountants
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 AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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
Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated:12.12.2017

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	-	-	1,479,853	1,479,853	2,105,293
Funds - transfer from Harington School	3	-	-	-	-	1,612,670
Charitable activities:						
- Funding for educational operations	4	477,386	6,578,165	-	7,055,551	6,653,378
- Funding for teaching school		-	163,227	-	163,227	146,977
Other trading activities	5	495,265	-	-	495,265	465,695
Investments	6	13,475	-	-	13,475	10,225
Total income and endowments		986,126	6,741,392	1,479,853	9,207,371	10,994,238
Expenditure on:						
Charitable activities:						
- Educational operations	8	950,110	7,062,545	732,763	8,745,418	7,863,769
- Teaching School		-	151,676	-	151,676	131,634
Total expenditure	7	950,110	7,214,221	732,763	8,897,094	7,995,403
Net income/(expenditure)		36,016	(472,829)	747,090	310,277	2,998,835
Transfers between funds		-	(170,428)	170,428	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	569,000	-	569,000	(634,000)
Net movement in funds		36,016	(74,257)	917,518	879,277	2,364,835
Reconciliation of funds						
Total funds brought forward		813,289	(1,890,970)	29,019,809	27,942,128	25,577,293
Total funds carried forward		849,305	(1,965,227)	29,937,327	28,821,405	27,942,128

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2016
		£	£	£	£
Income and endowments from:					
Donations and capital grants	2	-	-	2,105,293	2,105,293
Funds - transfer from Harington School	3	5,570	(41,659)	1,648,759	1,612,670
Charitable activities:					
- Funding for educational operations	4	604,815	6,048,563	-	6,653,378
- Funding for teaching school		-	146,977	-	146,977
Other trading activities	5	465,695	-	-	465,695
Investments	6	10,225	-	-	10,225
Total income and endowments		1,086,305	6,153,881	3,754,052	10,994,238
Expenditure on:					
Charitable activities:					
- Educational operations	8	927,598	6,283,625	652,546	7,863,769
- Teaching School		-	131,634	-	131,634
Total expenditure	7	927,598	6,415,259	652,546	7,995,403
Net income/(expenditure)		158,707	(261,378)	3,101,506	2,998,835
Transfers between funds		-	(224,121)	224,121	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	20	-	(634,000)	-	(634,000)
Net movement in funds		158,707	(1,119,499)	3,325,627	2,364,835
Reconciliation of funds					
Total funds brought forward		654,582	(771,471)	25,694,182	25,577,293
Total funds carried forward		813,289	(1,890,970)	29,019,809	27,942,128

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		29,928,836		28,959,727
Current assets					
Debtors	15	275,891		614,454	
Cash at bank and in hand		1,782,109		2,273,126	
		<u>2,058,000</u>		<u>2,887,580</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(852,431)		(1,328,179)	
Net current assets			<u>1,205,569</u>		<u>1,559,401</u>
Net assets excluding pension liability			<u>31,134,405</u>		<u>30,519,128</u>
Defined benefit pension liability	20		(2,313,000)		(2,577,000)
Net assets			<u><u>28,821,405</u></u>		<u><u>27,942,128</u></u>
Funds of the Federation:					
Restricted funds	18				
- Fixed asset funds			29,937,327		29,019,809
- Restricted income funds			347,773		686,030
- Pension reserve			(2,313,000)		(2,577,000)
Total restricted funds			<u>27,972,100</u>		<u>27,128,839</u>
Unrestricted income funds	18		<u>849,305</u>		<u>813,289</u>
Total funds			<u><u>28,821,405</u></u>		<u><u>27,942,128</u></u>

The accounts set out on pages 20 to 45 were approved by the board of trustees and authorised for issue on 7/12/17 and are signed on its behalf by:


.....
Mr A Holt

Company Number 07552631

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	21		(282,473)		2,262,952
Cash flows from investing activities					
Dividends, interest and rents from investments		13,475		10,225	
Capital grants from DfE and ESFA		1,479,853		2,101,293	
Capital funding from sponsors and others		-		4,000	
Payments to acquire tangible fixed assets		(1,701,872)		(3,897,657)	
			(208,544)		(1,782,139)
Change in cash and cash equivalents in the reporting period					
			(491,017)		480,813
Cash and cash equivalents at 1 September 2016					
			2,273,126		1,792,313
Cash and cash equivalents at 31 August 2017					
			1,782,109		2,273,126
Relating to:					
Bank and cash balances			1,712,532		2,200,106
Short term deposits			69,577		73,020

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 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 receivable

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 2017

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 2017

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%
Assets in the course of construction	nil until asset is in use
Fixtures, fittings & equipment	25%
Motor vehicles	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Assets in the course of construction consisted of the Harington Building which was under construction at the start of the year. Following completion during the year the costs were transferred to freehold buildings and depreciated.

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 or services it must provide.

1.7 Leasing and hire purchase commitments

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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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.

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 prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded 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. Actuarial gains and losses are recognised immediately 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 2017

1 Accounting policies

(Continued)

1.12 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.

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 20, 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 2017. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	1,479,853	1,479,853	2,101,293
Other donations	-	-	-	4,000
	<u>-</u>	<u>1,479,853</u>	<u>1,479,853</u>	<u>2,105,293</u>

3 Transfer from Harington School Trust

In the prior year Harington School was transferred to Rutland and District Schools' Federation, which included the school's assets and liabilities as noted below. The charitable objects of Harington School Trust were consistent with those of Rutland and District Schools' Federation.

	2016 £
Fixed assets	1,648,759
Current assets	735,497
Current liabilities	(771,586)
Funds transfer from Harington School Trust	<u>1,612,670</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the Federation's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,776,849	5,776,849	5,308,751
Start up grants	-	107,500	107,500	11,042
Other DfE / ESFA grants	-	289,774	289,774	288,333
	-	6,174,123	6,174,123	5,608,126
Other government grants				
Local authority grants	-	401,792	401,792	440,437
Other funds				
Other incoming resources	477,386	2,250	479,636	604,815
Total funding	477,386	6,578,165	7,055,551	6,653,378

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Lettings	-	-	-	1,118
Catering income	371,661	-	371,661	345,585
Bussing income	33,529	-	33,529	28,425
Minibus income	6,008	-	6,008	5,714
Service users	84,067	-	84,067	84,853
	495,265	-	495,265	465,695

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Interest receivable	13,475	-	13,475	10,225

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	4,687,720	-	734,722	5,422,442	4,737,025
- Allocated support costs	1,430,562	1,300,366	592,048	3,322,976	3,126,744
Teaching School					
- Direct costs	-	-	151,676	151,676	131,634
	<u>6,118,282</u>	<u>1,300,366</u>	<u>1,478,446</u>	<u>8,897,094</u>	<u>7,995,403</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	11,500	11,250
- Other services	1,750	1,250
Depreciation of tangible fixed assets	732,763	632,112
Net interest on defined benefit pension liability	57,000	69,000
	<u>732,763</u>	<u>632,112</u>

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 2017

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	411,842	5,010,600	5,422,442	4,737,025
Direct costs - teaching school	-	151,676	151,676	131,634
Support costs - educational operations	538,268	2,784,708	3,322,976	3,126,744
	<u>950,110</u>	<u>7,946,984</u>	<u>8,897,094</u>	<u>7,995,403</u>

Analysis of costs

	Teaching school £	Educational operations £	Total 2017 £	Total 2016 £
Direct costs				
Teaching and educational support staff costs	-	4,624,540	4,624,540	4,130,957
Staff development	-	63,180	63,180	21,341
Technology costs	-	189,737	189,737	113,294
Educational supplies and services	151,676	189,164	340,840	312,104
Examination fees	-	86,097	86,097	68,661
Other direct costs	-	269,724	269,724	222,302
	<u>151,676</u>	<u>5,422,442</u>	<u>5,574,118</u>	<u>4,868,659</u>
Support costs				
Support staff costs	-	1,430,562	1,430,562	1,158,045
Depreciation and amortisation	-	732,763	732,763	632,111
Maintenance of premises and equipment	-	274,733	274,733	480,988
Occupancy costs	-	292,870	292,870	279,756
Transport	-	75,763	75,763	42,234
Catering	-	258,508	258,508	221,729
Interest and finance costs	-	57,000	57,000	69,000
Other supplies and services	-	168,153	168,153	178,060
Governance costs	-	32,624	32,624	64,821
	<u>-</u>	<u>3,322,976</u>	<u>3,322,976</u>	<u>3,126,744</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Governance costs

All from restricted funds:	Total 2017 £	Total 2016 £
Amounts included in support costs		
Legal and professional fees	16,938	51,434
Auditor's remuneration		
- Audit of financial statements	11,500	11,250
- Other audit costs	1,750	1,250
Trustees' reimbursed expenses	2,436	887
	<u>32,624</u>	<u>64,821</u>

10 Staff costs

	2017 £	2016 £
Wages and salaries	4,455,364	4,116,905
Social security costs	415,746	318,099
Operating costs of defined benefit pension schemes	1,009,137	751,521
Staff costs	<u>5,880,247</u>	<u>5,186,525</u>
Supply staff costs	4,253	-
Staff restructuring costs	21,028	7,786
Staff development and other staff costs	212,754	116,032
Total staff expenditure	<u>6,118,282</u>	<u>5,310,343</u>

Staff numbers

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

	2017 Number	2016 Number
Teachers	85	84
Administration and support	112	116
Management	7	7
	<u>204</u>	<u>207</u>

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	4	3
£100,001 - £110,000	1	1
	<u>5</u>	<u>4</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff costs

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,536 (2016: £7,786). Individually, the payments were: £2,536.

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 £563,878 (2016 : £481,252). This represents 7 (2016: 6) members of staff.

11 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 (2016: £105,000 - £110,000)
- Employer's pension contributions £15,000 - £20,000 (2016: £15,000 - £20,000)

K Jackson (Staff Governor and Trustee until 12 February 2016):

- Remuneration £nil (2016: £20,000 - £25,000)
- Employer's pension contributions £nil (2016: £0 - £5,000)

M Sammy (Staff Governor and Trustee until 26 February 2016):

- Remuneration £nil (2016: £25,000 - £30,000)
- Employer's pension contributions £nil (2016: £0 - £5,000)

During the year, travel and subsistence payments totalling £1,803 (2016: £3,741) were reimbursed or paid directly to 2 Governors (2016: 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 £60,119.

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

12 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 2017

13 Tangible fixed assets

	Freehold buildings	Assets in the course of construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2016	27,597,158	3,724,845	1,677,177	61,272	33,060,452
Additions	248,273	1,449,169	4,430	-	1,701,872
Transfer on completion	5,174,014	(5,174,014)	-	-	-
At 31 August 2017	33,019,445	-	1,681,607	61,272	34,762,324
Depreciation					
At 1 September 2016	2,700,016	-	1,367,001	33,708	4,100,725
Charge for the year	599,971	-	122,474	10,318	732,763
At 31 August 2017	3,299,987	-	1,489,475	44,026	4,833,488
Net book value					
At 31 August 2017	29,719,458	-	192,132	17,246	29,928,836
At 31 August 2016	24,897,142	3,724,845	310,176	27,564	28,959,727

Assets in the course of construction consisted of the Harington Building which was under construction at the start of the year. Following completion during the year the costs were transferred to freehold buildings.

14 Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Trade debtors	54,733	79,656
VAT recoverable	36,109	92,585
Accrued income	-	351,074
	90,842	523,315
Carrying amount of financial liabilities		
Trade creditors	230,637	110,606
Other taxation and social security	98,226	99,670
Other creditors	93,208	34,345
Accruals	183,129	624,402
	605,200	869,023

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

15 Debtors	2017 £	2016 £
Trade debtors	54,733	79,656
VAT recoverable	36,109	92,585
Prepayments and accrued income	185,049	442,213
	<u>275,891</u>	<u>614,454</u>
	<u><u>275,891</u></u>	<u><u>614,454</u></u>
16 Creditors: amounts falling due within one year	2017 £	2016 £
Trade creditors	230,637	110,606
Other taxation and social security	98,226	99,670
Other creditors	93,208	34,345
Accruals and deferred income	430,360	1,083,558
	<u>852,431</u>	<u>1,328,179</u>
	<u><u>852,431</u></u>	<u><u>1,328,179</u></u>
17 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	<u>247,231</u>	<u>459,156</u>
	<u><u>247,231</u></u>	<u><u>459,156</u></u>
Deferred income at 1 September 2016	459,156	70,728
Released from previous years	(459,156)	(70,728)
Amounts deferred in the year	<u>247,231</u>	<u>459,156</u>
	<u><u>247,231</u></u>	<u><u>459,156</u></u>
Deferred income at 31 August 2017	<u><u>247,231</u></u>	<u><u>459,156</u></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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	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)	-	-
	<u>686,030</u>	<u>6,741,392</u>	<u>(6,909,221)</u>	<u>(170,428)</u>	<u>347,773</u>
Funds excluding pensions	686,030	6,741,392	(6,909,221)	(170,428)	347,773
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 / ESFA 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	813,289	986,126	(950,110)	-	849,305
	<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>
General unrestricted funds include the following designated funds:					
Catmose nursery/preschool	-	177,108	(195,704)	18,596	-
School fund	72,070	234,654	(235,016)	-	71,708
Balance of general funds	741,219	574,364	(519,390)	(18,596)	777,597
	<u>813,289</u>	<u>986,126</u>	<u>(950,110)</u>	<u>-</u>	<u>849,305</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 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 2017.

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 nursery/preschool fund represents funds generated from the nursery/preschool which will be re-invested in the nursery/preschool.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	990,021	5,267,092	(5,381,813)	(224,121)	651,179
Start up grants	-	11,042	(11,042)	-	-
Other DfE / ESFA grants	-	288,333	(288,333)	-	-
Other government grants	-	440,437	(440,437)	-	-
Teaching School	19,508	146,977	(131,634)	-	34,851
	<u>1,009,529</u>	<u>6,153,881</u>	<u>(6,253,259)</u>	<u>(224,121)</u>	<u>686,030</u>
Funds excluding pensions	1,009,529	6,153,881	(6,253,259)	(224,121)	686,030
Pension reserve	(1,781,000)	-	(162,000)	(634,000)	(2,577,000)
	<u>(771,471)</u>	<u>6,153,881</u>	<u>(6,415,259)</u>	<u>(858,121)</u>	<u>(1,890,970)</u>
Restricted fixed asset funds					
Transfer from Harington School	-	1,648,759	-	(1,648,759)	-
DfE / ESFA capital grants	-	2,101,293	-	(2,041,211)	60,082
Fixed asset fund	25,694,182	-	(652,546)	3,918,091	28,959,727
PTA donations	-	4,000	-	(4,000)	-
	<u>25,694,182</u>	<u>3,754,052</u>	<u>(652,546)</u>	<u>224,121</u>	<u>29,019,809</u>
Total restricted funds	<u>24,922,711</u>	<u>9,907,933</u>	<u>(7,067,805)</u>	<u>(634,000)</u>	<u>27,128,839</u>
Unrestricted funds					
General funds	<u>654,582</u>	<u>1,086,305</u>	<u>(927,598)</u>	<u>-</u>	<u>813,289</u>
Total funds	<u>25,577,293</u>	<u>10,994,238</u>	<u>(7,995,403)</u>	<u>(634,000)</u>	<u>27,942,128</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (Continued)

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Catmose College	1,142,797
Catmose Primary	251,547
Harington School	(197,266)
	1,197,078
Total before fixed assets fund and pension reserve	1,197,078
Restricted fixed asset fund	29,937,327
Pension reserve	(2,313,000)
	28,821,405
	28,821,405

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Catmose College	3,587,749	1,205,949	284,764	1,482,152	6,560,614
Catmose Primary	582,343	77,650	31,423	126,675	818,091
Harington School	454,448	146,963	24,653	159,562	785,626
	4,624,540	1,430,562	340,840	1,768,389	8,164,331
	4,624,540	1,430,562	340,840	1,768,389	8,164,331

Funds analysis by academy - previous year

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £
Catmose College	1,444,715
Catmose Primary	183,615
Harington School	(129,011)
	1,499,319
Total before fixed assets fund and pension reserve	1,499,319
Restricted fixed asset fund	29,019,809
Pension reserve	(2,577,000)
	27,942,128
	27,942,128

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Catmose College	3,329,081	993,743	206,469	1,577,430	6,106,723
Catmose Primary	522,665	22,678	90,934	228,020	864,297
Harington School	279,211	9,991	14,701	88,368	392,271
	<u>4,130,957</u>	<u>1,026,412</u>	<u>312,104</u>	<u>1,893,818</u>	<u>7,363,291</u>

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total 2017
	£	£	£	£
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)
	<u>849,305</u>	<u>(1,965,227)</u>	<u>29,937,327</u>	<u>28,821,405</u>
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	28,959,727	28,959,727
Current assets	879,317	1,948,181	60,082	2,887,580
Creditors falling due within one year	(66,028)	(1,262,151)	-	(1,328,179)
Defined benefit pension liability	-	(2,577,000)	-	(2,577,000)
	<u>813,289</u>	<u>(1,890,970)</u>	<u>29,019,809</u>	<u>27,942,128</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions 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 £93,208 (2016: £92,001) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £494,896 (2016: £417,458).

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

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 £326,000.

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	2017	2016
	£	£
Employer's contributions	298,000	279,000
Employees' contributions	88,000	86,000
	<u> </u>	<u> </u>
Total contributions	386,000	365,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2017	2016
	%	%
Rate of increases in salaries	3.4	3.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1
	<u> </u>	<u> </u>

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

	2017	2016
	Years	Years
Retiring today		
- Males	22.1	22.2
- Females	24.3	24.3
Retiring in 20 years		
- Males	23.8	24.2
- Females	26.2	26.6
	<u> </u>	<u> </u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations	(Continued)	
The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:	2017	2016
	£'000	£'000
0.5% decrease in Real Discount Rate	882	861
0.5% increase in the Salary Increase Rate	176	321
0.5% increase in the Pension Increase Rate	689	513
	<u> </u>	<u> </u>
The Federation's share of the assets in the scheme	2017	2016
	Fair value	Fair value
	£	£
Equities	2,605,000	2,217,000
Bonds	778,000	554,000
Cash	194,000	31,000
Property	311,000	277,000
	<u> </u>	<u> </u>
Total market value of assets	3,888,000	3,079,000
	<u> </u>	<u> </u>
Actual return on scheme assets - gain/(loss)	455,000	511,000
	<u> </u>	<u> </u>
Amounts recognised in the statement of financial activities	2017	2016
	£	£
Current service cost	546,000	372,000
Interest income	(68,000)	(91,000)
Interest cost	125,000	160,000
	<u> </u>	<u> </u>
Total operating charge	603,000	441,000
	<u> </u>	<u> </u>
Changes in the present value of defined benefit obligations	2017	2016
	£	£
Obligations at 1 September 2016	5,656,000	3,997,000
Current service cost	546,000	372,000
Interest cost	125,000	160,000
Employee contributions	88,000	86,000
Actuarial (gain)/loss	(182,000)	1,054,000
Benefits paid	(32,000)	(13,000)
	<u> </u>	<u> </u>
At 31 August 2017	6,201,000	5,656,000
	<u> </u>	<u> </u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations (Continued)

Changes in the fair value of the Federation's share of scheme assets

	2017 £	2016 £
Assets at 1 September 2016	3,079,000	2,216,000
Interest income	68,000	91,000
Actuarial gain	387,000	420,000
Employer contributions	298,000	279,000
Employee contributions	88,000	86,000
Benefits paid	(32,000)	(13,000)
	<u>3,888,000</u>	<u>3,079,000</u>
At 31 August 2017	<u>3,888,000</u>	<u>3,079,000</u>

21 Reconciliation of net income to net cash flows from operating activities

	2017 £	2016 £
Net income for the reporting period	310,277	2,998,835
Adjusted for:		
Net surplus transferred from Harington School	-	(1,612,670)
Capital grants from DfE/ESFA and other capital income	(1,479,853)	(2,105,293)
Investment income receivable	(13,475)	(10,225)
Defined benefit pension costs less contributions payable	248,000	93,000
Defined benefit pension net finance cost	57,000	69,000
Depreciation of tangible fixed assets	732,763	632,112
Decrease/(increase) in debtors	338,563	(435,219)
(Decrease)/increase in creditors	(475,748)	1,020,742
Assets and liabilities transferred from Harington School	-	1,612,670
	<u>(282,473)</u>	<u>2,262,952</u>
Net cash used in operating activities	<u>(282,473)</u>	<u>2,262,952</u>

22 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 Mrs N Ray, the Federation manager, has an interest, £39,832 (2016 - £23,626) in respect of electrical contract services.

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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.