

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 2016

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

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RUTLAND AND DISTRICT SCHOOLS' FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Governors and Members

Ms J E Gilboy
Dr A J Wright
Mr R E Mulvey
Mr A Holt
Ms L J Arnold
Mr M Sammy (Resigned 26 February 2016)
Mr N M Wainwright
Mr J P Simmonds
Mr N Quinn
Mrs N Fowler
Mr S Williams
Ms K Jackson (Resigned 12 February 2016)
Ms S Hearsh
Ms S Kirkby
Ms A Mould
Mr M Nicoll
Ms M Pitkeathly (Resigned 3 May 2016)
Prof N T Gorman (Appointed 10 May 2016)
Dr R B Guthrie (Appointed 23 May 2016)
Mr M Rhowbotham (Appointed 19 September 2016)

Senior management team

- Principal	S Williams
- Vice Principal	V Savage
- Vice Principal	J Macdonald
- Vice Principal	J Harrison
- Vice Principal	K Jackson
- Vice Principal	O Teasel
- 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

Principal

S Williams
S Williams
S Williams

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Bankers

HSBC
28 High Street
Oakham
Rutland
LE15 6AR

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. 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 Catmose Federation. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Catmose College obtained academy status on 1 April 2011 and Catmose Primary School joined the Federation, becoming a multi academy trust on 1 May 2012, known at the time as Catmose Federation. The Federation was renamed on 28th January 2016, becoming Rutland & District Schools' Federation. On 1st April 2016 Harington School joined the Federation.

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 2016

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 21.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 support from parents.

Equal opportunities policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

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 2016

Strategic report

Achievements and performance

The academy trust continues to achieve the 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 2016 numbered 886 in the College and 208 in the Primary school. This was Harington School's year of opening as a free school, and the school welcomed 53 students.

Students start at the College with levels of attainment that are generally just above average. 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). This year the progress of students, measured using progress 8, was significantly higher than that seen nationally.

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.

Harington has not yet been inspected by Ofsted and we do not yet have A level outcomes for students. Internal quality assurance processes judge the school to be good; students are currently 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 2016

Financial review

Most of the academy trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 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 EFA. 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 2016, total expenditure of £7,995,403 was met by recurrent grant funding from the EFA together with other incoming resources.

At 31 August 2016, the net book value of fixed assets was £28,959,727. 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 2016 of £27,942,128 comprising £27,128,839 of restricted funds and £813,289 of unrestricted general funds.

The Local Government Pension Scheme, in which the academy participates, showed a deficit of £2,577,000 at 31 August 2016 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 2015/16, the College has invested in facilities to meet demand from ever expanding numbers. New refectory facilities offer a second dining option to relieve pressure in the restaurant at peak times. 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 Resources Committee have agreed to significant capital plans at the College to expand the learning spaces provision in order to support additional places. The College has gone over PAN in Year 7 in September 2015 and September 2016 in order to accommodate children from local families. Additional space needs to be created to facilitate this. The Summer of 2016 will see refurbishment of many areas to provide additional classroom resource spaces. Yet more space will be required for the College to be in a position to go over PAN in September 2017. The Primary School is now full.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

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 2016

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 and this is explained in more detail in the Governance Statement on page 10 - 14.

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.

The Catmose Campus has accommodated the new build of Harington School, a sixth form provision for up to 300 students, which opened in temporary buildings in September 2016. The Trust is working to open a new primary school may also be built on site following the successful EOI bid to RCC, which is estimated to open in September 2018. Further capital works will take place at both Catmose Primary School and Catmose College to enhance learning environments and accommodate increased student numbers at both sites.

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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

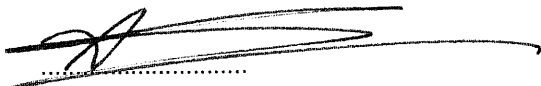
Auditor

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 ...*8/12/2016*... and signed on its behalf by:



Mr A Holt

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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	6	6
Mr R E Mulvey	3	6
Mr A Holt	6	6
Mr N M Wainwright	2	6
Mr S Williams	6	6
Ms K Jackson (Resigned 12 February 2016)	1	3
Ms S Hearth	4	6
Ms S Kirkby	1	6
Mr M Nicoll	5	6
Dr R B Guthrie (Appointed 23 May 2016)	1	1

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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. Last September 2015, 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 is both responsible and accountable for achieving value for money in their organisation. VFM is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all resources in the trust's charge. Where that is achieved, this will result in better educational results; waste and extravagance are avoided; there is prudent and economical administration of the organisation; there is rigorous financial governance, with up to date financial records and accountability. The Financial Management Policy lays down strict guidelines for purchasing and monitoring. When assessing contracts or tenders, the best value assessment is not always the cheapest solution.

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

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 31 August 2016 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, PADI dive school 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 both schools and the nurseries. The Preschool provides a sustained income stream for 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 2015 to 31 August 2016 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 2016

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 EFA 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.

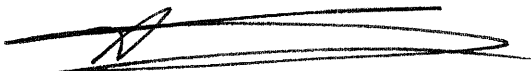
Review of effectiveness

As accounting officer the 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 8/12/2016 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 2016

As accounting officer of Rutland and District Schools' Federation I have considered my responsibility to notify the Federation board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 2015.

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 2015.

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



Mr S Williams
Accounting Officer

8.12.16
.....

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 to 2016;
- 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 EFA/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 8/12/2016 and signed on its behalf by:



Mr A Holt

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

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

We have audited the accounts of Rutland and District Schools' Federation for the year ended 31 August 2016 set out on pages 21 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Governors, who are also the directors of Rutland and District Schools' Federation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

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

Matters on which we are required to report by exception

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

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



Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Rawlinsons Chartered Accountants

Chartered Accountants

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated:15.12.2016.....

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

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

In accordance with the terms of our engagement letter dated 4 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rutland and District Schools' Federation and EFA, 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Jackson FCA DChA

Reporting Accountant

Rawlinsons Chartered Accountants

Ruthlyn House

90 Lincoln Road

Peterborough

Cambridgeshire

PE1 2SP

Dated:15.12.2016

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	-	-	2,105,293	2,105,293	24,622
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	6,195,540	-	6,800,355	6,398,984
Other trading activities	5	465,695	-	-	465,695	422,728
Investments	6	10,225	-	-	10,225	17,228
Total income and endowments		<u>1,086,305</u>	<u>6,153,881</u>	<u>3,754,052</u>	<u>10,994,238</u>	<u>6,863,562</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	927,598	6,415,259	652,546	7,995,403	7,201,724
Total expenditure	7	<u>927,598</u>	<u>6,415,259</u>	<u>652,546</u>	<u>7,995,403</u>	<u>7,201,724</u>
Net income/(expenditure)		158,707	(261,378)	3,101,506	2,998,835	(338,162)
Transfers between funds		-	(224,121)	224,121	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(634,000)	-	(634,000)	73,000
Net movement in funds		158,707	(1,119,499)	3,325,627	2,364,835	(265,162)
Reconciliation of funds						
Total funds brought forward		654,582	(771,471)	25,694,182	25,577,293	25,842,455
Total funds carried forward		<u>813,289</u>	<u>(1,890,970)</u>	<u>29,019,809</u>	<u>27,942,128</u>	<u>25,577,293</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2015		Funds	General	Fixed asset	2015
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	2	-	-	24,622	24,622
Charitable activities:					
- Funding for educational operations	4	648,089	5,750,895	-	6,398,984
Other trading activities	5	422,728	-	-	422,728
Investments	6	17,228	-	-	17,228
Total income and endowments		<u>1,088,045</u>	<u>5,750,895</u>	<u>24,622</u>	<u>6,863,562</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	914,727	5,541,736	745,261	7,201,724
Total expenditure	7	<u>914,727</u>	<u>5,541,736</u>	<u>745,261</u>	<u>7,201,724</u>
Net income/(expenditure)		173,318	209,159	(720,639)	(338,162)
Transfers between funds		-	(289,558)	289,558	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	73,000	-	73,000
Net movement in funds		173,318	(7,399)	(431,081)	(265,162)
Reconciliation of funds					
Total funds brought forward		481,264	(764,072)	26,125,263	25,842,455
Total funds carried forward		<u>654,582</u>	<u>(771,471)</u>	<u>25,694,182</u>	<u>25,577,293</u>

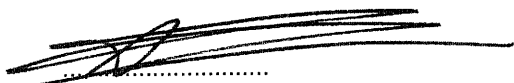
RUTLAND AND DISTRICT SCHOOLS' FEDERATION

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	13		28,959,727		25,694,182
Current assets					
Debtors	14	614,454		179,235	
Cash at bank and in hand		2,273,126		1,792,313	
			<u>2,887,580</u>		<u>1,971,548</u>
Current liabilities					
Creditors: amounts falling due within one year	15	(1,328,179)		(307,437)	
Net current assets			<u>1,559,401</u>		<u>1,664,111</u>
Net assets excluding pension liability			<u>30,519,128</u>		<u>27,358,293</u>
Defined benefit pension liability	19		(2,577,000)		(1,781,000)
Net assets			<u><u>27,942,128</u></u>		<u><u>25,577,293</u></u>
Funds of the Federation:					
Restricted funds	17				
- Fixed asset funds			29,019,809		25,694,182
- Restricted income funds			686,030		1,009,529
- Pension reserve			(2,577,000)		(1,781,000)
Total restricted funds			<u>27,128,839</u>		<u>24,922,711</u>
Unrestricted income funds	17		<u>813,289</u>		<u>654,582</u>
Total funds			<u><u>27,942,128</u></u>		<u><u>25,577,293</u></u>

The accounts set out on pages 21 to 42 were approved by the board of trustees and authorised for issue on ... 8/12/2016 ... 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 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		2,262,952		389,044
Cash flows from investing activities					
Dividends, interest and rents from investments		10,225		17,228	
Capital grants from DfE and EFA		2,101,293		24,622	
Capital funding from sponsors and others		4,000		-	
Payments to acquire tangible fixed assets		(3,897,657)		(397,662)	
			(1,782,139)		(355,812)
Change in cash and cash equivalents in the reporting period					
			480,813		33,232
Cash and cash equivalents at 1 September 2015					
			1,792,313		1,759,081
Cash and cash equivalents at 31 August 2016					
			2,273,126		1,792,313
Relating to:					
Bank and cash balances			2,200,106		1,741,422
Short term deposits			73,020		50,891

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 2016 issued by EFA, 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.

These accounts for the year ended 31 August 2016 are the first accounts of Rutland and District Schools' Federation prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the 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 2016

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.

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 EFA, 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 EFA.

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 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.

1.9 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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 19, 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.

1.10 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 Funding Agency/Department for Education.

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

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	2,101,293	2,101,293	24,622
Other donations	-	4,000	4,000	-
	-	2,105,293	2,105,293	24,622

3 Transfer from Harington School Trust

As described in the Trustees' Report, during the 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 are 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	1,612,670

4 Funding for the Federation's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	5,308,751	5,308,751	5,020,104
Start up grants	-	11,042	11,042	-
Other DfE / EFA grants	-	288,333	288,333	246,784
	-	5,608,126	5,608,126	5,266,888
Other government grants				
Local authority grants	-	440,437	440,437	357,358
Other grants	-	46,000	46,000	32,124
	-	486,437	486,437	389,482
Other funds				
Other incoming resources	604,815	100,977	705,792	742,614
Total funding	604,815	6,195,540	6,800,355	6,398,984

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Lettings	1,118	-	1,118	1,655
Catering income	345,585	-	345,585	290,291
Bussing income	28,425	-	28,425	39,324
Minibus income	5,714	-	5,714	5,295
Service users	84,853	-	84,853	86,163
	<u>465,695</u>	<u>-</u>	<u>465,695</u>	<u>422,728</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Interest receivable	10,225	-	10,225	17,228
	<u>10,225</u>	<u>-</u>	<u>10,225</u>	<u>17,228</u>

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	4,152,298	-	716,361	4,868,659	4,495,909
- Allocated support costs	1,158,045	1,113,099	855,600	3,126,744	2,705,815
Total expenditure	<u>5,310,343</u>	<u>1,113,099</u>	<u>1,571,961</u>	<u>7,995,403</u>	<u>7,201,724</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	11,250	11,250
- Other services	1,250	1,250
Depreciation of tangible fixed assets	632,112	745,261
	<u>644,612</u>	<u>767,761</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Expenditure

(Continued)

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

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	461,187	4,407,472	4,868,659	4,495,909
Support costs - educational operations	466,411	2,660,333	3,126,744	2,705,815
	<u>927,598</u>	<u>7,067,805</u>	<u>7,995,403</u>	<u>7,201,724</u>

Analysis of costs

Direct costs

	2016 £	2015 £
Teaching and educational support staff costs	4,130,957	3,773,335
Staff development	21,341	11,832
Technology costs	244,928	188,417
Educational supplies and services	180,470	159,838
Examination fees	68,661	62,096
Other direct costs	222,302	300,391
	<u>4,868,659</u>	<u>4,495,909</u>

Support costs

Support staff costs	1,158,045	943,093
Depreciation and amortisation	632,111	745,261
Maintenance of premises and equipment	480,988	204,338
Occupancy costs	279,756	288,209
Transport	42,234	59,517
Catering	221,729	197,319
Interest and finance costs	69,000	64,000
Other supplies and services	178,060	166,828
Governance costs	64,821	37,250
	<u>3,126,744</u>	<u>2,705,815</u>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Governance costs

All from restricted funds:	Total 2016 £	Total 2015 £
Amounts included in support costs		
Legal and professional fees	51,434	23,304
Auditor's remuneration		
- Audit of financial statements	11,250	11,250
- Other audit costs	1,250	1,250
Trustees' reimbursed expenses	887	1,446
	64,821	37,250
	64,821	37,250

10 Staff costs

	2016 £	2015 £
Wages and salaries	4,116,905	3,784,807
Social security costs	318,099	255,447
Operating costs of defined benefit pension schemes	751,521	630,588
Staff costs	5,186,525	4,670,842
Staff restructuring costs	7,786	19,309
Staff development and other staff costs	116,032	38,109
	5,310,343	4,728,260
	5,310,343	4,728,260

Staff numbers

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

	2016 Number	2015 Number
Teachers	84	61
Administration and support	116	123
Management	7	6
	207	190
	207	190

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	3	2
£90,001 - £100,000	1	1
	4	3
	4	3

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Staff costs

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,786 (2015 - £19,309). Individually, the payments were: £7,786.

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 £541,591 (2015 : £552,506).

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 principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of 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 (Principal and Trustee):

- Remuneration £105,000 - £110,000 (2015: £100,000 - £105,000)
- Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

K Jackson (Staff Governor and Trustee):

- Remuneration £20,000 - £25,000 (2015: £40,000 - £45,000)
- Employer's pension contributions £0 - £5,000 (2015: £5,000 - £10,000)

M Sammy (Staff Governor and Trustee):

- Remuneration £25,000 - £30,000 (2015: £40,000 - £45,000)
- Employer's pension contributions £0 - £5,000 (2015: £5,000 - £10,000)

During the year, travel and subsistence payments totalling £3,741 (2015: £1,354) were reimbursed or paid directly to 2 Governors (2015: 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 £58,546.

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 2016

13 Tangible fixed assets

	Freehold buildings	Assets in the course of construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2015	27,561,746	-	1,566,427	35,500	29,163,673
Additions	35,412	3,724,845	111,628	25,772	3,897,657
Disposals	-	-	(878)	-	(878)
At 31 August 2016	27,597,158	3,724,845	1,677,177	61,272	33,060,452
Depreciation					
At 1 September 2015	2,187,090	-	1,252,568	29,833	3,469,491
On disposals	-	-	(878)	-	(878)
Charge for the year	512,926	-	115,311	3,875	632,112
At 31 August 2016	2,700,016	-	1,367,001	33,708	4,100,725
Net book value					
At 31 August 2016	24,897,142	3,724,845	310,176	27,564	28,959,727
At 31 August 2015	25,374,656	-	313,859	5,667	25,694,182

Assets in the course of construction consists of the Harington Building which was under construction at the year end.

14 Debtors

	2016	2015
	£	£
Trade debtors	79,656	60,588
VAT recoverable	92,585	61,286
Prepayments and accrued income	442,213	57,361
	614,454	179,235

15 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	110,606	25,823
Other taxation and social security	99,670	74,673
Other creditors	34,345	-
Accruals and deferred income	1,083,558	206,941
	1,328,179	307,437

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Deferred income	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	459,156	70,728
Deferred income at 1 September 2015	70,728	135,339
Released from previous years	(70,728)	(135,339)
Amounts deferred in the year	459,156	70,728
Deferred income at 31 August 2016	459,156	70,728

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.

17 Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & 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 / EFA grants	-	288,333	(288,333)	-	-
Other government grants	19,508	486,437	(504,346)	-	1,599
Other restricted funds	-	100,977	(67,725)	-	33,252
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)
	(771,471)	6,153,881	(6,415,259)	(858,121)	(1,890,970)
Restricted fixed asset funds					
DfE / EFA capital grants	-	2,101,293	-	(2,041,211)	60,082
Transfer from Harington School	-	1,648,759	-	(1,648,759)	-
Fixed asset fund	25,694,182	-	(652,546)	3,918,091	28,959,727
PTA donations	-	4,000	-	(4,000)	-
	25,694,182	3,754,052	(652,546)	224,121	29,019,809
Total restricted funds	24,922,711	9,907,933	(7,067,805)	(634,000)	27,128,839

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds	(Continued)				
Unrestricted funds					
General funds	654,582	1,086,305	(927,598)	-	813,289
	<u>654,582</u>	<u>1,086,305</u>	<u>(927,598)</u>	<u>-</u>	<u>813,289</u>
Total funds	25,577,293	10,994,238	(7,995,403)	(634,000)	27,942,128
	<u>25,577,293</u>	<u>10,994,238</u>	<u>(7,995,403)</u>	<u>(634,000)</u>	<u>27,942,128</u>
General unrestricted funds include the following designated funds:					
Catmose nursery	-	340,651	(309,713)	(30,938)	-
School fund	50,905	203,465	(182,300)	-	72,070
Balance of general funds	603,677	542,189	(435,585)	30,938	741,219
	<u>654,582</u>	<u>1,086,305</u>	<u>(927,598)</u>	<u>-</u>	<u>813,289</u>

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 2016.

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

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds

(Continued)

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	Total £
Catmose College	1,587,839
Catmose Primary	183,615
Harington School	(272,135)
	<hr/>
Total before fixed assets fund and pension reserve	1,499,319
Restricted fixed asset fund	29,019,809
Pension reserve	(2,577,000)
	<hr/>
Total funds	<u>27,942,128</u>

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	3,329,081	1,125,376	74,836	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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>4,130,957</u>	<u>1,158,045</u>	<u>180,471</u>	<u>1,893,818</u>	<u>7,363,291</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
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)
	<hr/>	<hr/>	<hr/>	<hr/>
	<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 2016

19 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 2013.

Contributions amounting to £92,001 (2015: £72,501) were payable to the schemes at 31 August 2016 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

Not less than every four years 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 will be as at March 2016, 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 £415,904 (2015: £320,360).

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

(Continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 £300,000.

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	2016 £	2015 £
Employer's contributions	279,000	232,000
Employees' contributions	86,000	75,000
Total contributions	365,000	307,000

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.1	4.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Inflation assumption (CPI)	2.1	3.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2016	Approximate % increase to Employer Liability	Approximate monetary amount
0.5% decrease in Real Discount Rate	15%	£861,000
1 year increase in member life expectancy	3%	£170,000
0.5% increase in the Salary Increase Rate	6%	£321,000
0.5% increase in the Pension Increase Rate	9%	£513,000

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

(Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	22.2	22.2
- Females	24.3	24.3
Retiring in 20 years		
- Males	24.2	24.2
- Females	26.6	26.6

The Federation's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	2,217,000	1,463,000
Bonds	554,000	465,000
Cash	31,000	44,000
Property	277,000	244,000
Total market value of assets	3,079,000	2,216,000
Actual return on scheme assets - gain/(loss)	511,000	(79,000)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	372,000	336,000
Net interest cost	69,000	64,000

Changes in the present value of defined benefit obligations

	2016 £
Obligations at 1 September 2015	3,997,000
Current service cost	372,000
Interest cost	160,000
Employee contributions	86,000
Actuarial loss	1,054,000
Benefits paid	(13,000)
At 31 August 2016	5,656,000

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19	Pensions and similar obligations	(Continued)	
	Changes in the fair value of the Federation's share of scheme assets	2016	
		£	
	Assets at 1 September 2015	2,216,000	
	Interest income	91,000	
	Return on plan assets (excluding amounts included in net interest):		
	Actuarial gain	420,000	
	Employer contributions	279,000	
	Employee contributions	86,000	
	Benefits paid	(13,000)	
		<hr/>	
	At 31 August 2016	3,079,000	
		<hr/> <hr/>	
20	Reconciliation of net income/(expenditure) to net cash flows from operating activities	2016	2015
		£	£
	Net income/(expenditure) for the reporting period	2,998,835	(338,162)
	Adjusted for:		
	Net deficit/(surplus) transferred from Harington School	(1,612,670)	-
	Capital grants from DfE/EFA and other capital income	(2,105,293)	(24,622)
	Investment income	(10,225)	(17,228)
	Defined benefit pension costs less contributions payable	93,000	104,000
	Defined benefit pension net finance cost/(income)	69,000	64,000
	Depreciation of tangible fixed assets	632,112	745,261
	(Increase)/decrease in debtors	(435,219)	14,185
	Increase/(decrease) in creditors	1,020,742	(158,390)
	Assets and liabilities transferred from Harington School	1,612,670	-
		<hr/>	<hr/>
	Net cash provided by operating activities	2,262,952	389,044
		<hr/> <hr/>	<hr/> <hr/>

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 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.

Included in expenditure is an amount of £nil (2015 - £2,280) paid to Melton and Rutland Young Persons Trust, a charity in which Mr A Holt has an interest, in respect of Duke of Edinburgh.

The Federation paid R&H Technical Services, a business in which the husband of Mrs N Ray, the Federation manager, has an interest, £23,626 (2015 - £38,393) 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.

Harington School Trust had trustees in common with Rutland and District Schools' Federation during the year. Costs of £62,182 (2015 - £69,471) were recharged to Harington School Trust and charges from Harington School Trust amounted to £480 (2015 - £nil).

During the year the assets and liabilities of Harington School Trust were transferred to Rutland and District Schools' Federation amounting to £1,612,670 in fund balances being transferred.

22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

No individual has a controlling interest in the charitable company.

RUTLAND AND DISTRICT SCHOOLS' FEDERATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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 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 five 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	5	5
Dr A J Wright	1	5
Mr R E Mulvey	2	5
Mr A Holt	5	5
Ms L J Arnold	1	5
Mr M Sammy (Resigned 26 February 2016)	0	1
Mr N M Wainwright	3	5
Mr J P Simmonds	3	5
Mr N Quinn	2	5
Mrs N Fowler	2	5
Mr S Williams	5	5
Ms K Jackson (Resigned 12 February 2016)	1	1
Ms S Hearth	1	5
Ms S Kirkby	0	5
Ms A Mould	3	5
Mr M Nicoll	5	5
Ms M Pitkeathly (Resigned 3 May 2016)	0	2
Prof N T Gorman (Appointed 10 May 2016)	1	1
Dr R B Guthrie (Appointed 23 May 2016)	1	1
Mr M Rhowbotham (Appointed 19 September 2016)	0	0