



**Cabot  
Learning  
Federation**

**Cabot Learning Federation**  
**(A Company Limited by Guarantee)**

Annual Report and Financial Statements  
Registered number 06207590 (England and Wales)  
for the year ended 31 August 2018

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## Reference and Administrative Details

### Members

Jane Harrington (Chair)  
Guy Keith-Miller  
Peter Price

### Trustees

Jane Harrington (Chair)  
Anthony Cherry  
Adrian Coleman (appointed 06.06.18)  
Susan Coombes  
Airlie Fife  
Pete Franklin  
Jon Gould (resigned 09.07.18)  
Rhodri James  
Guy Keith-Miller  
William Liew  
Nicky McAllister  
Norman Pascal (appointed 05.10.17, resigned 14.05.18)  
Ron Ritchie (resigned 31.08.18)

### Company Secretary

Bryony Green

### Senior Executive leadership team:

Chief Executive Officer  
Executive Director of Education  
Executive Principal  
Executive Principal  
Interim Executive Principal  
HR Director  
Director of Corporate Services  
Director of CLF Institute  
Finance Director  
Head of IT

Stephen Taylor  
Dan Nicholls  
Sally Apps  
Mandy Milsom  
Susie Weaver  
Ian Payne  
Bryony Green  
Alison Fletcher  
Sarah Lovell  
Andy Ling

### Company Name

Cabot Learning Federation

### Principal and registered office

Federation House, King's Oak Academy, Brook Road,  
Kingswood, Bristol, BS15 4JT

### Company registration number

06207590 (England and Wales)

### Independent auditor

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

## Reference and Administrative Details *(continued)*

### Bankers

Barclays Bank Plc  
4<sup>th</sup> Floor  
Bridgewater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

### Solicitors

VWV LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

### Auditors

KPMG LLP  
66 Queen Square  
Bristol  
BS1 4BE

### Academies

Bath Community Academy (BCA)  
Begbrook Primary Academy (BPA)  
Bristol Brunel Academy (BBA)  
Bristol Metropolitan Academy (BMA)  
City Academy Bristol (CAB)  
Digitech Studio School (DSSB)  
Frome Vale Academy (FVA)  
Hanham Woods Academy (HWA)  
Hans Price Academy (HPA)  
Haywood Village Academy (HVA)  
John Cabot Academy (JCA)  
King's Oak Academy (KOA)  
Minerva Primary Academy (MPA)  
Summerhill Academy (SA)  
Wallscourt Farm Academy (WFA)

## **Trustees' Report**

The trustees of Cabot Learning Federation who are also directors under company law, present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, strategic report and directors' report under company law.

The Trust operates 15 academies (6 secondary, 7 primary, 1 studio school and 1 all-through) in Bristol, South Gloucestershire and North Somerset. Its academies have a combined pupil capacity of 10,540 and had a roll of 8,852 in the school census during October 2018.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice Accounting and Reporting by Charities issued in July 2014 (SORP 2015), the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA) and the Companies Act 2006.

### **Structure, Governance and Management**

#### **Constitution**

The Trust is a company incorporated in England, 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 Cabot Learning Federation are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cabot Learning Federation.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees Indemnities**

Subject to the provisions of the Companies Act 2006, every trustee or other officer of the Federation is indemnified against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Federation.

#### **Principal activities**

The principal activities of the Federation are to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing Academies offering a broad curriculum.

#### **Method of Recruitment and Appointment or Election of members**

The Articles of Association states that the members of the Trust should comprise; two persons nominated by Rolls Royce and two persons nominated by the University of the West of England. Additional members can be appointed by the members or the Secretary of State.

All members may agree unanimously in writing to appoint additional members as they think fit and are entitled to remove any additional members.

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

A schedule of training and induction for both new and existing trustees is in place with a pairing system of an experienced trustee with a new trustee during their first few months. Where necessary, induction provides training on charity, educational, legal and financial matters. All trustees are provided with policies, procedures, annual accounts, management accounts, annual budgets, financial reports and other documents that they require to undertake their role as trustees.

## **Organisational Structure**

The governance structure of the Federation is on two levels: the Board of Trustees and its subcommittees including the Academy Councils. The Board of Trustees is responsible for the strategic decision making of the Federation. The Board of Trustees is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions by addressing such matters as policy and strategy development, adopting an annual plan and budget, monitoring the Federation by the use of budgets and making major decisions about the direction of the Federation and senior staff appointments.

The Board's responsibilities are:

- To provide strategic direction for the Federation including the addition of further new Academies.
- To provide strategic vision and support for School Improvement across the Federation.
- To monitor the effectiveness of the Federation support programme and to ensure that the Academies are satisfied with the support and that they are getting value for money.
- To appoint and performance manage the Chief Executive Officer.
- To receive reports from the Executive Director of Education on the effectiveness of their provision for the students in their care.
- To directly support the Federation and Academies through the Chief Executive Officer when a case for need is made.
- To ensure financial accountability to the Educational and Skills Funding Agency/Department for Education.

At the Academy level, each school has its own Academy Council. Each Council has 13 members: 2 ex-officio, 5 appointed by the Board and 6 who represent the Academy community. The councillor roles are:

- 2 Councillors who are ex-officio:
  - The Executive Principal.
  - The Principal.
- 5 Councillors appointed by the sponsors, one of whom is the chair, plus
- 6 Councillors who represent the Academy community, consisting of:
  - A member of the Teaching Staff.
  - A member of Support Staff.
  - A Student Advocate who represents the interests of the students who is appointed by the Board from the staff at the Academy.
  - 2 Parents.
  - A Local Authority representative.

The Chair of the Academy Council is appointed by the Board.

The leadership of the Federation in the year ended 31 August 2018 has been overseen by Stephen Taylor, the Chief Executive Officer and the Executive Team which consists of the Executive Director of Education, 3 Executive Principals, the Finance Director, HR Director, Director of Corporate Services, Director of CLF Institute, and Head of IT. Each Academy also has a senior leadership team, responsible for the strategic and operational decision making at academy level, with responsibility for implementing the individual academies' annual improvement plans, and organising teaching and learning, facilities, and student support frameworks.

## Trade Union facility time

### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
12	11.2

### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	12
51% - 99%	0
100%	0

### Percentage of pay bill spent on facility time

Total cost of facility time (£)	27,225
Total pay bill (£)	42,259,000
The percentage of the total pay bill spent on facility time (total cost of facility time / total pay bill x 100)	0.06%

### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours (total hours spent on trade union activities by relevant union official during the period / total paid facility time hours) x 100	0%
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## Arrangement for setting pay and remuneration of key management personnel

The key management personnel of the Federation comprise the trustees and the Executive Leadership team listed in the Reference and Administrative details on page 1. No trustees are remunerated for their services as a trustee. Salaries for senior posts are determined through benchmarking against external similar roles. The Board and/or remuneration committee review and authorise salaries for the most senior roles – Executive Team and Senior Leadership Teams.

The Chief Executive is in receipt of a spot salary determined by the Board, based on performance, benchmarking across the sector and level of responsibility (students and staff numbers etc.). Objectives for the Chief Executive are set through an annual appraisal meeting between the Chief Executive and the Chair and other members of the Board at the start of each year.

Following the CEO appraisal, appraisals with the Chief Executive's direct reports take place, which include the Executive Director of Education, Finance Director, HR Director and Director of Corporate Services. Each appraisal includes a member of the Board where objectives are reviewed for the prior year and new ones set for the current year. All other Executive Team appraisals are performed by the Executive Director of Education and HR Director.

All objectives will be aligned to the strategic plan with a clear focus on school improvement. Reviews against performance objectives take place on an on-going basis and during the end of year appraisal meeting. At this meeting, a decision in respect of incremental progression or an increase in spot salary takes place based on performance outcomes.

## Related Parties and other Connected Charities and Organisations

Rolls Royce plc and The University of the West of England are the sponsors of the Cabot Learning Federation. The Federation also works closely with the National College of Teaching and Learning, Education and Skills Funding Agency, the Department for Education, and the Local Authorities within which the academies operate.

The Federation owns 100% of the issued ordinary shares of John Cabot Ventures Ltd, a Company registered in England and Wales (no. 03057532). This company operates the commercial affairs of the Federation. For the year to 31 August 2018, the subsidiary will donate the whole of its taxable profits to the Federation. The consolidated financial statements include the results for John Cabot Ventures Ltd for the year to 31 August 2018.

The Federation owns 100% of the issued ordinary shares of City Academy Bristol Trading Limited, a Company registered in England and Wales (no. 05342913). The company owns and manages a building used by the Federation. The consolidated financial statements include the results for City Academy Bristol Trading Limited for the year to 31 August 2018.

## Objectives and Activities

The Charitable Company's objectives are to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, managing and developing a school offering that includes a broad and balanced curriculum for all students. The sole activity of the Charitable Company is the operation of the academies within the Federation.

The vision, aims and objectives of the Federation during the year ended 31 August 2018 are summarised below.

## Core Purpose

The core purpose of the CLF is at the HEART of what we do:



Establish **High expectations**  
for all that we seek to achieve

Create **Equity** of opportunity,  
removing disadvantage

Champion the success and life chances of **All children**

Furnish pupils and staff with the **Resilience** to succeed  
as lifelong learners

Promote **Tolerance** and respect for ourselves,  
our communities and our environment

Our mission is:

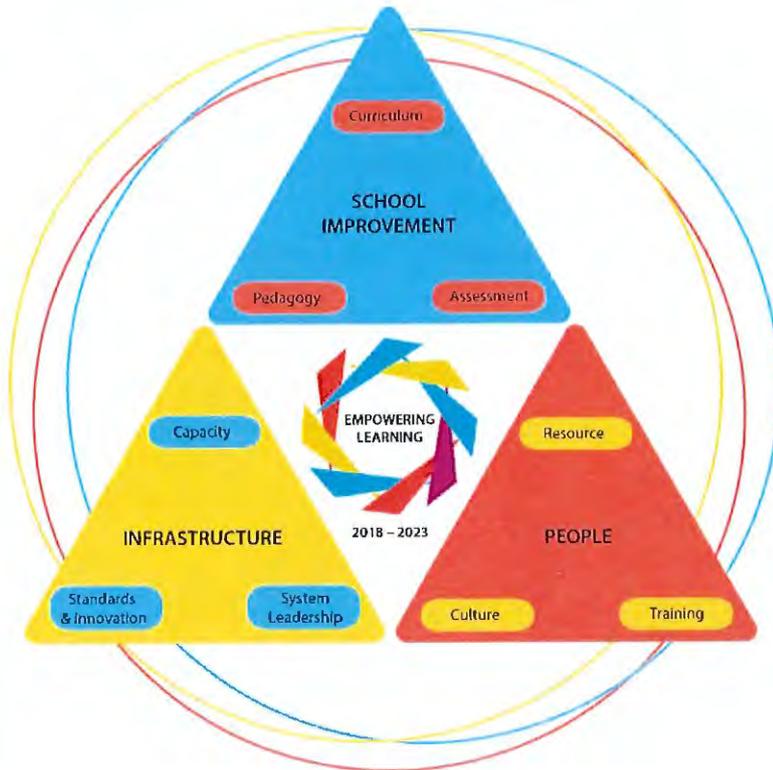
*'To consistently deliver excellent educational experiences for pupils aged 3-19, improving their life chances and serving the communities of which we are a member.'*

We have a commitment to collaboration for impact, believing that by working together rather than in isolation we can accelerate school improvement and embed excellence in our academies. In doing so, together we create more opportunities for the lifelong success for our students as they become young adults.

The vision, the core purpose and the mission act as touchstones, as the hallmarks of CLF culture, work and practice. It should be possible for stakeholders to find evidence of these characteristics in all of the CLF's constituent parts, supporting the notion that the CLF has a DNA which, though it will be open to local interpretation, will be present in all of its academies.

## Empowering Learning

In the course of 2017-18, the 'Empowering Learning' vision was developed to generate a five-year strategic plan for the period 2018-23. The plan was launched at the CLF Autumn Conference in October 2018, with each of the three strategic areas broken down into three sub-themes:



The plan itself drew on objectives and strategies defined both by the ambitions of the Federation over this period and the aspects of improvement drawn from the annual process of self-evaluation. The self-evaluation process was founded on the statutory and non-statutory guidance provided by the Ofsted Inspection Framework, the Academies Financial Handbook and the best-practice guidance and checklists provided for Multi-Academy Trusts by the Regional Schools Commissioner of the South West, as well as by other relevant regulatory bodies. Each year, the objectives within the core strategy are reviewed and updated where necessary to deliver the core ambition of empowering learning by 2023.

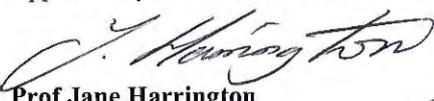
In order to ensure high accountability at Board level, individual trustees are linked to each of the three areas in the strategic plan, so lead officers can be held to account and developments in each area can be effectively tracked and monitored. The trustee links were organised thus:

- |    |                     |                  |
|----|---------------------|------------------|
| A. | School Improvement: | Airlie Fife      |
| B. | People:             | Guy Keith-Miller |
| C. | Infrastructure:     | Adrian Coleman   |

### Public Benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:



**Prof Jane Harrington**  
Chair

Cabot Learning Federation  
Brook Road  
Kingswood  
Bristol  
BS15 4JT

## Strategic Report

### Achievements and Performance

During the course of 2017-18 the CLF further consolidated its position with regard to securing strong governance, developing leadership capacity, achieving tangible evidence of school improvement with improved outcomes at all key stages, and defining its scale of operations ahead of September 2018.

The CLF remains a trust defined in part by the geographical proximity of all 21 of its 'entities'. These include:

### 2009 -2018 Cabot Learning Federation



- seven primary academies
- six secondary academies
- all-through academy at King's Oak
- 14-19 at Digitech Studio School
- the CLF Post 16 provision
- 2 internal Alternative Provisions
- the CLF Teaching School
- the CLF SCITT
- the Boolean Maths Hub

As the trust enters its tenth year since its formal inception, as one of the most mature Multi-Academy Trusts in the country it has achieved a position from which it is able to plan more proactively to achieve sustainable educational excellence on behalf of the approaching 9,000 pupils it now serves. The ongoing commitment to local communities and the shared moral imperative to support schools that have been struggling, means that the trust is still defined by its willingness to take on schools in challenging circumstances.

The latest school to join in the past year is very much in line with that commitment; the CLF took on Millpond Primary School and Nursery in East Central Bristol, a local authority primary school in Special Measures and subject to a Directive Academy Order. The school transferred to the CLF over the summer of 2018, reopening as Evergreen Primary Academy on 1 September 2018. This growth has been offset by the closure of Bath Community Academy, which closed on 31 August 2018. The closure of the school, while ultimately regrettable, had been originally planned by B&NES Local Authority ahead of academisation of the predecessor school in 2012. The CLF prioritised the quality of the experience of the academy's pupils in the final eighteen months, following the ministerial decision to close the academy in January 2017, ensuring that younger pupils had a school to move to in September 2018 and that pupils in Year 11 secured the best-ever outcomes in the academy's history.

The overall growth in pupil numbers into 2018 is due to the growing popularity of existing CLF academies; as standards have continued to improve, so the reputation of the academies with local communities and families has strengthened. The positive experiences of current pupils and their parents and carers has led to strong word-of-mouth approval and over-subscription in a growing number of our academies. For example, with the exception of John Cabot Academy, all of the CLF secondary academies have at some time in the past ten years been the lowest-performing school in their local authority. The positive trend of performance has now led to the highest ever number of first-choice applications across these schools into Year 7. Similarly, recruitment to CLF primary academies in Reception or Year 3 has reached record levels across the trust and has been either maintained or grown in each academy individually. Early indications are that the numbers are likely to grow again in existing academies, which will see the trust further extend the 85.5% of enrolment as a proportion of overall capacity across the trust.



## Start of 2018-19

During 2017-18 the following posts were recruited, effective September 2018:

- Kate Winsor: appointed as Deputy HR Director
- Kelly Jefferies appointed as Assistant Principal at City Academy
- Colleen Litchfield appointed as Assistant Principal at City Academy

## Results / Outcomes for 2017-18

The following is a brief narrative relating to the unvalidated outcomes from summer 2018 at the following key stages:

- **Key Stage 4 outcomes**

Summer 2018 saw an improvement in outcomes at KS4, with the trust delivering its best-ever outcomes since the establishment of 'Progress 8' as the key performance indicator of school effectiveness at Key Stage 4. Five CLF academies established positive progress both for the whole cohort and for disadvantaged children. City Academy Bristol (CAB), Bristol Brunel Academy (BBA), Bristol Metropolitan Academy (BMA), John Cabot Academy (JCA), and Hans Price Academy (HPA) all have achieved progress that was higher than the national average. Hanham Woods Academy (HWA) improved significantly from the previous summer, as did Bath Community Academy (BCA). Digitech Studio School Bristol (DSSB) ended the year in line with the previous year, with only King's Oak Academy (KOA) returning disappointing Key Stage 4 outcomes (although, as an all-through school, it was good to recognise the excellent outcomes in its primary phase in 2018).

The historical progress data (back to 2013) identifies that five of seven academies (not including DSSB) have improved significantly over time and now have secure and sustained performance. Excepting JCA, all of the other of these secondary academies have been the weakest school in their Local Authority at some time in the past ten years, and have demonstrated strong trends of improvement since joining the trust. There is some good evidence presented in these case studies of the effectiveness of academisation and the effectiveness of our Multi Academy Trust.

- **CLF Post-16 and Digitech Post-16:**

In terms of measuring the effectiveness of Post 16 performance, it has been pleasing to note the very strong performance at DSSB, improving considerably on its first ever set of outcomes in 2017. In the shared CLF Post 16 provision, value added was slightly below the national average, although low-attaining and disadvantaged students performed better than other groups, underlining the inclusive nature of the provision, serving East Central Bristol and South Gloucestershire.

- **Early Years, Phonics, Key Stage 1 and Key Stage 2:**

Outcomes at every stage of externally reported testing in the primary phase improved across the CLF in 2018.

In **Early Years** the percentage of pupils achieving a Good Level of Development (GLD) was 76% across the trust, compared to a national average of 71%. In **Phonics**, 81% of CLF children in Year 1 demonstrated proficiency, against a national average of 71%.

At **Key Stage 1**, CLF pupils performed above the national average for Age-Related Expectations (ARE) in all three subjects. The outcomes versus the national average were as follows: Reading 79% versus 76%; Writing 71% versus 70%; Mathematics 79% versus 76%. At **Key Stage 2**, a higher percentage of CLF pupils achieved ARE than ever before. The improvement in 2018 compared to 2017 in the four academies delivering Key Stage 2 outcomes were as follows: Reading 69% versus 62%; Writing 78% versus 71%; Mathematics 74% versus 72%. The combined ARE outcomes for this cohort are now in line with national benchmarks, thanks in part to improved outcomes at Begbrook Primary Academy and Frome Vale Academy, which in 2018 became one of the most improved schools for Key Stage 2 outcomes in the country.

## Going Concern

The deficit arising during the year is predominantly driven by the transfer of assets relating to Bath Community Academy, which closed at the end of the academic year, back to the local authority. The Federation continues to have a strong reserves position and therefore, 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.

## Financial Review

### Financial report for the year

The Federation's accounting period is from 1 September 2017 to 31 August 2018.

Most of the Federation's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). Grants are made to each of the individual academies within the Federation and are restricted to fund the activities of the academy to which they are granted.

The Academies also receive grants for fixed assets from the ESFA and via the Local Authorities. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (Charities (FRS102) SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2018, total expenditure of £61,785,000 (excluding FRS102 pension fund adjustments) was met by recurrent grant funding from the ESFA, other incoming resources, and funding carried forward from the previous year. The excess of expenditure over income for the year was £11,984,000 (deficit of £1,666,000 excluding the FRS102 pension fund adjustments and the restricted fixed asset fund). The £1,666,000 expenditure included a number of planned investments utilising carry forward reserves to improve estates across the Federation, for school improvement projects and upgrades of ICT equipment. The total amount of unspent unrestricted and restricted general reserves (excluding pension reserve) are £5,061,000.

At 31 August 2018 the net book value of fixed assets excluding investment properties was £119m and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies within the Federation.

The Federation holds investment properties with a value of £2,690,000. These are houses held for rental through the Federation's subsidiary company, John Cabot Ventures Ltd.

Expenditure in the year has supported the key objectives of the Federation, with budgets being set in line with operational requirements which supported these. Budget targets for the 2018-19 financial year are set at a 1% surplus of income to ensure maximisation of funding being spent in year on current students and also ensure reserves are replenished to provide capacity for long term investments in line with the reserves policy agreed in February 2018.

## Reserves Policy

All reserves (restricted, unrestricted and capital funds) across the Federation are pooled centrally with the exception of the restricted funds of the private finance initiative (PFI) academies Bristol Brunel Academy and Bristol Metropolitan Academy. These funds are ring-fenced and protected to these specific academies in line with the Academies Financial Handbook.

The minimum balance of total reserves across the Federation will be maintained at the equivalent of 10% of turnover (rounded to the nearest £100k) or an absolute minimum of £4m. The maximum balance of total reserves will not exceed 20% of turnover (rounded to the nearest £100k) or a maximum of £10m unless to support a specific estates strategy regarding acquisition or improvement.

The main uses of reserves will be as follows:

- School improvement programmes
- Estates improvement or site acquisition to benefit students in one or more Federation sites
- ICT improvements to benefit students in one or more Federation sites
- 

All reserves expenditure will be non-recurrent, as recurrent costs must be met from recurrent income via the in-year budget. To support the stability of reserves, the academy's budgets will meet a 1% of income surplus target each year to replenish any spent reserves.

This revised policy was approved by the Board during 2017-18. At 31 August 2018, the Federation has unrestricted reserves of £2.6m and restricted general reserves (excluding pension reserves) of £2.5m, together totalling £5.1m which is consistent with the levels prescribed in the policy above.

### **Investment Policy**

The Trustees' investment powers are governed by the Memorandum and Articles of Association, which permit the Federation's funds to be held in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The policy is to invest surplus funds in short to medium term deposits designed to achieve the optimum return.

The Federation's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association.

### **Principal Risks and Uncertainties**

#### **Risk Management**

The Trust has an established risk management policy. The Board of Trustees has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of 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 ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and the Audit Committee. The Trust utilises the use of an independent internal auditor to perform a suite of internal audits based around a rolling programme of generic risk (financial controls) and topical risks.

The key areas of focus are:

#### **Governance and legal**

The key risks in this area relate to the relationship with the sponsors, the capacity and performance of the Board and the maintenance of a strong internal control framework. Governance reviews are on-going and skills audit undertaken. Internal auditors have been appointed to advise the Board on issues regarding financial control.

#### **Strategic**

The key risks in this area relate to the delivery of the Cabot Learning Federation's 5 year strategic plan "Empowering Learning" whilst still ensuring suitable attention to core business and the performance of the Executive team. Capacity within the central team is continually reviewed to ensure correct skill set and sufficient capacity.

#### **Educational**

The key risk in this area relates to under performance of academies and underachievement against student outcomes and progress with adverse Ofsted judgments. Significant Board and Executive team time is spent focusing on the delivery of the key strategic objectives of the Federation of which student achievement is paramount.

## **Human Resources**

Key risks relate to recruitment and retention of key employees, attendance management, consistency of HR practice and policy implementation. There is a regular review of recruitment strategy, terms and conditions and development of an attendance management strategy.

## **Health and Safety**

The key health and safety risks are non-compliance with statutory requirements, the provision of skills and training and emergency planning procedures. A group wide Health and Safety policy is in place and standard Academy Council meeting agendas include Health and Safety and a review risk registers. A Health & Safety Manager was recruited to the central team in September 2017 to complete regular health and safety audits and provide a training schedule to each academy which ensures that key issues are identified and resolved.

## **Other Legal and Operational**

The key risks in this area relate to non-compliance with the Freedom of Information Act, General Data Protection Regulations (GDPR) and data quality. Comprehensive annual training on GDPR is provided to all staff and training on Freedom of Information is provided to key personnel.

The Federation risk register is comprehensive and deals with a wide range of matters relating to the above. Where appropriate, adequate insurance cover is procured to mitigate any residual risks. The Federation has cash balances and other working capital balances. The main risk arising from the use of financial instruments is liquidity risk.

## **Financial**

### *Liquidity risk*

The Cabot Learning Federation manages its cash resources, including appropriate working capital balances, so that all operating needs are met within the requirement of short term borrowings. Surplus cash is invested in line with the investment policy above with the objective of maximising interest income without incurring undue risk. Trade debtors and trade creditors are managed within the credit terms agreed with suppliers and debtors.

### *Interest rate risk*

City Academy Bristol Trading Limited became a subsidiary of the Federation on 1 June 2016. The bank loan held by this company is fixed rate in nature for the remaining term. The Federation has no other bank loans and therefore is not exposed to interest rate risk.

### *Financial Sustainability risk*

The Federation must demonstrate rigorous medium term financial planning and an operating environment focused on Value for Money. Its financial plans must align to the CLF Strategy and ensure sustainability over the planning period.

### *Other risks*

The Federation is exposed to price risks, but is funded by government on the same basis as other academies and manages budgets accordingly. The majority of funding comes from government therefore credit risk is considered to be negligible. Other risks include fraud, bribery and theft, which are mitigated by the Federation's Financial Regulations, financial controls and relevant policies.

## **Fundraising**

Fundraising across the Federation is carried out at a local academy level and is limited to small fundraising events operated by the Federation's own staff or by Parent, Teachers and Friends Associations. No professional fundraisers were used. Where funds are collected internally, standard financial controls operate across the Federation in respect of the handling of cash.

### **Plans for Future Periods**

During 2017-18 the Trust developed the cluster structure and moved to three geographically-centred clusters in Bristol, North Somerset and South Gloucestershire. New classes will be opened at HVA, WFA and KOA (primary) with temporary or fixed expansion planned at KOA (secondary), JCA, and BBA. Bath Community Academy closed August 2018. Other opportunities for growth are being explored, with Evergreen Primary Academy joining in September 2018 and Herons' Moor Academy due to join in December 2018. Other opportunities to grow are being explored in line with the growth strategy and cluster structure.

### **Funds held as Custodian Trustee on behalf of others**

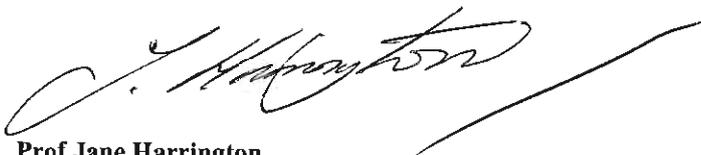
The Federation does not act as Custodian Trustee on behalf of others.

### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is 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 auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 13 December 2018 and signed on the board's behalf by:



**Prof Jane Harrington**  
Chair

## Governance Statement

### Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the Federation has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the 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 Federation and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendees during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
Jane Harrington (Chair)	7	8
Anthony Cherry	7	8
Adrian Coleman	2	3
Susan Coombes	6	8
Airlie Fife	7	8
Peter Franklin	5	8
Jon Gould	5	7
Rhodri James	3	7
Guy Keith-Miller	5	8
William Liew	7	8
Nicky McAllister	7	8
Norman Pascal	3	5
Ron Ritchie	6	8

The Audit Committee is a sub-committee of the Board of Trustees. Its purpose is to review the risks to internal financial control at the Federation.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Cherry	3	3
Jon Gould	3	3
Guy Keith-Miller	2	3

## Review of Value for Money

As Accounting Officer the 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 and Chief Finance Officer (Finance Director) considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Delivering improved academic results in the majority of the Trust's academies when compared with 2017;
- Deploying the central resources to areas of the organisation most in need of support to deliver improvements;
- Procuring new contracts for cleaning, multi-functioning devices and energy, to ensure that best value is obtained;
- Ensuring that goods and services procured are in accordance with the Federation's Financial Regulations;
- Continuing to monitor investments to ensure the optimum interest yield is obtained while balancing the risk profile;
- Carrying out regular monthly monitoring of academy results and the use of support by the Central Finance team to investigate potential cost savings and budget challenges;
- Utilising reserves to invest in improving the educational outcomes for our students;
- Continued to install energy efficient lighting at a number of sites which will see reduced energy bills in the future;
- Ensuring the Trust's estate is well maintained balanced between short term repairs and longer term capital investments.

## 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 Cabot Learning Federation for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

## Capacity to Handle Risk

The Board of Trustees 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 ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

## The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. 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 Executive Group 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 considered the need for a specific internal audit function and BDO have continued to provide these services since 2013-14. They were re-appointed during 2017-18.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a half yearly basis, the auditor reports to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned. The Annual Report dated November 2018 concludes:

- "The risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance objectives.
- Based on our verification reviews and sample testing, risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related risk management, control and governance objectives were achieved for the period under review."

During 2017-18, the Internal Auditor reviewed and evaluated the Federation's internal control arrangements in relation to financial controls and anti-fraud arrangements, information governance, procurement, workforce and attendance management.

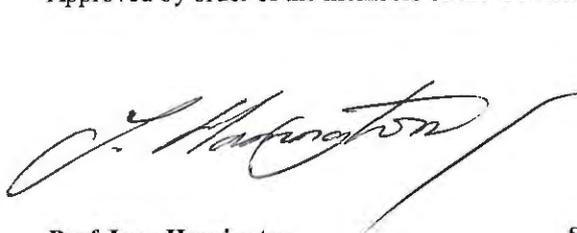
### Review of Effectiveness

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

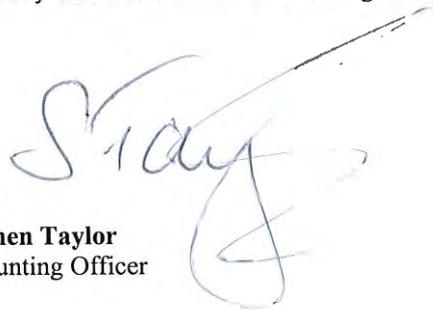
- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 Governing Body on 13 December 2018 and signed on its behalf by:



**Prof Jane Harrington**  
Chair



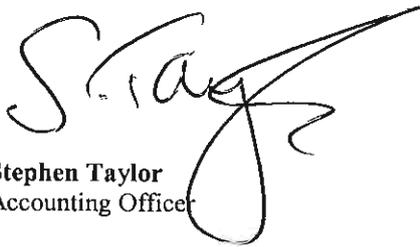
**Stephen Taylor**  
Accounting Officer

## Statement on Regularity, Propriety and Compliance

As Accounting Officer of Cabot Learning Federation 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 terms and conditions of all funding received by the Academy Trust, 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 2017.

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 2017.

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.



**Stephen Taylor**  
Accounting Officer

## Statement of Trustees Responsibilities

The trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations, including the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA).

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

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 group and charitable company and of the group and charitable company's incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect 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 the ESFA/Department for Education have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK 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 13 December 2018 and signed on its behalf by:



**Prof Jane Harrington**  
Chair

## Independent auditor's report to the members of Cabot Learning Federation

We have audited the financial statements of Cabot Learning Federation ("the charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 August 2018, and of the Group's and the charitable company's incoming resources and application of resources, including the Group and charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2017 to 2018* issued by the Education and Skills Funding Agency.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### Other information

The trustees are responsible for the other information, which comprises the Reference and Administrative Details, the Trustees' Annual Report and Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of Cabot Learning Federation (continued)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 3, the Trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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



**Victoria Sewell (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

Date: 18 December 2018

## **Independent Reporting Accountant's Assurance Report on Regularity to Cabot Learning Federation and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 23 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cabot Learning Federation during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Cabot Learning Federation's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cabot Learning Federation's funding agreement with the Secretary of State for Education dated 2 July 2014 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

## **Independent Reporting Accountant's Assurance Report on Regularity to Cabot Learning Federation and the Education and Skills Funding Agency *(continued)***

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Principals on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2017;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2017 to 2018.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Victoria Sewell**  
Reporting Accountant  
for and on behalf of KPMG LLP,  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

Date: 18 December 2018

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

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2017/18 £000	Total 2016/17 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	155	1,087	1,242	2,204
Transfer from / to local authority	31	-	-	(4,974)	(4,974)	-
Charitable activities:						
Funding for the Academy Trust's educational operations	4	476	51,932	-	52,408	52,341
Teaching schools		319	1,303	-	1,622	1,287
Other trading activities	5	1,829	30	-	1,859	1,540
Investment Income	6	56	-	-	56	61
<b>Total</b>		<b>2,680</b>	<b>53,420</b>	<b>(3,887)</b>	<b>52,213</b>	<b>57,433</b>
<b>Expenditure on:</b>						
Raising funds	7	1,469	27	-	1,496	1,307
Charitable activities:						
Academy Trust's educational operations	8	1,127	54,886	5,048	61,061	60,013
Teaching schools		319	1,321	-	1,640	1,308
<b>Total</b>	7	<b>2,915</b>	<b>56,234</b>	<b>5,048</b>	<b>64,197</b>	<b>62,628</b>
<b>Net income and expenditure</b>		<b>(235)</b>	<b>(2,814)</b>	<b>(8,935)</b>	<b>(11,984)</b>	<b>(5,195)</b>
Transfers between funds	22	(459)	(570)	1,029	-	-
<b>Net income / (expenditure) for the year</b>		<b>(694)</b>	<b>(3,384)</b>	<b>(7,906)</b>	<b>(11,984)</b>	<b>(5,195)</b>
<b>Other recognised gains and losses:</b>						
Actuarial gains on defined benefit pension schemes	22,29	-	5,169	-	5,169	4,335
<b>Net movement in funds</b>		<b>(694)</b>	<b>1,785</b>	<b>(7,906)</b>	<b>(6,815)</b>	<b>(860)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2017	22	3,245	(17,324)	129,340	115,261	116,121
<b>Total funds carried forward at 31 August 2018</b>	22	<b>2,551</b>	<b>(15,539)</b>	<b>121,434</b>	<b>108,446</b>	<b>115,261</b>

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

The accompanying notes on pages 27 to 67 form part of these financial statements.

Company number: 06207590

## Balance Sheet as at 31 August 2018

	Note	Group		Company	
		2018 £000	2017 £000	2018 £000	2017 £000
<b>Fixed assets</b>					
Intangible assets	13	2	5	2	5
Tangible assets	14	119,136	126,660	118,779	126,295
Investment properties	14	2,690	2,690	2,690	2,690
Investment in subsidiaries	15	-	-	-	-
		<b>121,828</b>	<b>129,355</b>	<b>121,471</b>	<b>128,990</b>
<b>Current assets</b>					
Stocks	16	14	13	14	13
Debtors	17	2,508	2,323	2,670	2,488
Investments	18	2,774	4,751	2,774	4,751
Cash at bank and in hand		6,455	6,379	6,307	6,192
		<b>11,751</b>	<b>13,466</b>	<b>11,765</b>	<b>13,444</b>
<b>Creditors: Amounts falling due within one year</b>	19	<b>(6,597)</b>	<b>(6,119)</b>	<b>(6,536)</b>	<b>(6,037)</b>
<b>Provisions</b>	20	<b>(29)</b>	<b>(3)</b>	<b>(29)</b>	<b>(2)</b>
<b>Net current assets</b>		<b>5,125</b>	<b>7,344</b>	<b>5,200</b>	<b>7,405</b>
<b>Total assets less current liabilities</b>		<b>126,953</b>	<b>136,699</b>	<b>126,671</b>	<b>136,395</b>
<b>Creditors: Amounts falling due after one year</b>	21	<b>(715)</b>	<b>(889)</b>	<b>(619)</b>	<b>(751)</b>
<b>Net assets excluding pension liability</b>		<b>126,238</b>	<b>135,810</b>	<b>126,052</b>	<b>135,644</b>
Pension scheme liability	29	(17,792)	(20,549)	(17,792)	(20,549)
<b>Net assets including pension liability</b>		<b>108,446</b>	<b>115,261</b>	<b>108,260</b>	<b>115,095</b>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	22	121,434	129,340	121,434	129,340
General fund	22	2,510	3,643	2,510	3,643
Pension reserve	22	(18,049)	(20,967)	(18,049)	(20,967)
<b>Total restricted funds</b>		<b>105,895</b>	<b>112,016</b>	<b>105,895</b>	<b>112,016</b>
<b>Unrestricted income funds</b>					
General fund	22	2,551	3,245	2,365	3,079
<b>Total funds</b>		<b>108,446</b>	<b>115,261</b>	<b>108,260</b>	<b>115,095</b>

The accompanying notes on pages 27 to 67 form part of these financial statements.

The financial statements on pages 24 to 67 were approved by the Trustees, and authorised for issue on 13 December 2018 and are signed on their behalf by:



**Prof Jane Harrington**  
Chair

Company number: 06207590

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

	2017/18 £000	2016/17 £000
<b>Cash flows from operating activities</b>		
Result for the year	<b>(11,984)</b>	(5,195)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	5,056	4,747
Loss on sale of fixed assets	-	-
Capital grants from DfE and other capital income	(1,087)	(1,215)
Revaluation of land and buildings	-	(840)
Defined benefit pension scheme cost less contributions payable	1,936	1,203
Defined benefit pension scheme finance cost	476	468
Interest receivable and similar income	(56)	(61)
Interest payable and similar expenses	9	11
Transfer of assets relating to Bath Community Academy	12,444	-
Transfer of assets relating to Haywood Village Academy	(7,470)	-
	<b>(676)</b>	(882)
(Increase)/decrease in trade and other debtors	762	(93)
(Increase)/decrease in stocks	(1)	7
Increase/(decrease) in trade and other creditors	(752)	(123)
Increase/(decrease) in provisions and employee benefits	26	(35)
	<b>(641)</b>	(1,126)
Tax paid	(20)	-
<b>Net cash from operating activities</b>	<b>(661)</b>	(1,126)
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	51	73
Sale / (purchase) of investments	1,977	(1,714)
Purchase of tangible fixed assets	(1,996)	(1,586)
Capital grants from DfE / ESFA	753	1,340
Capital funding received from sponsors and others	-	22
<b>Net cash from investing activities</b>	<b>785</b>	(1,865)
<b>Cash flows from financing activities</b>		
Interest paid	(9)	(11)
Repayment of borrowings	(39)	(38)
<b>Net cash from financing activities</b>	<b>(48)</b>	(49)
Net increase/(decrease) in cash and cash equivalents	76	(3,040)
Cash and cash equivalents at 1 September 2017	6,379	9,419
<b>Cash and cash equivalents at 31 August 2018</b>	<b>6,455</b>	6,379

The accompanying notes on pages 27 to 67 form part of these financial statements.

## Notes

### 1 Statement of Accounting Policies

The accounting policies that the group has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and prior year and are shown below.

#### *Basis of Preparation*

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

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

These financial statements consolidated the results of the Federation and its wholly owned subsidiaries, John Cabot Ventures Limited (company number: 03057532) and City Academy Bristol Trading Limited (company number: 05342913), on a line by line basis. A separate Statement of Financial Activities and income and expenditure account are not presented for the Federation itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The Federation's deficit for the year was £6,815,000 (2017: deficit of £860,000).

#### *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 company 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.

The Trustees have a reasonable expectation 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.

#### *Income*

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

## Notes (continued)

### 1 Statement of Accounting Policies (continued)

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised in the statement of financial activities on a cash received basis or on an accruals basis where the receipt is probable and the amount can be reliably measured.

- **Other income**

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

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

#### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

## Notes (continued)

### 1 Statement of Accounting Policies (continued)

#### *Intangible Fixed Assets*

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	Over the life of the licence
-----------------------------	------------------------------

#### *Tangible Fixed Assets*

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Investment properties are shown at open market value as estimated by the trustees. Any surplus or deficit on revaluation is taken to the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Buildings	Shorter of the leasehold period and between 25-60 years
Vehicles	5-10 years
Furniture, fixtures and equipment	5-10 years
Computer equipment and software	3-5 years
BSF furniture, fixtures and equipment with life-cycle costs	Over the remaining life of the contract
BSF furniture, fixtures and equipment without life-cycle costs	5-10 years

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

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.

#### *Leased Assets*

Rentals under operating leases are charged on a straight line basis over the lease term.

## Notes (continued)

### 1 Statement of Accounting Policies (continued)

#### *Investments*

The Academy's shareholding in the wholly owned subsidiaries, John Cabot Ventures and City Academy Bristol Trading Limited, is included in the Balance Sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Other investments held as current assets are cash deposit investments held at market value.

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

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### *Stock*

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

#### *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.

The trading subsidiary, John Cabot Ventures Limited, has a policy of gifting its profits to the Academy Trust every year where distributable profits exist, with no tax charge arising. Where profits are not gifted to the parent charity they are subject to corporation tax.

Profits in City Academy Bristol Trading Limited are subject to corporation tax.

## Notes (continued)

### 1 Statement of Accounting Policies (continued)

#### *Pensions Benefits*

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

#### *Liabilities*

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

#### *Provisions*

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar expenses.

## Notes (continued)

### 1 Statement of Accounting Policies (continued)

#### *Fund Accounting*

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

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

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

#### *Critical accounting estimates and areas of judgement*

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

#### *Critical accounting estimates and assumptions*

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

#### *Local Government Pension Scheme*

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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 14 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

#### *Critical areas of judgement*

There are no such judgements in either the current or prior year.

## Notes (continued)

### 2 General Annual Grant (GAG)

The Academy Trust was not subject to limits on the amount of GAG that could be carried forward from one year to the next.

### 3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Total 2016/17 £000
DfE / ESFA capital grants	-	755	755	1,193
North Somerset Council funding	-	-	-	22
Revaluation of land and buildings	-	-	-	840
Other capital grants	-	332	332	-
Miscellaneous donations	-	155	155	149
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,242	1,242	2,204
	<hr/>	<hr/>	<hr/>	<hr/>

All funds in 2016/17 were restricted in nature.

### 4 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Total 2016/17 £000
Department for Education revenue grant				
- General Annual Grant (GAG)	-	44,626	44,626	45,128
- Bursary contribution - admin costs	4	-	4	4
- Start up funding	-	74	74	58
- Phonics and Moderation Grant	-	2	2	-
- Infant Free School Meals funding	-	299	299	230
- Primary PE Sport Premium funding	-	125	125	55
- Millpond / Evergreen Primary funding	-	47	47	-
- Pupil Premium funding	-	2,868	2,868	2,915
- Digitech ICT revenue funding	-	24	24	72
- Digitech specialist equipment revenue funding	-	-	-	20
- Year 7 catch-up funding	-	139	139	138
- School Direct salaried funding	-	95	95	164
- School Condition Allowance (revenue)	-	521	521	334
- Other funding	-	72	72	26
	<hr/>	<hr/>	<hr/>	<hr/>
	4	48,892	48,896	49,144
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes** *(continued)*

**4 Funding for Academy Trust's educational operations** *(continued)*

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Total 2016/17 £000
Other government grants				
- Special Educational Needs funding	-	1,438	1,438	1,166
- Pupil premium – looked after children	-	156	156	124
- School Games organiser funding	-	38	38	48
- Erasmus funding	-	-	-	12
- Nursery funding from Bristol City Council	-	322	322	165
- Funding from Bristol City Council - Other	-	200	200	143
- Funding from Bristol City Council - Infant Class Size grant	-	98	98	106
- Bristol City Council – sale of CLF Nest places	150	-	150	150
- Funding from South Gloucestershire Council – Resource Base	-	209	209	247
- Funding from South Gloucestershire Council – ICT funding (revenue)	-	11	11	18
- Funding from South Gloucestershire Council – new school subsidy	-	102	102	100
- Funding from South Gloucestershire Council – Other	-	50	50	62
- Funding from North Somerset Council – Haywood Village furniture funding	-	178	178	220
- Funding from North Somerset Council - Other	-	-	-	229
	<hr/>	<hr/>	<hr/>	<hr/>
	150	2,802	2,952	2,790
	<hr/>	<hr/>	<hr/>	<hr/>
Other income				
- Researchers in Schools	-	104	104	29
- Future Quest	-	92	92	25
- Teachfirst	-	14	14	7
- Catering income	263	-	263	278
- Music tuition fees	48	-	48	44
- Other	11	28	39	24
	<hr/>	<hr/>	<hr/>	<hr/>
	322	238	560	407
	<hr/>	<hr/>	<hr/>	<hr/>
	476	51,932	52,408	52,341
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2016-17, funding from unrestricted sources was £524,000.

**Notes (continued)**

**5 Other trading activities**

	Unrestricted funds £000	Restricted funds £000	Total 2017/18 £000	Total 2016/17 £000
Salary recharges	2	-	2	29
Fishponds Academy support	3	-	3	18
John Cabot Ventures Limited	201	-	201	223
City Academy Bristol Trading Limited	58	-	58	58
Letting of facilities	700	-	700	622
Student teacher training	-	30	30	43
Education projects	87	-	87	92
Sale of uniform	6	-	6	13
NLE bursary	6	-	6	6
Training income	28	-	28	10
Sale of CLF Engage / Nest places	40	-	40	15
Other sundry income	698	-	698	405
	<u>1,829</u>	<u>30</u>	<u>1,859</u>	<u>1,540</u>

In 2016/17, funding from unrestricted sources was £1,495,000.

**6 Investment income**

	Unrestricted funds £000	Restricted funds £000	Total 2017/18 £000	Total 2016/17 £000
Bank interest	56	-	56	61
	<u>56</u>	<u>-</u>	<u>56</u>	<u>61</u>

In 2016/17, all investment income was unrestricted in nature.

**7 Expenditure**

	Staff costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2017/18 £000	Total 2016/17 £000
Expenditure on raising funds					
- Direct costs	491	-	126	617	526
- Allocated support costs	207	338	334	879	781
Academy Trust's educational operations					
- Direct costs	34,672	3,556	3,712	41,940	41,887
- Allocated support costs	9,696	3,944	5,481	19,121	18,126
Teaching Schools	850	-	790	1,640	1,308
	<u>45,916</u>	<u>7,838</u>	<u>10,443</u>	<u>64,197</u>	<u>62,628</u>
2016-17	<u>45,487</u>	<u>7,454</u>	<u>9,687</u>	<u>62,628</u>	

## Notes (continued)

### 7 Expenditure (continued)

	2017/18 £000	2016/17 £000
<b>Net income / (expenditure) for the period includes:</b>		
Operating lease rentals	185	177
Depreciation	5,053	4,745
Amortisation of intangible fixed assets	3	2
(Gain) / loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit	55	53
- other services	20	11
	<hr/>	<hr/>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total	Individual items over £5,000	
	£	Amount £	Reason
Ex-gratia/compensation payments	93,694	23,100	Employee's employment with the Federation terminated by mutual agreement.
		23,000	As above
		17,650	As above
		16,500	As above
		6,858	As above
		6,586	As above

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2017, being delegated authority or approval from the Education and Skills Funding Agency.

**Notes** *(continued)*

**8 Charitable activities**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000
<b>Direct costs – educational operations</b>			
Teaching and educational support staff costs	495	34,177	34,672
Depreciation	-	3,964	3,964
Technology costs	-	176	176
Educational supplies	-	585	585
Examination fees	11	486	497
Staff development	-	110	110
Educational consultancy	31	1,601	1,632
Other direct costs	4	300	304
	<hr/> 541	<hr/> 41,399	<hr/> 41,940
<b>Support costs – educational operations</b>			
Support staff costs	82	9,614	9,696
Depreciation	8	1,081	1,089
Amortisation	-	3	3
Technology costs	15	701	716
Premises	189	3,648	3,837
Other support costs	291	3,419	3,710
Governance costs	1	69	70
	<hr/> 586	<hr/> 18,535	<hr/> 19,121
	<hr/> <hr/> 1,127	<hr/> <hr/> 59,934	<hr/> <hr/> 61,061

## Notes (continued)

### 8 Charitable activities (continued)

	Unrestricted Funds	Restricted Funds	Total 2016/17
	£000	£000	£000
<b>Direct costs – educational operations</b>			
Teaching and educational support staff costs	344	34,477	34,821
Depreciation	-	3,885	3,885
Technology costs	-	122	122
Educational supplies	-	716	716
Examination fees	-	538	538
Staff development	-	122	122
Educational consultancy	28	1,274	1,302
Other direct costs	13	368	381
	385	41,502	41,887
<b>Support costs – educational operations</b>			
Support staff costs	15	9,434	9,449
Depreciation	9	851	860
Amortisation	-	2	2
Technology costs	-	697	697
Premises	155	3,460	3,615
Other support costs	342	3,105	3,447
Governance costs	-	56	56
	521	17,605	18,126
	906	59,107	60,013

**Notes** *(continued)*

**9 Staff**

**a. Staff costs**

Staff costs during the period were:	<b>2017/18</b>	2016/17
	<b>£000</b>	£000
Wages and salaries	<b>33,410</b>	33,264
Social security costs	<b>3,038</b>	2,879
Pension costs	<b>7,701</b>	7,449
	<hr/>	<hr/>
	<b>44,149</b>	43,592
Supply teacher costs	<b>1,406</b>	1,523
Staff restructuring payments	<b>361</b>	372
	<hr/>	<hr/>
	<b>45,916</b>	45,487
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 9 Staff costs (continued)

#### b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £93,694 (2017: £57,552). Six of the non-statutory/non-contractual payments exceeded £5,000 individually and are disclosed in note 7.

#### c. Staff numbers

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

	2017/18 No.	2016/17 No.
Teachers	567	576
Administration and support	860	887
Management	102	104
	<u>1,529</u>	<u>1,567</u>

#### d. Higher paid staff

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

	2017/18 No.	2016/17 No.
£60,001 - £70,000	10	11
£70,001 - £80,000	7	9
£80,001 - £90,000	4	4
£90,001 - £100,000	4	3
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>28</u>	<u>29</u>

26 (2017: 27) of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme, and 2 (2017: 2) in the Local Government Pension Scheme. During the year ended 31 August 2018, the Federation's pension contributions for these staff amounted to £347,471 (2017: £346,344).

#### e. Key management personnel

The key management personnel of the Federation comprise the trustees and the Senior Executive leadership team listed on page 1. No trustees are remunerated for their services as a trustee. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Federation was £935,000 (2017: £745,000).

## Notes (continued)

### 10 Central Services

The Academy Trust has provided the following Central Services to its academies during the year:

- strategic direction
- human resources
- financial services
- project management
- IT services
- educational advice and support
- leadership and management

The underlying charge for Central Services was based on 5% (2017: 5%) of each academies' income. Additional contributions were made for a centrally run alternative provision at CLF Engage / Nest.

The actual amounts charged during the year were:

	<b>2018</b>	2017
	<b>£000</b>	£000
John Cabot Academy	243	235
Bristol Brunel Academy	320	314
Bristol Metropolitan Academy	308	299
Hans Price Academy	185	175
King's Oak Academy	284	309
Bath Community Academy	68	103
Hanham Woods Academy	241	201
Digitech Studio School	39	50
City Academy	253	240
CLF Post 16 / CLF Institute	114	131
Begbrook Primary Academy	120	117
Minerva Primary Academy	81	91
Frome Vale Academy	59	64
Summerhill Academy	84	89
Wallscourt Farm Academy	61	54
Haywood Village Academy	33	22
	<u>2,493</u>	<u>2,494</u>

### 11 Related party transactions – Trustees' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees.

Other related party transactions involving the trustees are set out on note 30.

### 12 Trustees and officers' insurance

In accordance with normal commercial practice the Federation has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Federation business. The insurance provides cover up to £5m on any one claim and the cost for the period ended 31 August 2018 was £4,284 (2017: £5,799).

The cost of this insurance is included in the total insurance cost.

**Notes** (continued)

**13 Intangible Fixed Assets**

<b>Group and Company</b>	<b>Computer software</b>	<b>Total</b>
	£000	£000
<i>Cost</i>		
At 1 September 2017	25	<b>25</b>
Additions	-	-
Disposals	-	-
<b>At 31 August 2018</b>	<u>25</u>	<u>25</u>
<i>Amortisation</i>		
At 1 September 2017	20	<b>20</b>
Charged in year	3	<b>3</b>
Disposals	-	-
<b>At 31 August 2018</b>	<u>23</u>	<u>23</u>
<i>Net book value</i>		
<b>At 31 August 2018</b>	<u>2</u>	<u>2</u>
<i>At 1 September 2017</i>	<u>5</u>	<u>5</u>

## Notes (continued)

### 14 Tangible Fixed assets

Group	Investment Properties	Leasehold land & buildings	Furniture and equipment	Computer Equipment	Assets under construct ion	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
At 1 September 2017	2,690	137,875	10,006	3,482	188	15	154,256
Transfer of assets (see Note 31)	-	(6,568)	(413)	-	-	-	(6,981)
Acquisitions	-	-	-	-	-	-	-
Additions	-	58	2,225	81	139	-	2,503
Revaluation of land and buildings	-	-	-	-	-	-	-
Transfers	-	-	327	-	(327)	-	-
Disposals	-	-	(87)	(89)	-	-	(176)
<b>At 31 August 2018</b>	<b>2,690</b>	<b>131,365</b>	<b>12,058</b>	<b>3,474</b>	<b>-</b>	<b>15</b>	<b>149,602</b>
<b>Depreciation</b>							
At 1 September 2017	-	14,511	7,174	3,206	-	15	24,906
Transfer of assets (see Note 31)	-	(1,664)	(343)	-	-	-	(2,007)
Charged in year	-	3,687	1,165	201	-	-	5,053
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(87)	(89)	-	-	(176)
<b>At 31 August 2018</b>	<b>-</b>	<b>16,534</b>	<b>7,909</b>	<b>3,318</b>	<b>-</b>	<b>15</b>	<b>27,776</b>
<b>Net book value</b>							
<b>At 31 August 2018</b>	<b>2,690</b>	<b>114,831</b>	<b>4,149</b>	<b>156</b>	<b>-</b>	<b>-</b>	<b>121,826</b>
<i>At 1 September 2017</i>	<i>2,690</i>	<i>123,364</i>	<i>2,832</i>	<i>276</i>	<i>188</i>	<i>-</i>	<i>129,350</i>

Following the signing of the leasehold agreement for Haywood Village Academy with North Somerset Council during August 2018, the site was revalued by a qualified external valuer.

The valuation was carried out on a Depreciated Replacement Cost (DRC) basis.

## Notes (continued)

### 14 Tangible Fixed assets (continued)

Company	Investment Properties	Leasehold land & buildings	Furniture and equipment	Computer Equipment & software	Assets under construct ion	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
At 1 September 2017	2,690	137,450	10,006	3,482	188	15	<b>153,831</b>
Transfer of assets (see Note 31)	-	(6,568)	(413)	-	-	-	<b>(6,981)</b>
Acquisitions	-	-	-	-	-	-	-
Additions	-	58	2,225	81	139	-	<b>2,503</b>
Revaluation of land and buildings	-	-	-	-	-	-	-
Transfers	-	-	327	-	(327)	-	-
Disposals	-	-	(87)	(89)	-	-	<b>(176)</b>
<b>At 31 August 2018</b>	<b>2,690</b>	<b>130,940</b>	<b>12,058</b>	<b>3,474</b>	<b>-</b>	<b>15</b>	<b>149,177</b>
<b>Depreciation</b>							
At 1 September 2017	-	14,451	7,174	3,206	-	15	<b>24,846</b>
Transfer of assets (see Note 31)	-	(1,664)	(343)	-	-	-	<b>(2,007)</b>
Charged in year	-	3,679	1,165	201	-	-	<b>5,045</b>
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(87)	(89)	-	-	<b>(176)</b>
<b>At 31 August 2018</b>	<b>-</b>	<b>16,466</b>	<b>7,909</b>	<b>3,318</b>	<b>-</b>	<b>15</b>	<b>27,708</b>
<b>Net book value</b>							
<b>At 31 August 2018</b>	<b>2,690</b>	<b>114,474</b>	<b>4,149</b>	<b>156</b>	<b>-</b>	<b>-</b>	<b>121,469</b>
<b>At 1 September 2017</b>	<b>2,690</b>	<b>122,999</b>	<b>2,832</b>	<b>276</b>	<b>188</b>	<b>-</b>	<b>128,985</b>

## Notes (continued)

### 15 Investment in Subsidiaries - company

	2018 £	2017 £
Shares at cost (100% holding)	<u>2</u>	<u>2</u>

A summary of the results of John Cabot Ventures Limited for the year ended 31 August and the Balance Sheet position at 31 August is shown below:

	2017/18 £	2016/17 £
John Cabot Ventures Limited - Profit and Loss account		
Turnover	201,112	221,765
Expenditure	(68,453)	(54,903)
Interest receivable	354	(6)
Profit before Gift Aid payment	<u>133,013</u>	<u>166,856</u>
Gift Aid payment to Cabot Learning Federation	(133,013)	(166,856)
	-	-
Retained profits brought forward	<u>2,000</u>	<u>2,000</u>
Retained profits carried forward	<u>2,000</u>	<u>2,000</u>
	2018 £	2017 £
John Cabot Ventures Limited Balance sheet		
Current assets	148,182	185,498
Current liabilities	(146,181)	(183,497)
	<u>2,001</u>	<u>2,001</u>
Called up share capital	1	1
Profit and loss account	<u>2,000</u>	<u>2,000</u>
Shareholder's funds	<u>2,001</u>	<u>2,001</u>

Income of £10,700 (2017: £10,403) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.

The company registration number of John Cabot Ventures Limited is 03057532 and the registered address is Federation House, King's Oak Academy, Brook Road, Kingswood, Bristol, BS15 4JT.

## Notes (continued)

### 15 Investment in Subsidiaries – company (continued)

The share ownership of City Academy Bristol Trading Limited was reassigned to Cabot Learning Federation from One World Learning Trust on 1 June 2016. A summary of the results of City Academy Bristol Trading Limited for the year ended 31 August and the Balance Sheet position at 31 August is shown below:

City Academy Bristol Trading Limited - Profit and Loss account	<b>2018</b> £	2017 £
Turnover	<b>58,145</b>	58,145
Expenditure	<b>(32,329)</b>	(32,187)
Interest receivable	-	-
Profit before taxation	<b>25,816</b>	25,958
Taxation	<b>(6,544)</b>	(21,260)
	<b>19,272</b>	4,698
Retained profits brought forward	<b>164,414</b>	159,716
Retained profits carried forward	<b>183,686</b>	164,414
	<b>2018</b> £	2017 £
City Academy Bristol Trading Limited Balance sheet	<b>357,000</b>	365,500
Fixed assets	<b>4,199</b>	4,097
Current assets	<b>(81,024)</b>	(67,281)
Current liabilities	<b>(96,489)</b>	(137,902)
Non-current liabilities	<b>183,686</b>	164,414
Called up share capital	<b>1</b>	1
Profit and loss account	<b>183,685</b>	164,413
Shareholder's funds	<b>183,686</b>	164,414

The company registration number of City Academy Bristol Trading Limited is 05342913 and the registered address is Russell Town Avenue, St George, Bristol, BS5 9JH.

## Notes (continued)

### 16 Stock

	Group		Company	
	2018 £000	2017 £000	2018 £000	2017 £000
Sundry stock items	14	13	14	13
	<u>14</u>	<u>13</u>	<u>14</u>	<u>13</u>

### 17 Debtors

	Group		Company	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	148	228	144	227
VAT recoverable	449	457	449	457
Prepayments	945	834	945	834
Amounts due from subsidiary	-	-	166	167
Accrued income	957	802	957	802
Other debtors	9	2	9	1
	<u>2,508</u>	<u>2,323</u>	<u>2,670</u>	<u>2,488</u>

Amounts owed by intercompany debtors are trading balances repayable on demand and non-interest bearing.

### 18 Investments

The current asset investment represents cash held in a bank deposit account. All funds have a maturity profile of three months or more. The movement in the year was as follows:

	Group		Company	
	2018 £000	2017 £000	2018 £000	2017 £000
Balance at 1 September	4,751	3,037	4,751	3,037
(Disposals) / additions	(1,977)	1,714	(1,977)	1,714
	<u>2,774</u>	<u>4,751</u>	<u>2,774</u>	<u>4,751</u>

## Notes (continued)

### 19 Creditors: amounts falling due within one year

	Group		Company	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade creditors	1,299	1,129	1,299	1,129
Taxation and social security	786	791	786	791
Sundry creditors	792	1,372	731	1,290
Accruals and deferred income	3,720	2,827	3,720	2,827
	<u>6,597</u>	<u>6,119</u>	<u>6,536</u>	<u>6,037</u>

At the Balance Sheet date the Academy Trust held deferred income of £1,977,000 (2017: £1,372,000). This represents a number of receipts that were received in 2017-18 but related to the 2018-19 academic year. These included devolved formula capital funding, rates funding, School Condition Allowance funding, maintenance funding for Wallscourt Farm, various teaching school grants and funding for infant free school meals.

### 20 Provisions for liabilities

#### Group

	2018 £000	2017 £000
Provisions at 1 September	3	38
Utilised during the period	(1)	(10)
Released during the period	(2)	(28)
Additions during the period	29	3
	<u>29</u>	<u>3</u>

#### Company

	2018 £000	2017 £000
Provisions at 1 September	2	38
Utilised during the period	-	(10)
Released during the period	(2)	(28)
Additions during the period	29	2
	<u>29</u>	<u>2</u>

Provisions made during 2016-17 related to a potential return of funds at Company level and potential tax interest due in a subsidiary company. Company funds were not returned so this element of the provision was released in 2017-18. Tax interest did become due and therefore the provision was utilised during the year.

Provisions made during 2017-18 relate to the following:

- £11k of funds paid to Bath Community Academy which are likely to be repaid following its closure on 31 August 2018;
- £9k of teaching school grants where a clawback of funds is anticipated;
- £9k of funds paid to Frome Vale Academy where subsequent repayment is likely.

**Notes** *(continued)*

**21 Creditors: amounts falling due after one year**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b> <b>£000</b>	2017 £000	<b>2018</b> <b>£000</b>	2017 £000
Sundry creditors	<b>715</b>	889	<b>619</b>	751
	<u><b>715</b></u>	<u>889</u>	<u><b>619</b></u>	<u>751</u>

The balance within the Company represents an amount of £362k due to the Education and Skills Funding Agency by City Academy and £257k in respect of Salix interest free loans. A repayment plan for the amount due to the Education and Skills Funding Agency was agreed during 2015-16.

The additional £96k at Group level relates to a bank loan held by City Academy Bristol Trading Limited.

## Notes (continued)

### 22 Funds

The income funds of the Federation and Group comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2017 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,159	44,626	(44,846)	(408)	1,531
Other restricted funds transferred	22	-	(22)	-	-
Start Up grants	163	74	(179)	-	58
Pupil premium	136	2,868	(2,923)	-	81
Primary PE Sport Premium funding	16	125	(112)	-	29
Infant Free School Meals funding	-	299	(299)	-	-
School Direct salaried funding	-	95	(95)	-	-
Year 7 catch-up funding	-	139	(139)	-	-
Digitech ICT revenue funding	-	24	(22)	(2)	-
Digitech specialist equipment revenue funding	10	-	-	(10)	-
School Condition Allowance (revenue)	74	521	(509)	-	86
Phonics and Moderation grant	-	2	(2)	-	-
Other ESFA funding	-	72	(94)	22	-
Millpond / Evergreen Primary funding	-	47	(43)	(4)	-
City Academy re-brokerage funding	165	-	(37)	(128)	-
School Games organiser funding	-	38	(38)	-	-
SEN grants	45	1,438	(1,481)	-	2
Funding from South Gloucestershire Council - other	-	50	(50)	-	-
Funding from SGC – Resource Base	-	209	(209)	-	-
Funding from SGC – new school subsidy	-	102	(102)	-	-
Funding from SGC – ICT	-	11	(9)	(2)	-
Funding from SGC – Community funding	2	-	-	-	2
Funding from NSC – Haywood Village furniture	117	-	(32)	(35)	50
Funding from NSC – Other	4	178	(179)	(3)	-
Next Practice grant	16	-	-	-	16
Pupil premium – looked after children	-	156	(156)	-	-
Teaching School grants	103	1,303	(1,321)	-	85
English Heritage grant	12	-	(3)	-	9
Extended schools funding	22	-	-	-	22
Nursery funding	-	322	(322)	-	-
Primary academy revenue surplus transferred	397	-	-	-	397
Bristol City Council 2012/13 contingency	1	-	-	-	1
Bristol City Council IT funding	15	-	(15)	-	-
Bristol City Council Infant Class size funding	-	98	(98)	-	-
Bristol City Council Resource Base funding	-	101	(101)	-	-
Bristol City Council discretionary grants	62	99	(99)	-	62
Other grants	1	1	(1)	-	1
Other income	25	266	(289)	-	2
Voluntary income	76	156	(156)	-	76
	<u>3,643</u>	<u>53,420</u>	<u>(53,983)</u>	<u>(570)</u>	<u>2,510</u>

## Notes (continued)

### 22 Funds (continued)

	Balance at 1 September 2017 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted pension fund</b>					
Pension reserve	(20,967)	-	(2,251)	5,169	(18,049)
	<u>(20,967)</u>	<u>-</u>	<u>(2,251)</u>	<u>5,169</u>	<u>(18,049)</u>
<b>Restricted fixed asset funds</b>					
DfE capital grants	32,188	755	(1,543)	98	31,498
BCC ICT funding	347	-	(11)	-	336
NSC furniture funding	39	-	(25)	35	49
Lottery funding / other capital grants	6	332	(35)	-	303
Revaluation of land and buildings	832	-	(8)	-	824
Primary academy capital surplus transferred	119	-	(8)	-	111
Capital expenditure from Restricted Funds	1,666	-	(422)	437	1,681
Capital expenditure from Unrestricted Funds	13	-	(142)	459	330
Recognition of transfer of assets – HPA	1,999	-	(54)	-	1,945
Recognition of transfer of assets – KOA	14,625	-	(424)	-	14,201
Recognition of transfer of assets – BCA	12,606	(12,444)	(162)	-	-
Recognition of transfer of assets – BPA	5,488	-	(108)	-	5,380
Recognition of transfer of assets – MPA	731	-	(626)	-	105
Recognition of transfer of assets – FVA	5,547	-	(109)	-	5,438
Recognition of transfer of assets – SA	1,697	-	(64)	-	1,633
Recognition of transfer of assets – WFA	9,678	-	(145)	-	9,533
Recognition of transfer of assets – HWA	16,303	-	(443)	-	15,860
Recognition of transfer of assets – CAB	23,941	-	(539)	-	23,402
Recognition of transfer of assets – HVA	-	7,470	(118)	-	7,352
Transfer from JCA - private sector sponsorship	1,515	-	(62)	-	1,453
	<u>129,340</u>	<u>(3,887)</u>	<u>(5,048)</u>	<u>1,029</u>	<u>121,434</u>
<b>Unrestricted funds</b>					
Unrestricted funds	3,245	2,680	(2,915)	(459)	2,551
	<u>3,245</u>	<u>2,680</u>	<u>(2,915)</u>	<u>(459)</u>	<u>2,551</u>
<b>Total funds</b>	<u>115,261</u>	<u>52,213</u>	<u>(64,197)</u>	<u>5,169</u>	<u>108,446</u>

The explanations below have only been provided for significant funds:

#### Restricted general funds

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

Start-up grants are calculated initially on the start-up of a new Academy and are restricted to the temporary costs such as PCs, uniforms, textbooks and diseconomies of scales experienced at the start-up of a new Academy.

Pupil premium funding is a grant paid by the ESFA in order to help disadvantaged students. Funding is based on the number of students in an Academy who receive free school meals.

Primary PE Sport premiums funding is designed to help primary schools improve the quality of the PE and sport activities they offer their pupils.

Infant Free School Meals funding is provided in order to provide free school meals to pupils in Reception, Year 1 and Year 2.

## Notes (continued)

### 22 Funds (continued)

School Direct salaried funding allows the Federation to provide training and work for teachers looking to gain Qualified Teacher Status (QTS).

Year 7 catch-up funding is provided for each Year 7 pupil who has not achieved at least level 4 in reading and/or maths at Key Stage 2. Funding is used for additional literacy and numeracy catch-up during Year 7.

Digitech ICT revenue funding was claimed from the ESFA in order to purchase new ICT for the recently opened Digitech Studio School.

School Condition Allowance is funding provided by the ESFA in order to keep academy buildings safe and in good working order. This element of the funding was used to support revenue expenditure.

Millpond / Evergreen Primary funding was provided by the ESFA to enable this new academy to join the Federation on 1 September 2018.

City Academy re-brokerage funding was provided by the ESFA in order to enable the Federation to meet the costs of integrating the academy into the Federation.

School games organiser funding is provided by Sport England to enable schools to deliver competitive school sport to all young people.

SEN grants are paid by the local authority in order to support teaching and learning for those students who have special educational needs.

The Federation receives different funding for various purposes from South Gloucestershire Council such as supporting the Resource Base at Hanham Woods Academy, funding to support Wallscourt Farm Academy and the primary provision at King's Oak Academy.

Pupil premium – looked after children funding is provided by a number of different local authorities to support those children in care. The allocation received is allocated by the local authorities' Virtual School Head who is tasked with maximising each child's educational achievement.

Cabot Learning Federation was awarded Teaching School status with effect from 1 September 2011, the funding for which is paid by the DfE, via National College. The CLF Teaching School was renamed CLF Institute on 1 September 2015.

Nursery funding is provided by the local authority and is restricted to nursery provision at Begbrook Primary Academy and Minerva Primary Academy.

Local Authority funding from Bristol City Council is received for a variety of reasons which are listed in the funds table.

### Restricted pension fund

For details of restricted pension funds, please see Note 29 Pension and similar obligations.

The Federation has a difference of £257k between the fund balance and the accounting deficit reported in Note 29 as an advance pension deficit payment for two academies has not been recognised in the fund balance.

## Notes (continued)

### 22 Funds (continued)

#### Restricted fixed asset funds

DfE capital grants are funding provided by the Department of Education to support capital expenditure. This is restricted to expenditure on capital items that meet the Federation's fixed asset capitalisation policy.

Transfers from general fund relates to instances where GAG funds are applied against capital expenditure.

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

	Balance at 1 September 2016 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,416	45,128	(44,889)	(496)	2,159
Other restricted funds transferred	248	-	(226)	-	22
Start Up grants	277	58	(172)	-	163
Pupil premium	128	2,915	(2,907)	-	136
Primary PE Sport Premium funding	23	55	(62)	-	16
Infant Free School Meals funding	1	230	(231)	-	-
School Direct salaried funding	-	164	(164)	-	-
Year 7 catch-up funding	-	138	(138)	-	-
Digitech ICT revenue funding	-	72	(72)	-	-
Digitech specialist equipment revenue funding	-	20	(10)	-	10
School Condition Allowance (revenue)	-	334	(260)	-	74
Other ESFA funding	-	26	(26)	-	-
Early Years funding	22	-	(22)	-	-
City Academy re-brokerage funding	394	-	(229)	-	165
School Games organiser funding	-	48	(48)	-	-
SEN grants	60	1,166	(1,181)	-	45
Funding from South Gloucestershire Council - other	75	62	(137)	-	-
Funding from SGC – Resource Base	-	247	(247)	-	-
Funding from SGC – new school subsidy	-	100	(100)	-	-
Funding from SGC – ICT	8	18	(46)	20	-
Funding from SGC – Community funding	6	-	(4)	-	2
Funding from NSC – Haywood Village pre-opening	13	-	(13)	-	-
Funding from NSC – Haywood Village furniture	13	220	(116)	-	117
Funding from NSC – Other	-	229	(209)	(16)	4
Next Practice grant	16	-	-	-	16
Funding from the British Council	1	-	(1)	-	-
Pupil premium – looked after children	2	124	(126)	-	-
Teaching School grants	124	991	(1,012)	-	103
English Heritage grant	13	-	(1)	-	12
Extended schools funding	22	-	-	-	22
Nursery funding	-	165	(165)	-	-
Primary academy revenue surplus transferred	397	-	-	-	397
Bristol City Council 2012/13 contingency	1	-	-	-	1
Bristol City Council IT funding	26	-	(11)	-	15
Bristol City Council Infant Class size funding	-	106	(106)	-	-
Bristol City Council Resource Base funding	-	71	(71)	-	-
Bristol City Council discretionary grants	62	44	(44)	-	62
Other grants	1	-	-	-	1
Other income	43	122	(140)	-	25
Voluntary income	76	149	(149)	-	76
	<u>4,468</u>	<u>53,002</u>	<u>(53,335)</u>	<u>(492)</u>	<u>3,643</u>

## Notes (continued)

### 22 Funds (continued)

	Balance at 1 September 2016 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
<b>Restricted pension fund</b>					
Pension reserve	(23,213)	-	(2,089)	4,335	(20,967)
	<u>(23,213)</u>	<u>-</u>	<u>(2,089)</u>	<u>4,335</u>	<u>(20,967)</u>
<b>Restricted fixed asset funds</b>					
DfE capital grants	32,336	1,193	(1,338)	(3)	32,188
BCC ICT funding	357	-	(10)	-	347
NSC furniture funding	33	22	(16)	-	39
Lottery funding	8	-	(2)	-	6
Revaluation of land and buildings	-	840	(8)	-	832
Primary academy capital surplus transferred	127	-	(8)	-	119
Capital expenditure from Restricted Funds	1,519	-	(348)	495	1,666
Capital expenditure from Unrestricted Funds	12	-	(8)	9	13
Recognition of transfer of assets – HPA	2,053	-	(54)	-	1,999
Recognition of transfer of assets – KOA	15,049	-	(424)	-	14,625
Recognition of transfer of assets – BCA	12,899	-	(293)	-	12,606
Recognition of transfer of assets – BPA	5,596	-	(108)	-	5,488
Recognition of transfer of assets – MPA	1,460	-	(729)	-	731
Recognition of transfer of assets – FVA	5,656	-	(109)	-	5,547
Recognition of transfer of assets – SA	1,761	-	(64)	-	1,697
Recognition of transfer of assets – WFA	9,823	-	(145)	-	9,678
Recognition of transfer of assets – HWA	16,754	-	(451)	-	16,303
Recognition of transfer of assets – CAB	24,502	-	(561)	-	23,941
Transfer from JCA - private sector sponsorship	1,577	-	(62)	-	1,515
	<u>131,522</u>	<u>2,055</u>	<u>(4,738)</u>	<u>501</u>	<u>129,340</u>
<b>Unrestricted funds</b>					
Unrestricted funds	3,344	2,376	(2,466)	(9)	3,245
	<u>3,344</u>	<u>2,376</u>	<u>(2,466)</u>	<u>(9)</u>	<u>3,245</u>
<b>Total funds</b>	<u>116,121</u>	<u>57,433</u>	<u>(62,628)</u>	<u>4,335</u>	<u>115,261</u>

## Notes (continued)

### 22 Funds (continued)

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

	Balance at 1 September 2016 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,416	89,754	(89,735)	(904)	1,531
Other restricted funds transferred	248	-	(248)	-	-
Start Up grants	277	132	(351)	-	58
Pupil premium	128	5,783	(5,830)	-	81
Primary PE Sport Premium funding	23	180	(174)	-	29
Infant Free School Meals funding	1	529	(530)	-	-
School Direct salaried funding	-	259	(259)	-	-
Year 7 catch-up funding	-	277	(277)	-	-
Digitech ICT revenue funding	-	96	(94)	(2)	-
Digitech specialist equipment revenue funding	-	20	(10)	(10)	-
School Condition Allowance (revenue)	-	855	(769)	-	86
Phonics and Moderation grant	-	2	(2)	-	-
Other ESFA funding	-	98	(120)	22	-
Early Years funding	22	-	(22)	-	-
Millpond / Evergreen Primary funding	-	47	(43)	(4)	-
City Academy re-brokerage funding	394	-	(266)	(128)	-
School Games organiser funding	-	86	(86)	-	-
SEN grants	60	2,604	(2,662)	-	2
Funding from South Gloucestershire Council - other	75	112	(187)	-	-
Funding from SGC – Resource Base	-	456	(456)	-	-
Funding from SGC – new school subsidy	-	202	(202)	-	-
Funding from SGC – ICT	8	29	(55)	18	-
Funding from SGC – Community funding	6	-	(4)	-	2
Funding from NSC – Haywood Village pre-opening	13	-	(13)	-	-
Funding from NSC – Haywood Village furniture	13	220	(148)	(35)	50
Funding from NSC – Other	-	407	(388)	(19)	-
Next Practice grant	16	-	-	-	16
Funding from the British Council	1	-	(1)	-	-
Pupil premium – looked after children	2	280	(282)	-	-
Teaching School grants	124	2,294	(2,333)	-	85
English Heritage grant	13	-	(4)	-	9
Extended schools funding	22	-	-	-	22
Nursery funding	-	487	(487)	-	-
Primary academy revenue surplus transferred	397	-	-	-	397
Bristol City Council 2012/13 contingency	1	-	-	-	1
Bristol City Council IT funding	26	-	(26)	-	-
Bristol City Council Infant Class size funding	-	204	(204)	-	-
Bristol City Council Resource Base funding	-	172	(172)	-	-
Bristol City Council discretionary grants	62	143	(143)	-	62
Other grants	1	1	(1)	-	1
Other income	43	388	(429)	-	2
Voluntary income	76	305	(305)	-	76
	<u>4,468</u>	<u>106,422</u>	<u>(107,318)</u>	<u>(1,062)</u>	<u>2,510</u>

## Notes (continued)

### 22 Funds (continued)

	Balance at 1 September 2016 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted pension fund</b>					
Pension reserve	(23,213)	-	(4,340)	9,504	(18,049)
	<u>(23,213)</u>	<u>-</u>	<u>(4,340)</u>	<u>9,504</u>	<u>(18,049)</u>
<b>Restricted fixed asset funds</b>					
DfE capital grants	32,336	1,948	(2,881)	95	31,498
BCC ICT funding	357	-	(21)	-	336
NSC furniture funding	33	22	(41)	35	49
Lottery funding / other capital grants	8	332	(37)	-	303
Revaluation of land and buildings	-	840	(16)	-	824
Primary academy capital surplus transferred	127	-	(16)	-	111
Capital expenditure from Restricted Funds	1,519	-	(770)	932	1,681
Capital expenditure from Unrestricted Funds	12	-	(150)	468	330
Recognition of transfer of assets – HPA	2,053	-	(108)	-	1,945
Recognition of transfer of assets – KOA	15,049	-	(848)	-	14,201
Recognition of transfer of assets – BCA	12,899	(12,444)	(455)	-	-
Recognition of transfer of assets – BPA	5,596	-	(216)	-	5,380
Recognition of transfer of assets – MPA	1,460	-	(1,355)	-	105
Recognition of transfer of assets – FVA	5,656	-	(218)	-	5,438
Recognition of transfer of assets – SA	1,761	-	(128)	-	1,633
Recognition of transfer of assets – WFA	9,823	-	(290)	-	9,533
Recognition of transfer of assets – HWA	16,754	-	(894)	-	15,860
Recognition of transfer of assets – CAB	24,502	-	(1,100)	-	23,402
Recognition of transfer of assets – HVA	-	7,470	(118)	-	7,352
Transfer from JCA - private sector sponsorship	1,577	-	(124)	-	1,453
	<u>131,522</u>	<u>(1,832)</u>	<u>(9,786)</u>	<u>1,530</u>	<u>121,434</u>
<b>Unrestricted funds</b>					
Unrestricted funds	3,344	5,056	(5,381)	(468)	2,551
	<u>3,344</u>	<u>5,056</u>	<u>(5,381)</u>	<u>(468)</u>	<u>2,551</u>
<b>Total funds</b>	<u>116,121</u>	<u>109,646</u>	<u>(126,825)</u>	<u>9,504</u>	<u>108,446</u>

## Notes (continued)

### 22 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total £000</b>
John Cabot Academy	1,335
Bristol Brunel Academy	720
Bristol Metropolitan Academy	870
Hans Price Academy	-
King's Oak Academy	137
Bath Community Academy	-
Hanham Woods Academy	42
Digitech Studio School	(163)
City Academy	(800)
Begbrook Primary Academy	834
Minerva Primary Academy	756
Frome Vale Academy	354
Summerhill Academy	382
Wallscourt Farm Academy	288
Haywood Village Academy	20
Cabot Learning Federation Central	100
John Cabot Ventures Limited	2
City Academy Bristol Trading Limited	184
	<hr/>
	5,061
	<hr/>
Restricted fixed asset fund	121,434
Pension reserve	(18,049)
	<hr/>
Total	<b>108,446</b>
	<hr/> <hr/>

Digitech Studio School is carrying a net deficit of £163k. This is due to additional investment in the start-up years to develop and establish the provision.

City Academy is carrying a net deficit of £800k that has been considerably reduced from the deficit position of £959k at 31 August 2017. The deficit transferred to the Federation when the academy joined the Federation on 1 June 2016. The majority of the deficit relates to amounts due to the Education and Skills Funding Agency (ESFA). The Federation has agreed a repayment plan with the ESFA.

## Notes (continued)

### 22 Funds (continued)

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other costs (excluding depreciation) £000	Total £000
John Cabot Academy	4,036	959	269	549	5,813
Bristol Brunel Academy	4,500	808	313	1,106	6,727
Bristol Metropolitan Academy	3,965	693	428	1,062	6,148
Hans Price Academy	2,923	811	251	693	4,678
King's Oak Academy	3,724	988	266	762	5,740
Bath Community Academy	1,151	549	62	374	2,136
Hanham Woods Academy	3,444	931	278	648	5,301
Digitech Studio School	904	208	469	151	1,732
City Academy	3,429	1,342	267	1,128	6,166
Begbrook Primary Academy	1,780	499	89	513	2,881
Minerva Primary Academy	1,147	294	60	260	1,761
Frome Vale Academy	623	162	68	183	1,036
Summerhill Academy	1,024	359	96	486	1,965
Wallscourt Farm Academy	737	226	86	272	1,321
Haywood Village Academy	529	151	70	354	1,104
Cabot Learning Federation Central	1,962	1,058	1,014	500	4,534
John Cabot Ventures Limited	-	-	-	68	68
City Academy Bristol Trading Limited	-	-	-	30	30
	<u>35,878</u>	<u>10,038</u>	<u>4,086</u>	<u>9,139</u>	<u>59,141</u>

### 23 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Intangible fixed assets	-	-	2	2
Tangible fixed assets	357	-	121,469	121,826
Current assets	2,343	9,156	252	11,751
Current liabilities and provisions	(53)	(6,546)	(27)	(6,626)
Non-current liabilities	(96)	(357)	(262)	(715)
Pension scheme liability	-	(17,792)	-	(17,792)
<b>Total net assets</b>	<u>2,551</u>	<u>(15,539)</u>	<u>121,434</u>	<u>108,446</u>

## Notes (continued)

### 23 Analysis of net assets between funds (continued)

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

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Intangible fixed assets	-	-	5	5
Tangible fixed assets	365	-	128,985	129,350
Current assets	3,101	9,858	507	13,466
Current liabilities and provisions	(83)	(6,030)	(9)	(6,122)
Non-current liabilities	(138)	(603)	(148)	(889)
Pension scheme liability	-	(20,549)	-	(20,549)
<b>Total net assets</b>	<b>3,245</b>	<b>(17,324)</b>	<b>129,340</b>	<b>115,261</b>

### 24 Capital commitments

At 31 August 2018 the Federation and Group had capital commitments as follows:

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	228	485
Authorised by governors, but not yet contracted	-	-

### 25 Commitments under operating leases

#### Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Amounts due within one year	127	126
Amounts due between one and five years	76	135
Amounts due after five years	-	-
	<b>203</b>	<b>261</b>

## Notes *(continued)*

### 26 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Federation is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Federation serving notice, the Federation shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Federation's site and premises and other assets held for the purpose of the Federation: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 27 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.

### 28 Events after the Balance Sheet date

Millpond Primary School, renamed as Evergreen Primary Academy, joined the Federation on 1 September 2018. The 2018-19 result is expected to show a small surplus of £14k.

### 29 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Avon Pension Fund. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

## Notes (continued)

### 29 Pension and similar obligations (continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the year amounted to £3,453,000 (2017: £2,829,000).

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

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The academy 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.

## Notes (continued)

### 29 Pension and similar obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £2,495,000 (2017: £3,164,000), of which employer's contributions totalled £1,848,000 (2017: £2,540,000) and employees' contributions totalled £647,000 (2017: £624,000). The agreed contribution rates for future years vary according to the Academy that the member works in.

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

The Federation is making additional contributions into the scheme in order to reduce the deficit. The number of years where additional contributions will be made varies by academy, but the period is between 17 and 22 years.

#### Principal Actuarial Assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.6%	3.7%
Rate of increase for pensions in payment/inflation	2.2%	2.2%
Discount rate for scheme liabilities	2.8%	2.4%
Inflation assumption (CPI)	2.1%	2.2%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.6	23.5
Females	26.1	26.0
<i>Retiring in 20 years</i>		
Males	26.2	26.0
Females	28.8	28.7

#### Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	1,161	1,445
Discount rate -0.1%	(1,161)	(1,445)
Mortality assumption – 1 year increase	(878)	(870)
Mortality assumption – 1 year decrease	878	870
CPI rate +0.1%	(1,155)	(1,178)
CPI rate -0.1%	1,155	1,178

## Notes (continued)

### 29 Pension and similar obligations (continued)

The academy trust's share of the assets and liabilities in the scheme and expected rates of return were:

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	12,495	14,155
Government Bonds	3,699	3,202
Other Bonds	3,922	2,200
Property	2,964	2,517
Cash/Liquidity	1,212	1,031
Other	7,587	5,492
	<hr/>	<hr/>
<b>Total market value of assets</b>	<b>31,879</b>	<b>28,597</b>
Present value of scheme liabilities – Funded	(49,671)	(49,146)
	<hr/>	<hr/>
<b>Deficit in the scheme</b>	<b>(17,792)</b>	<b>(20,549)</b>
	<hr/> <hr/>	<hr/> <hr/>

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

The actual return on scheme assets was £730,000 (2017: £555,000).

### Amounts recognised in the Statement of Financial Activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	3,637	3,623
Past service cost	-	-
Administration expenses	53	53
Benefits paid / gain/(loss) on curtailment and gain/(loss) on settlement	94	67
	<hr/>	<hr/>
<b>Total operating charge</b>	<b>3,784</b>	<b>3,743</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	(730)	(555)
Interest on pension liabilities	1,206	1,023
	<hr/>	<hr/>
<b>Pension finance cost / (income)</b>	<b>476</b>	<b>468</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 29 Pension and similar obligations (continued)

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

	2018 £000	2017 £000
<b>At 1 September</b>	<b>(49,146)</b>	<b>(47,571)</b>
Current service cost	(3,637)	(3,623)
Interest cost	(1,206)	(1,023)
Employee contributions	(647)	(624)
Actuarial gain / (loss)	4,507	3,567
Benefits paid	552	195
Past service cost	-	-
Curtailments and settlements	(94)	(67)
Business combinations	-	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>(49,671)</b>	<b>(49,146)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £000	2017 £000
<b>At 1 September</b>	<b>28,597</b>	<b>24,358</b>
Expected return on assets	730	555
Actuarial gain	662	768
Employer contributions	1,848	2,540
Employee contributions	647	624
Benefits paid	(552)	(195)
Administration expenses	(53)	(53)
Business combinations	-	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>31,879</b>	<b>28,597</b>
	<hr/> <hr/>	<hr/> <hr/>

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

## Notes (continued)

### 30 Related Party Transactions

Owing to the nature of the Academy Trust's and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Federation has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Federation's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period:

#### Expenditure Related Party Transactions

University of the West of England (UWE) – a company that employs Jane Harrington, Guy Keith-Miller and William Liew (all trustees):

- The Federation incurred expenditure of £64,711 (2017: £81,930) during the year. Expenditure was incurred in respect of fees for PGCE students of £52,500 (2017: £66,000), conference facility hire of £12,042 (2017: £15,930) and reimbursement of travel costs £169 for Federation business (2017: £nil). There were no amounts outstanding at 31 August 2018 (2017: £nil).
- In entering into the transaction the Federation has complied with the requirements of the Academies Financial Handbook 2017.
- The element above £2,500 has been provided 'at no more than cost' and UWE has provided a statement of assurance confirming this.

Avon Pension Fund – William Liew (trustee) is a Committee Member of Avon Pension Fund:

- The Local Government Pension Scheme that the Federation participates in is managed by Avon Pension Fund. Full disclosure of the payments and balances in this fund are provided in Note 29. In addition, the Federation receives reports from Avon Pension Fund to enable these disclosures to be published. The cost of these reports was £17,322 (2017: £14,857). There were no amounts outstanding at 31 August 2018 (2017: £nil).
- In entering into the transaction the Federation has complied with the requirements of the Academies Financial Handbook 2017.
- The element above £2,500 has been provided 'at no more than cost' and Avon Pension Fund has provided a statement of assurance confirming this.

#### Income Related Party Transactions

- UWE provided total funding of £105,708 (2017: £73,109). Income was received in respect of Future Quest funding of £103,200 (2017: £29,734), student placement funding of £2,508 (2017: £5,875) and teaching school grants of £nil (2017: £37,500). At 31 August 2018, £550 was due to the Federation (2017: £nil).
- Tony Cherry, a trustee of Cabot Learning Federation is employed by DAC Beachcroft. During the year, DAC Beachcroft provided a donation of £2,000 (2017: £600) towards Year 11 revision camps.

#### Subsidiary Companies

John Cabot Ventures Limited is a 100% owned subsidiary. The results for 2017-18 are shown on page 45.

- Income of £10,700 (2017: £10,403) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.
- The profits of John Cabot Ventures Limited totalling £133,013 (2017: £166,856) are due to be gift-aided to the Federation following the audit of the financial statements. The amount due to the Federation is shown as a debtor in the company accounts.

## Notes (continued)

### 30 Related Party Transactions (continued)

City Academy Bristol Trading Limited is a 100% owned subsidiary. The results for 2017-18 are shown on page 46.

- The Federation has provided funding of £32,764 (2017: £nil) in order to enable City Academy Bristol Trading Limited to meet past corporation tax liabilities.
- The amount due to the Federation is shown as a debtor in the company accounts.

### 31 Transfer from / to Local Authority

Bath Community Academy closed on 31 August 2018 and at that date, assets totalling £12,444,000 were transferred back to Bath and North East Somerset Council.

Haywood Village Academy opened on 1 September 2016. During 2017-18, a long leasehold agreement was signed with North Somerset Council. Subsequently the land and buildings were valued by an external valuer and those values were brought into the Federation's account. Previously the Federation had been operating the site under a licence from North Somerset Council.

The following table sets out the fair value of the net assets and fund values transferred in and out during 2017-18:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2018
	£000	£000	£000	£000
<b>Net assets</b>				
Bath Community Academy net assets	-	-	(12,444)	(12,444)
Haywood Village Academy net assets	-	-	7,470	7,470
	-----	-----	-----	-----
<b>Net assets total</b>	-	-	(4,974)	(4,974)
	=====	=====	=====	=====
<b>Funds</b>				
Bath Community Academy	-	-	(12,444)	(12,444)
Haywood Village Academy	-	-	7,470	7,470
	-----	-----	-----	-----
<b>Funds total</b>	-	-	(4,974)	(4,974)
	=====	=====	=====	=====

**Notes** (continued)

**32 Agency arrangements**

	2018 £000	2017 £000
16-19 bursary funding received 2017-18	79	94
16-19 bursary funding disbursed 2017-18	(97)	(97)
Balance in year	<u>(18)</u>	<u>(3)</u>
Amount included in other creditors in relation to 16-19 bursary	<u>52</u>	<u>70</u>

**33 Teaching school trading account**

	2017/18 £000	2017/18 £000	2017/18 £000	2016/17 £000	2016/17 £000	2016/17 £000
<b>Income</b>						
<b>Direct Income</b>						
Other income		1,547			1,237	
<b>Other Income</b>						
Fundraising and other trading activities		75			50	
<b>Total Income</b>			<u>1,622</u>			<u>1,287</u>
<b>Expenditure</b>						
<b>Direct costs</b>						
Direct staff costs	715			530		
Educational supplies	12			2		
Staff development	24			7		
Educational consultancy	272			279		
Other direct costs	360			280		
<b>Total direct costs</b>		<u>1,383</u>			<u>1,098</u>	
<b>Other costs</b>						
Support staff costs	135			41		
Depreciation	-			-		
Technology costs	2			3		
Premises costs	-			6		
Other support costs	120			160		
Share of governance costs	-			-		
<b>Total other costs</b>		<u>257</u>			<u>210</u>	
<b>Total Expenditure</b>			<u>(1,640)</u>			<u>(1,308)</u>
<b>Transfer between funds</b>			<u>-</u>			<u>-</u>
<b>Surplus/(deficit) from all sources</b>			<u>(18)</u>			<u>(21)</u>
<b>Balances at 1 September 2017</b>			<u>103</u>			<u>124</u>
<b>Balances at 31 August 2018</b>			<u>85</u>			<u>103</u>

