

Company Registration Number: 06802948 (England & Wales)

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**



**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

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**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	J Cook C Emery P Groves (resigned 31 December 2016) A Lazarides (resigned 7 December 2016) A Sully M Turner (appointed 9 February 2017)
<b>Trustees</b>	C Emery, Chair (appointed 1 September 2016) <sup>1</sup> D Baker, Interim Chief Executive Officer (appointed 16 January 2017) <sup>1</sup> D Ault (appointed 6 April 2017) <sup>1</sup> C Boyle (appointed 1 September 2016) <sup>2</sup> P Brien (appointed 7 December 2016) <sup>1</sup> M Evans (appointed 9 February 2017) <sup>1</sup> A Gould (appointed 1 September 2016, resigned 6 April 2017) <sup>1</sup> P Groves (resigned 31 December 2016) <sup>1</sup> J Kingscott (appointed 1 September 2017) <sup>1</sup> N Morris (appointed 1 September 2016, resigned 7 November 2016) <sup>2,3</sup> G Mountjoy (appointed 9 February 2017) <sup>1</sup> L Paniccia-Brown (appointed 28 September 2016) <sup>1,4</sup> D Reynolds (appointed 23 January 2017) <sup>3</sup> G Rosenberg (resigned 31 August 2017) <sup>2</sup> R Tregarthen (appointed 1 September 2016) <sup>1,4</sup> M Turner (appointed 1 September 2016, resigned 9 February 2017) <sup>1</sup> A Williams (resigned 27 October 2016)

<sup>1</sup> Finance and Resources Committee

<sup>2</sup> Winterbourne International Academy Local Governing Body

<sup>3</sup> Yate International Academy Local Governing Body

<sup>4</sup> Ridings Commerce Limited

<b>Company registered number</b>	06802948
<b>Company name</b>	The Ridings' Federation of Academies
<b>Principal and Registered office</b>	17 High Street Winterbourne Bristol BS36 1J
<b>Company secretary</b>	C Jackson
<b>Accounting Officer</b>	D Baker
<b>Senior management team</b>	A Haupt, Academy Principal, Winterbourne International Academy J Skipp, Academy Principal, Yate International Academy J Graham, Deputy Principal, Winterbourne International Academy N Wilcox, Deputy Principal, Winterbourne International Academy P Taylor, Deputy Principal, Yate International Academy J Borrill, Deputy Principal, Woodlands Primary Phase D William, Federation Head of Finance

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
<b>Bankers</b>	National Westminster Bank Plc 5 High Street Winterbourne Bristol BS99 5LQ
<b>Solicitors</b>	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and Auditors' Report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 2 secondary academies in South Gloucestershire. Its Academies have a combined pupil capacity of 2,970 and had a roll of 2,834 in the school census on 1 January 2017.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Ridings' Federation of Academies are also the directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' Liability**

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

**Trustees' Indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Articles of Association in effect during the financial year 2016-17 state that the members comprise:

- The signatories to the Memorandum; and;
- Any person appointed under Article 15A provided that at any time the minimum number of Members shall not be less than three.

Members may agree unanimously in writing to appoint additional members as they see fit.

Academy Trustees are appointed as follows:

- The Members may appoint by ordinary resolution up to 5 Trustees;
- The total number of Trustees, including the Chief Executive Principal if they so choose to act as a Trustee under Article 57, who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other professional bodies including membership of the National Governance Association.

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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During 2016-17 the Chair of Trustees has led two vision and strategy events and Trustees have engaged in permanent exclusion and finance training commissioned from the Local Authority.

**Organisational Structure**

The Trustees approve and oversee the implementation of strategic objectives and educational targets for the Federation and its academies, with some of these functions delegated to sub-committees. Whilst these committees may make recommendations, all responsibility for any decisions remains with the Academy Trust.

The strategic direction of the Federation is overseen by the Board of Trustees, including the Interim Chief Executive Principal. The Federation Leadership team at each Academy is responsible for the implementation of the Federation's strategic vision and for the day to day operation of the Academy Trust, in particular organising the teaching staff, facilities and students.

The Chief Executive Principal is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

A separate Principal/Chief Executive Principal pay review panel has been established consisting of a minimum of two Trustees but preferably three. They meet with the relevant member of staff in order to set targets and conduct a twice yearly review during the academic year.

The Ridings' Federation of Academies is responsible for determining levels of pay, including spot salaries and any bonus structure for Federation appointments, in line with the principles as set out in the Pay Policy.

**Related Parties and other Connected Charities and Organisations**

The Federation also works closely with the Local Authority (South Gloucestershire) and the Department for Education (DfE) including the ESFA. Since January 2017 the role of Chief Executive Principal has been a seconded post provided by the Olympus Academy Trust and the Principal for Winterbourne International Academy has been a seconded post from the Castle School Education Trust.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The Charitable Company's objects are to advance, for 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 the Academies; and to offer a broad curriculum with a strong emphasis on, but in no way limited to either one, or a combination of the specialisms specified in relevant funding agreements.

**Objectives, Strategies and Activities**

In setting the objectives, the Trustees have given careful consideration to the Academy Trust's objects (see above), Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The main objectives of the Federation during the year ended 31 August 2017 are summarised below:

- to ensure that every child enjoys high quality education in terms of resourcing, tuition and care;
- to improve the progress and attainment of all students;
- to provide impact and value for money for the funds expended;
- to comply with all appropriate statutory requirements; and
- to conduct the Federation's business in accordance with the highest standards of integrity, probity and openness.

The main strategy is encompassed in the new mission statement - "Empowering all to excel".

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

**STRATEGIC REPORT**

**Achievements and Performance**

Winterbourne International Academy had 56% of students attaining Grade 5 or above in English and Maths GCSEs, the highest in South Gloucestershire. Progress 8 was -0.28 and Attainment 8 was 49.3.

There was a 99% pass rate for A levels, with 55% of students attaining A\*-B grades, and 26% of A level grades being A\*-A. The average Level Three BTEC Grade was a starred distinction. 87% of students achieved their first choice of University place.

Yate International Academy had 28% of students attaining Grade 5 and above in English and Maths GCSEs, an Attainment 8 score of 40.1 and Progress 8 was -0.34.

**Going Concern**

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

Despite the net current assets showing a deficit at the end of 2016-17 the decision to split the Federation, with Yate International Academy joining Greenshaw Learning Trust 1 September 2017 and Winterbourne International Academy due to join the Olympus Academy Trust in 2018, has ensured the viability of the Academies and Federation. It is expected that the Financial Notice to Improve, imposed on the Federation by the Education Skills and Funding Agency (ESFA) in November 2016, will be lifted. The temporary loan provided by the ESFA to assist cashflow has been repaid. After a significant re-structure, the budget for 2017-18 for Winterbourne International Academy is now in surplus which further confirms the Trustees' view that the Federation is a going concern.

**FINANCIAL REVIEW**

**Financial Review**

The Federation's accounting period is from 1 September 2016 to 31 August 2017.

Most of the Federation's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

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

Within the Chief Executive Principal's Strategic Report (2012-2017) it states that '*...the medium and long term economic landscape is projected to remain challenging over the next 3-5 years...year on year reductions in budgets, including centrally supported finance, or a standstill in the allocation of funding will lead to a greater rationalisation of educational organisations as they exist and the need for larger and more cost effective structures.*' This has been particularly highlighted in the present financial year 2016/17 where costs continue to rise but funding remains static. While action has been taken to address the impact of these changes in the financial year 2016/17, the Federation has reviewed its organisational structure (2017/18) to ensure the continued financial integrity of its Academy Trust. The Federation's structural review during the present financial year has aligned costs to income impacting positively upon the setting of future budgets.

**THE RIDINGS' FEDERATION OF ACADEMIES  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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Underpinning the Federation's plans for the future are the following:

Applications to Winterbourne International Academy 2017/18:

Total applications - 538 (677)

First choice applications - 261 (329)

**Reserves Policy**

The Trustees have reviewed the resources of the Federation and recognise the need to have sufficient reserves to protect it from possible future reductions in funding. The Federation also recognises the likely impact upon its financial resources from the following areas:

- Declining student numbers; and
- Changes to the funding formula which is likely to see a reduction in funding to secondary schools in the South Gloucestershire area

The Trustees consider a range of 5-12% of GAG to be an appropriate level of contingency, but unachievable under current financial constraints.

Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to the restricted fund. This resulted in reducing the reserves in the restricted fund, the deficit has decreased from that reported in year ended 31 August 2016. It should be noted that this adjustment does not present the Federation with any current liquidity problem.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

The Trustees have authorised the use of short-term deposit accounts and notice deposit accounts where cash held is surplus to immediate requirements.

**Principal Risks And Uncertainties**

The principal risks and uncertainties for the Federation are as follows:

Student numbers across the demographic area in which the Federation operates indicate the availability of surplus secondary places. The Federation's marketing strategy will continue to respond to any issues regarding student recruitment especially as it will operate as a single Academy Trust from September 2017.

The Federation acknowledges the Government's commitment to the reduction of public spending as part of its national deficit plan, of which education is not exempt. The Government's methodology for calculating funding to schools and academies remains under review and the outcome of any change in methodology has yet to be reported. The impact of any change in methodology remains unknown and this continues to influence the level of reserves held by the Federation.

**PLANS FOR FUTURE PERIODS**

The Board of Trustees' recognition of the lack of operational leadership capacity and commitment to securing rapid and sustained educational improvement for both its Academies led to the decision to re-broker both Yate International Academy and Winterbourne International Academy to new sponsors. Yate International Academy transferred out to a new sponsor on 1 September 2017. Winterbourne International Academy is set to transfer to the Olympus Academy Trust early in 2018.



**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

There are no funds held by the Federation as custodian on behalf of others although the Federation is subject to an agency arrangement.

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

The Federation is an equal opportunities employer. We value diversity and welcome applications from people from all backgrounds. We particularly welcome applications from sections of the community which are currently under represented across the Federation, including applicants with disabilities.

The following principles are encompassed in our recruitment and selection policy:

- Providing equality of opportunity for all and ensuring that all stages of recruitment and selection are fair;
- Data relating to Equality and Diversity, captured as part of the application process, is removed and does not form part of our selection process;
- The job description and person specification are essential tools and will be used throughout the process;
- Applicants will be recruited on the basis of the way in which they can demonstrate the knowledge, experience and skills needed for the post;
- Selection will be carried out by a panel with at least two members but preferably with three. At least one panel member will have received appropriate training on the safer recruitment;
- Selection will be based on a minimum of a completed application form, a shortlisting process and interview;
- Under the terms of the Equality Act 2010 there is a requirement to make reasonable adjustment to the recruitment process if an applicant makes the employer aware that they have a disability. This applies to the entire recruitment process, from advertisement to appointment.

All of our employees are treated fairly and equally and we work closely with all staff, through their personal development plan, to ensure they are motivated and rewarded throughout their time with us and provided with training opportunities designed to further their career to the next level. There is no differentiation between staff with disabilities and those without other than to make sure we provide them with any additional necessary support and/or reasonable adjustments required through our responsibilities under the Disability Discrimination Act.

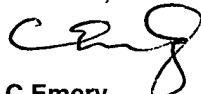
**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 19 December 2017 and signed on the board's behalf by:



**C Emery  
Chair of Trustees**

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Ridings' Federation of Academies 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 Interim Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Ridings' Federation of Academies 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 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Emery, Chair	9	10
D Baker, Interim Chief Executive Officer	6	6
D Ault	3	4
C Boyle	8	10
P Brien	7	7
M Evans	5	5
A Gould	5	5
P Groves	4	4
J Kingscott	0	0
N Morris	1	1
G Mountjoy	3	5
L Paniccia-Brown	6	10
D Reynolds	3	6
G Rosenberg	8	10
R Tregarthen	7	10
M Turner	4	5
A Williams	0	0

An external review of governance had been undertaken during the previous financial year which resulted in changes to the governance structure during this financial year.

To ensure governance remained robust, an internal assessment of the Board's effectiveness, skills and expertise was carried out in June 2017 in preparation for Yate International Academy's transfer to Greenshaw Learning Trust at the end of the year. This review resulted in a streamlined governance structure from 1 September 2017 with the Board retaining responsibility for overseeing both academic and financial performance.

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist in the decision making of the Academy Trust to ensure sound management of the Academy Trust's finances and resources including proper planning, monitoring and probity. The committee also has responsibility for monitoring issues that arise in respect of Federation Human Resources, Estates and Facilities, Health and Safety and Commercial activities and for reviewing, considering and monitoring the risks to which the Academy Trust is exposed and for ensuring appropriate risk management strategies are in place.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Emery, Chair	6	7
D Baker, Interim Chief Executive Officer	4	4
D Ault	2	2
P Brien	3	5
M Evans	2	3
A Gould	4	4
P Groves	3	3
G Mountjoy	3	3
L Paniccia-Brown	3	3
R Tregarthen	3	3
M Turner	4	4

**REVIEW OF VALUE FOR MONEY**

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

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

**Financial Governance and Oversight**

Upon appointment on 1 September 2016 the newly appointed Board of Trustees, led by a National Leader of Governance, completed a process of due diligence and subsequently raised a number of significant concerns about the lack of operational leadership capacity and educational and financial performance of the Trust with the Department for Education. This resulted in the Board of Trustees deciding to recommend the re-brokerage of both of its academies to new sponsors and the Education and Skills Funding Agency (ESFA) issuing a Financial Notice to Improve in November 2016. The Board of Trustees' oversight led to the development of a Financial Recovery Plan and revised internal controls. In March 2017 South Gloucestershire Council's Internal Audit Services conducted an independent governance and financial review and in the interests of transparency and accountability the Board decided to share the report with key stakeholders.

The independent review made a number of recommendations including improved financial reporting and continued work on reviewing the staffing structure within the Federation.

During Summer 2017, Trustees ensured the Financial Recovery Plan was implemented successfully by commissioning operational support from an Interim Chief Executive Principal and Interim WIA Principal from neighbouring multi-academy trusts. This included a restructure of both teaching and operational staff, which resulted in a significant cost saving. Improved reporting and tighter controls were also embedded into the Federation's processes. As a result of the Board's proactive strategic leadership, the projected £1m deficit at the end of August 2017 was not borne out and the forecasted deficit was reversed.

**Focus on individual pupils**

The Federation's Lead Practitioners continue to focus on supporting teachers to further improve their practice by enabling enhanced outcomes for students. Pupil premium funding was used to employ both teaching and support staff with specific responsibility for pupil premium students, for targeted intervention strategies and for enrichment opportunities.

**THE RIDINGS' FEDERATION OF ACADEMIES  
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**GOVERNANCE STATEMENT (continued)**

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**Income Generation**

The Federation owns a subsidiary which is focused solely on maximising revenue from the utilisation of the academies' facilities outside of curriculum usage.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Ridings' Federation of Academies for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint South Gloucestershire Internal Audit as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations

They report to the Board of Trustees through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Trust can confirm that the internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising and, if relevant, describe what remedial action is being taken to rectify the issues.

**THE RIDINGS' FEDERATION OF ACADEMIES  
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**GOVERNANCE STATEMENT (continued)**

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On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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


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

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

Approved by order of the members of the Board of Trustees on 19 December 2017 and signed on their behalf, by:



**C Emery  
Chair of Trustees**



**D Baker  
Accounting Officer**

**THE RIDINGS' FEDERATION OF ACADEMIES  
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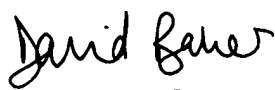
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Ridings' Federation of Academies I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



**D Baker  
Accounting Officer**

Date: 19 December 2017

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of The Ridings' Federation of Academies and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Group strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 19 December 2017 and signed on its behalf by:



**C Emery  
Chair of Trustees**

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
RIDINGS' FEDERATION OF ACADEMIES**

---

**OPINION**

We have audited the financial statements of The Ridings' Federation of Academies (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Group Statement of Financial Activities, the Group Consolidated balance sheet, the Group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy Trust's affairs as at 31 August 2017 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the parent Academy Trust ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
RIDINGS' FEDERATION OF ACADEMIES**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Group and the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Academy Trust or to cease operations, or have no realistic alternative but to do so.

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
RIDINGS' FEDERATION OF ACADEMIES**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditors' Report.



David Butler FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT  
19 December 2017

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE RIDINGS' FEDERATION OF ACADEMIES AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 3 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ridings' Federation of Academies during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE RIDINGS' FEDERATION OF ACADEMIES'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Ridings' Federation of Academies's funding agreement with the Secretary of State for Education dated 5 August 2009, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE RIDINGS' FEDERATION OF ACADEMIES  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE RIDINGS'  
FEDERATION OF ACADEMIES AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Bishop Fleming LLP*

David Butler FCA DChA

**Bishop Fleming LLP**

Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

19 December 2017

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

		Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
	Note					
<b>INCOME FROM:</b>						
Donations and capital grants	2	9,823	126,908	-	136,731	144,456
Charitable activities	3	355,334	14,776,096	-	15,131,430	15,101,811
Other trading activities	4	352,282	-	-	352,282	369,615
Investments	5	2,235	-	-	2,235	6,141
<b>TOTAL INCOME</b>		<b>719,674</b>	<b>14,903,004</b>	<b>-</b>	<b>15,622,678</b>	<b>15,622,023</b>
<b>EXPENDITURE ON:</b>						
Raising funds	4	261,378	-	-	261,378	253,249
Charitable activities		411,689	15,347,445	881,521	16,640,655	17,280,417
<b>TOTAL EXPENDITURE</b>	6	<b>673,067</b>	<b>15,347,445</b>	<b>881,521</b>	<b>16,902,033</b>	<b>17,533,666</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>46,607</b>	<b>(444,441)</b>	<b>(881,521)</b>	<b>(1,279,355)</b>	<b>(1,911,643)</b>
Transfers between Funds	17	-	7,003	(7,003)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>46,607</b>	<b>(437,438)</b>	<b>(888,524)</b>	<b>(1,279,355)</b>	<b>(1,911,643)</b>
Actuarial gains/(losses) on defined benefit pension schemes	22	-	988,000	-	988,000	(3,137,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>46,607</b>	<b>550,562</b>	<b>(888,524)</b>	<b>(291,355)</b>	<b>(5,048,643)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		443,078	(5,362,247)	27,577,482	22,658,313	27,706,956
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>489,685</b>	<b>(4,811,685)</b>	<b>26,688,958</b>	<b>22,366,958</b>	<b>22,658,313</b>

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 06802948**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		26,688,958		27,558,841
<b>CURRENT ASSETS</b>					
Debtors	14	891,407		204,724	
Cash at bank and in hand		755,386		543,083	
		<u>1,646,793</u>		<u>747,807</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(1,696,793)</u>		<u>(1,003,335)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(50,000)</u>		<u>(255,528)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>26,638,958</u>		<u>27,303,313</u>
Defined benefit pension scheme liability	22		<u>(4,272,000)</u>		<u>(4,645,000)</u>
<b>NET ASSETS</b>			<u><u>22,366,958</u></u>		<u><u>22,658,313</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	17	(539,685)		(717,247)	
Fixed asset funds	17	26,688,958		27,577,482	
		<u>26,149,273</u>		<u>26,860,235</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(4,272,000)</u>		<u>(4,645,000)</u>	
Total restricted funds			<u>21,877,273</u>		<u>22,215,235</u>
Unrestricted funds	17		<u>489,685</u>		<u>443,078</u>
<b>TOTAL FUNDS</b>			<u><u>22,366,958</u></u>		<u><u>22,658,313</u></u>

The financial statements on pages 19 to 47 were approved by the Trustees, and authorised for issue, on 19 December 2017 and are signed on their behalf, by:

  
**C Emery**  
**Chair of Trustees**

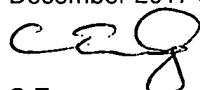
The notes on pages 23 to 47 form part of these financial statements.

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 06802948**

**ACADEMY TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		26,688,958		27,558,841
Investments			1		1
			<u>26,688,959</u>		<u>27,558,842</u>
<b>CURRENT ASSETS</b>					
Debtors	14	894,107		182,713	
Cash at bank and in hand		718,310		447,286	
		<u>1,612,417</u>		<u>629,999</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(1,662,418)		(885,528)	
<b>NET CURRENT LIABILITIES</b>			(50,001)		(255,529)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			26,638,958		27,303,313
Defined benefit pension scheme liability	22		(4,272,000)		(4,645,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>22,366,958</u>		<u>22,658,313</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds		(539,685)		(717,637)	
Restricted fixed asset funds		26,688,958		27,577,482	
Restricted funds excluding pension asset		26,149,273		26,859,845	
Pension reserve		(4,272,000)		(4,645,000)	
Total restricted funds			21,877,273		22,214,845
Unrestricted funds			489,685		443,468
<b>TOTAL FUNDS</b>			<u>22,366,958</u>		<u>22,658,313</u>

The financial statements on pages 19 to 47 were approved by the Trustees, and authorised for issue, on 19 December 2017 and are signed on their behalf, by:



**C Emery**  
**Chair of Trustees**

The notes on pages 23 to 47 form part of these financial statements.

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<u>223,558</u>	<u>(495,292)</u>
<b>Cash flows from investing activities:</b>			
Interest received		(2,235)	(6,141)
Proceeds from the sale of tangible fixed assets		2,618	-
Purchase of tangible fixed assets		(11,638)	(97,937)
Capital grants		-	86,453
<b>Net cash used in investing activities</b>		<u>(11,255)</u>	<u>(17,625)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>212,303</b>	<b>(512,917)</b>
Cash and cash equivalents brought forward		<u>543,083</u>	<u>1,056,000</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>755,386</u></u>	<u><u>543,083</u></u>

The notes on pages 23 to 47 form part of these financial statements.



**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Ridings' Federation of Academies constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006.

**1.2 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Further information regarding going concern is discussed on page 5.

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**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 on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.5 TURNOVER**

Turnover comprises revenue recognised by the Academy Trust in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	- Over the period of the lease
Motor vehicles	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost
Assets in the course of construction	- Not depreciated

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

**1.7 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**1.8 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**THE RIDINGS' FEDERATION OF ACADEMIES**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.10 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.11 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt of the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.12 FINANCIAL INSTRUMENTS**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 TAXATION**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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 recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to net income / expenditure 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.

**1.15 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 28.

**1.16 FUND ACCOUNTING**

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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**1. ACCOUNTING POLICIES (continued)**

**1.17 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**1.18 TERMINATION / REDUNDANCY PAYMENTS**

A liability is recognised when the Academy Trust is demonstrably committed to terminate the employment of employees before the normal retirement date and the offer termination benefits to encourage voluntary redundancy.

A termination benefit is charged to the profit and loss immediately on recognition. The liability is recognised as the best estimate of the cost at the reporting date. The nature of any benefits and the amount of the liability recognised are disclosed in note 10.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	9,823	33,665	-	43,488	4,074
Capital Grants	-	93,243	-	93,243	140,382
	<u>9,823</u>	<u>126,908</u>	<u>-</u>	<u>136,731</u>	<u>144,456</u>
<i>Total 2016</i>	<u>-</u>	<u>4,074</u>	<u>140,382</u>	<u>144,456</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	12,610,224	12,610,224	13,039,974
Other DfE/ESFA grants	-	1,618,613	1,618,613	567,144
	<u>-</u>	<u>14,228,837</u>	<u>14,228,837</u>	<u>13,607,118</u>
<b>Other Government grants</b>				
High Needs	-	363,195	363,195	387,827
Pupil Premium	-	184,064	184,064	213,783
	<u>-</u>	<u>547,259</u>	<u>547,259</u>	<u>601,610</u>
<b>Other funding</b>				
Income for hosting trainee teachers	32,825	-	32,825	11,420
Sales to students	41,686	-	41,686	13,524
Consultancy	24,797	-	24,797	24,403
Music fees	26,786	-	26,786	28,053
Contributions to trips and visits	121,261	-	121,261	258,245
Catering income	-	-	-	446,276
Nursery income funded	80,510	-	80,510	96,265
Nursery fees and contributions	27,469	-	27,469	14,897
	<u>355,334</u>	<u>-</u>	<u>355,334</u>	<u>893,083</u>
	<u>355,334</u>	<u>14,776,096</u>	<u>15,131,430</u>	<u>15,101,811</u>
<i>Total 2016</i>	<u>858,668</u>	<u>14,243,143</u>	<u>15,101,811</u>	

**THE RIDINGS' FEDERATION OF ACADEMIES**  
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**4. COSTS OF GENERATING FUNDS**

The wholly owned trading subsidiary, Ridings Commerce Limited, is incorporated in the United Kingdom (company number 07279994) and pays all of its profits to the School under the gift aid scheme. Ridings Commerce Limited provides hire of facilities and swimming lesson income. A summary of the trading results is shown below:

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>CHARITY TRADING INCOME</b>				
Turnover	352,282	-	352,282	369,615
<b>TRADING EXPENSES</b>				
Administration expenses	261,378	-	261,378	253,249
Net income from trading activity	90,904	-	90,904	116,366

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	2,235	-	2,235	6,141
<i>Total 2016</i>	6,141	-	6,141	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	241,085	1,733	18,560	261,378	253,249
Education - Direct costs:					
Direct costs	10,442,350	691,830	882,408	12,016,588	12,783,368
Support costs	2,929,259	1,012,392	682,416	4,624,067	4,497,049
	13,612,694	1,705,955	1,583,384	16,902,033	17,533,666
<i>Total 2016</i>	13,497,778	1,978,946	2,056,942	17,533,666	



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**7. DIRECT COSTS**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Pension finance costs	36,580	51,000
Educational supplies	389,723	455,645
Examination fees	223,255	217,410
Staff development	18,540	23,449
Trips and visits	157,745	192,236
Supply teachers	441,473	607,156
Consultancy fees	56,565	-
Wages and salaries	7,866,008	8,035,450
National insurance	760,214	690,571
Pension cost	1,374,655	1,259,309
Depreciation	691,830	1,251,142
	<b>12,016,588</b>	<b>12,783,368</b>
<i>At 31 August 2016</i>	<b>12,783,368</b>	

**8. SUPPORT COSTS**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Pension finance costs	71,420	-
Staff development	16,044	41,416
Supply teachers	34,804	30,054
Maintenance of premises and equipment	297,579	233,030
Cleaning	30,216	21,894
Rent and rates	208,892	124,827
Energy costs	286,014	284,182
Insurance	43,134	57,476
Security and transport	33,974	57,200
Catering	153,555	594,655
Technology costs	46,698	4,051
Office overheads	93,779	141,227
Legal and professional	165,108	182,550
Bank interest and charges	9,047	7,015
Governance	49,657	77,889
Wages and salaries	2,257,431	2,075,277
National insurance	110,551	118,661
Pension cost	526,473	443,508
Depreciation	189,691	2,137
	<b>4,624,067</b>	<b>4,497,049</b>
<i>At 31 August 2016</i>	<b>4,497,049</b>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>881,521</b>	1,253,279
Auditors' remuneration - audit	<b>15,500</b>	22,000
Auditors' remuneration - other services	-	6,000
Profit on disposal	<b>2,618</b>	-

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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	9,299,734	10,099,433
Social security costs	879,636	820,140
Operating costs of defined benefit pension schemes	1,921,127	1,721,543
	<u>12,100,497</u>	<u>12,641,116</u>
Apprenticeship levy	13,253	-
Supply teacher costs	476,277	637,210
Staff restructuring costs	1,022,667	219,452
	<u>13,612,694</u>	<u>13,497,778</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Voluntary redundancies	757,708	-
Compulsory payments	240,622	-
Settlement payments (2017: 1 person, 2016: 13 persons)	24,337	219,452
	<u>1,022,667</u>	<u>219,452</u>

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

	2017 No.	2016 No.
Teachers	174	214
Administration and support	185	180
Management	12	20
	<u>371</u>	<u>414</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	158	161
Administration and support	134	139
Management	12	20
	<u>304</u>	<u>320</u>

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**10. STAFF COSTS (continued)**

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>4</b>	<b>6</b>
In the band £70,001 - £80,000	<b>3</b>	<b>2</b>
In the band £80,001 - £90,000	<b>1</b>	<b>4</b>
In the band £90,001 - £100,000	<b>1</b>	<b>0</b>
In the band £100,001 - £110,000	<b>0</b>	<b>1</b>

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team (SMT) 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 School was £584,563 (2016: £610,105).

**11. TRUSTEES' REMUNERATION AND EXPENSES**

The Head Teacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the School in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows: A Williams: Remuneration £70,000 - £75,000 (2016: £70,000 - £75,000), Employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000) and B Martin: Remuneration £NIL (2016: £60,000 - £65,000), Employer's pension contributions £NIL (2016: £0 - £5,000).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £NIL).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £2,629 (2016: £2,629).

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**13. TANGIBLE FIXED ASSETS**

<b>GROUP AND ACADEMY TRUST</b>	<b>Long term leasehold property</b>	<b>Motor vehicles</b>	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>						
At 1 September 2016	29,218,714	39,144	951,008	4,093,814	216,297	34,518,977
Additions	-	-	9,385	2,253	-	11,638
Disposals	-	-	(31,746)	(379,244)	-	(410,990)
Transfer between classes	216,297	-	-	-	(216,297)	-
At 31 August 2017	29,435,011	39,144	928,647	3,716,823	-	34,119,625
<b>DEPRECIATION</b>						
At 1 September 2016	2,384,716	39,144	767,623	3,768,653	-	6,960,136
Charge for the year	464,313	-	147,509	269,699	-	881,521
On disposals	-	-	(31,746)	(379,244)	-	(410,990)
At 31 August 2017	2,849,029	39,144	883,386	3,659,108	-	7,430,667
<b>NET BOOK VALUE</b>						
At 31 August 2017	26,585,982	-	45,261	57,715	-	26,688,958
At 31 August 2016	26,833,998	-	183,385	325,161	216,297	27,558,841

**14. DEBTORS**

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	10,073	91,494	9,713	3,152
Amounts owed by group undertakings	-	-	-	66,332
VAT recoverable	41,107	25,257	44,168	25,257
Other debtors	721,867	25,357	721,866	25,356
Prepayments and accrued income	118,360	62,616	118,360	62,616
	891,407	204,724	894,107	182,713

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**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>404,591</b>	158,114	<b>404,591</b>	158,114
Amounts owed to group undertakings	-	-	<b>20,779</b>	20,278
Other taxation and social security	<b>256,184</b>	232,451	<b>256,184</b>	232,451
Other creditors	<b>365,643</b>	188,780	<b>365,547</b>	186,252
Accruals and deferred income	<b>670,375</b>	423,990	<b>615,317</b>	288,433
	<b>1,696,793</b>	1,003,335	<b>1,662,418</b>	885,528

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>DEFERRED INCOME</b>				
Deferred income at 1 September	<b>245,419</b>	<b>289,555</b>	<b>114,458</b>	<b>131,000</b>
Resources deferred during the year	<b>124,392</b>	<b>245,419</b>	<b>98,848</b>	<b>114,458</b>
Amounts released from previous years	<b>(245,419)</b>	<b>(289,555)</b>	<b>(114,458)</b>	<b>(131,000)</b>
Deferred income at 31 August	<b>124,392</b>	<b>245,419</b>	<b>98,848</b>	<b>114,458</b>

At the balance sheet date the Academy Trust was holding funds received in advance for lettings and music lessons booked for the Autumn Term 2017, grants to be spent in 2017/18 and funds received for trips that will take place from September 2017.

**16. FINANCIAL INSTRUMENTS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost	<b>1,514,308</b>	659,934
Financial liabilities measured at amortised cost	<b>(1,070,017)</b>	(331,964)

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, ESFA loans and accruals.

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**17. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
General Funds	443,078	367,392	(411,689)	90,904	-	489,685
Ridings Commerce Limited	-	352,282	(261,378)	(90,904)	-	-
	<u>443,078</u>	<u>719,674</u>	<u>(673,067)</u>	<u>-</u>	<u>-</u>	<u>489,685</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	(780,633)	12,610,224	(12,413,261)	7,003	-	(576,667)
Redundancy	-	900,464	(900,464)	-	-	-
Pupil premium	-	440,376	(440,376)	-	-	-
Other ESFA	-	206,920	(206,920)	-	-	-
Year 7 catch up funding	-	20,654	(20,654)	-	-	-
Universal Infant Free School Meals	-	40,779	(40,779)	-	-	-
PE grant	-	9,420	(9,420)	-	-	-
Devolved formula capital	-	56,261	(56,261)	-	-	-
High needs	-	363,195	(363,195)	-	-	-
Other LA	-	184,064	(184,064)	-	-	-
Capital grant	-	36,982	-	-	-	36,982
Donations	-	8,112	(8,112)	-	-	-
Educational visits contributions	-	13,251	(13,251)	-	-	-
Other restricted	63,386	12,302	(75,688)	-	-	-
Pension reserve	(4,645,000)	-	(615,000)	-	988,000	(4,272,000)
	<u>(5,362,247)</u>	<u>14,903,004</u>	<u>(15,347,445)</u>	<u>7,003</u>	<u>988,000</u>	<u>(4,811,685)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	26,688,160	-	(464,313)	-	-	26,223,847
Fixed assets purchased from GAG and other restrict	10,885	-	(2,177)	(7,003)	-	1,705
DfE/ESFA Capital grants	878,437	-	(415,031)	-	-	463,406
	<u>27,577,482</u>	<u>-</u>	<u>(881,521)</u>	<u>(7,003)</u>	<u>-</u>	<u>26,688,958</u>
Total restricted funds	<u>22,215,235</u>	<u>14,903,004</u>	<u>(16,228,966)</u>	<u>-</u>	<u>988,000</u>	<u>21,877,273</u>
Total of funds	<u>22,658,313</u>	<u>15,622,678</u>	<u>(16,902,033)</u>	<u>-</u>	<u>988,000</u>	<u>22,366,958</u>

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**17. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>						
General funds	296,697	1,234,770	(1,088,389)	-	-	443,078
	<u>296,697</u>	<u>1,234,770</u>	<u>(1,088,389)</u>	<u>-</u>	<u>-</u>	<u>443,078</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	(202,128)	13,039,974	(13,623,666)	5,187	-	(780,633)
Pupil premium	-	450,337	(450,337)	-	-	-
Other restricted	113,080	743,190	(792,884)	-	-	63,386
Pension reserve	(1,194,000)	-	(314,000)	-	(3,137,000)	(4,645,000)
	<u>(1,283,048)</u>	<u>14,233,501</u>	<u>(15,180,887)</u>	<u>5,187</u>	<u>(3,137,000)</u>	<u>(5,362,247)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	27,415,419	-	(727,259)	-	-	26,688,160
Fixed assets purchased from GAG and other restrict	81,574	13,370	(78,872)	(5,187)	-	10,885
DfE/ESFA Capital grants	1,194,468	140,382	(456,413)	-	-	878,437
	<u>28,691,461</u>	<u>153,752</u>	<u>(1,262,544)</u>	<u>(5,187)</u>	<u>-</u>	<u>27,577,482</u>
Total restricted funds	<u>27,408,413</u>	<u>14,387,253</u>	<u>(16,443,431)</u>	<u>-</u>	<u>(3,137,000)</u>	<u>22,215,235</u>
Total of funds	<u>27,705,110</u>	<u>15,622,023</u>	<u>(17,531,820)</u>	<u>-</u>	<u>(3,137,000)</u>	<u>22,658,313</u>

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

**RESTRICTED FUNDS**

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

Redundancy - Represents income from the ESFA to fund the restructuring costs.

Pupil Premium - Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.



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**17. STATEMENT OF FUNDS (continued)**

Other ESFA income represents amounts received from the ESFA to cover rates expenditure of the Academy.

Year 7 catch up - Additional funding from the ESFA paid like pupil premium to target those pupils in year 7 that had below target attainment at key stage 2 on leaving primary school.

Universal Infant Free School Meals (UIFSM) - This represents funding received from the ESFA to enable the Academy to offer free school meals to every pupil in reception, year 1 and year 2.

PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Devolved Formula Capital - This represents funding received from the ESFA to cover the maintenance and purchase of the Academy's assets.

High Needs and other LA - Funding received by the Local Authority to fund further support for students with additional needs.

Capital grant - This represents funding received by the Local Authority to spend on capital projects.

Restricted donations - Donations received towards specific projects.

Educational visits contributions - Parental contributions to curriculum educational visits.

Other restricted - Other funds received for specific purposes.

Pension reserve - This represents the School's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The School is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets on conversion represent the value of the building and other assets transferred to the new Academy Trust from the Local Authority.

Fixed assets purchased from GAG and restricted funds are assets purchased since conversion.

DfE/ESFA Capital grants includes devolved capital funding and amounts received from the Academies Capital Maintenance Fund for the purchase and maintenance of capital assets.

**TRANSFERS BETWEEN FUNDS**

The transfer from GAG to the restricted fixed asset fund relates to fixed assets purchased.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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**17. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Winterbourne International Academy	<b>(50,000)</b>	(220,000)
Yate International Academy	-	(54,169)
Total before fixed asset fund and pension reserve	<b>(50,000)</b>	(274,169)
Restricted fixed asset fund	<b>26,688,958</b>	27,577,482
Pension reserve	<b>(4,272,000)</b>	(4,645,000)
Total	<b>22,366,958</b>	22,658,313

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciat- ion £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Winterbourne International Academy	6,101,293	1,304,036	477,812	1,030,180	8,913,321	8,616,871
Yate International Academy	4,033,152	914,906	238,282	1,058,360	6,244,700	5,727,781
Central	307,905	951,402	78,995	405,710	1,744,012	3,189,014
	<b>10,442,350</b>	<b>3,170,344</b>	<b>795,089</b>	<b>2,494,250</b>	<b>16,902,033</b>	<b>17,533,666</b>

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**18. CENTRAL SERVICES**

The Academy Trust has provided the following central services to its academies during the year:

- Financial services
- School improvement services
- Admin and support services
- Governing and professional services
- Leadership and teaching services

The Academy Trust charges for these services on the following basis:

The Trust recharges these costs at a percentage basis of 65% to Winterbourne International Academy and 35% to Yate International Academy.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Winterbourne International Academy	1,133,608	2,072,859
Yate International Academy	610,404	1,116,155
	<u>1,744,012</u>	<u>3,189,014</u>
Total		

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	26,688,958	26,688,958
Current assets	1,230,650	416,143	-	1,646,793
Creditors due within one year	(740,965)	(955,828)	-	(1,696,793)
Pension scheme liability	-	(4,272,000)	-	(4,272,000)
	<u>489,685</u>	<u>(4,811,685)</u>	<u>26,688,958</u>	<u>22,366,958</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	27,558,841	27,558,841
Current assets	619,094	110,072	18,641	747,807
Creditors due within one year	(176,016)	(827,319)	-	(1,003,335)
Pension scheme liability	-	(4,645,000)	-	(4,645,000)
	<u>443,078</u>	<u>(5,362,247)</u>	<u>27,577,482</u>	<u>22,658,313</u>

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**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(1,279,355)</b>	<b>(1,911,643)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>881,521</b>	<b>1,253,171</b>
Interest received	<b>2,235</b>	<b>6,141</b>
Profit on the sale of fixed assets	<b>(2,618)</b>	<b>-</b>
(Increase)/decrease in debtors	<b>(686,683)</b>	<b>122,000</b>
Increase/(decrease) in creditors	<b>693,458</b>	<b>(398,508)</b>
Capital grants from DfE and other capital income	<b>-</b>	<b>(86,453)</b>
Defined benefit pension scheme cost less contributions payable	<b>507,000</b>	<b>469,000</b>
Defined benefit pension scheme finance cost	<b>108,000</b>	<b>51,000</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>223,558</b>	<b>(495,292)</b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>755,386</b>	<b>543,083</b>
	<b>755,386</b>	<b>543,083</b>

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**22. PENSION COMMITMENTS**

The Group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bath and North East Somerset. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £181,904 were payable to the schemes at 31 August 2017 (2016: £181,358) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,056,275 (2016: £1,097,285).

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

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**22. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £508,000 (2016: £530,000), of which employer's contributions totalled £358,000 (2016: £363,000) and employees' contributions totalled £150,000 (2016: £167,000). The agreed contribution rates for future years are 13.4% for employers and 5.5 - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.45 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	23.5 years	23.5 years
Females	26.0 years	26.0 years
Retiring in 20 years		
Males	26.0 years	26.0 years
Females	28.7 years	28.9 years

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	1,981,000	4,324,000
Pay growth +0.1%	2,169,000	4,774,000
Mortality assumption - 1 year increase	2,262,000	4,879,000
CPI rate +0.1%	2,295,000	4,972,000

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**22. PENSION COMMITMENTS (continued)**

The Group's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	4,971,000	4,548,000
Debt	4,186,000	3,583,000
Property	884,000	873,000
Total market value of assets	<u>10,041,000</u>	<u>9,004,000</u>

The actual return on scheme assets was £815,000 (2016: £1,116,900).

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

	2017 £	2016 £
Current service cost	(865,000)	(626,000)
Interest income	181,000	(51,000)
Interest cost	(289,000)	-
Total	<u>(973,000)</u>	<u>(677,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	13,649,000	8,712,000
Current service cost	865,000	626,000
Interest cost	289,000	347,000
Employee contributions	150,000	167,000
Actuarial (gains)/losses	(509,000)	3,998,000
Benefits paid	(131,000)	(201,000)
Closing defined benefit obligation	<u>14,313,000</u>	<u>13,649,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	9,004,000	7,518,000
Interest income	181,000	296,000
Actuarial losses	479,000	861,000
Employer contributions	358,000	363,000
Employee contributions	150,000	167,000
Benefits paid	(131,000)	(201,000)
Closing fair value of scheme assets	<u>10,041,000</u>	<u>9,004,000</u>

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**23. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>GROUP AND ACADEMY TRUST</b>		
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	-	2,943

**24. MEMBERS' LIABILITY**

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

**25. GENERAL INFORMATION**

The Ridings' Federation of Academies is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The registered office is 17 High Street, Winterbourne, Bristol, BS36 1JL.

**26. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 12.

**27. POST BALANCE SHEET EVENTS**

During 2017 the Regional Schools' Commissioner decided that the Ridings Federation of Academies should be split. Therefore, on 1 September 2017 Yate International Academy joined Greenshaw Learning Trust. It is anticipated that Winterbourne International Academy along with Ridings Commerce Ltd will join the Olympus Academy Trust early in 2018 at which time the Ridings Federation of Academies will cease to trade.

**28. AGENCY ARRANGEMENTS**

The Academy Trust distributed 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2017 the Academy Trust received £20,705 (2016: £18,297) and disbursed £17,425 (2016: £23,334) from the fund. At the year end there is a balance of £21,266 included in other creditors (2016: £21,549 included in deferred income).



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**29. PRINCIPAL SUBSIDIARIES**

**Ridings Commerce Limited**

Subsidiary name	Ridings Commerce Limited
Company registration number	07279994
Basis of control	Ownership
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 58,216
Total liabilities as at 31 August 2017	£ 58,215
Total equity as at 31 August 2017	£ 1
Turnover for the year ended 31 August 2017	£ 352,282
Expenditure for the year ended 31 August 2017	£ 351,678
Profit for the year ended 31 August 2017	£ 604