

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 2016

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Reference and Administrative Details

Members

Jane Harrington (Chair) (appointed 28.01.16)
Guy Keith-Miller
Peter Price
Ron Ritchie

Trustees

Jane Harrington (Chair) (appointed 28.01.16)
Con Alexander
Anthony Cherry (appointed 01.09.15)
Airlie Fife
Tracey France (appointed 01.09.15, resigned 31.08.16)
Peter Franklin
Jon Gould
Marcus Holder
Rhodri James
Guy Keith-Miller
Nicky McAllister
Ron Ritchie

Company Secretary

Bryony Green

Senior Executive leadership team:

Chief Executive Officer
Chief Operating Officer
Executive Principal
Executive Principal
HR Director
Head of Compliance
Director of CLF Institute
Interim Finance Director (previously Senior Finance
Manager)
Head of IT

Stephen Taylor
Simon Bowker (appointed 28.09.15, resigned 30.09.16)
Dan Nicholls
Mandy Milsom
Ian Payne
Bryony Green
Alison Fletcher
Sarah Lovell

Andy Ling

Principal and registered office

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 th 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 (DSS) Frome Vale Academy (FVA) Hanham Woods Academy (HWA) Hans Price Academy (HPA) 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 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, strategic report and directors' report under company law.

The trust operates 14 academies (8 secondary, 5 primary and 1 all-through) in Bristol, Bath and Weston-Super-Mare. Its academies have a combined pupil capacity of 10,402 and had a roll of 7,402 in the school census during January 2016. It also operates a Post 16 provision that had 507 pupils on roll.

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 2015 to 2016 issued by the Education Funding Agency (EFA) and the Companies Act 2006.

Structure, Governance and Management

Constitution

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

The trustees of 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; one person nominated by Rolls Royce, one person nominated by the University of the West of England, one person appointed by the Secretary of State and the chair of the Board of Trustees.

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. Where necessary, induction provides training on charity and 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 Principals 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 Department for Education and within the Academies is secure.

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

- 5 Councillors appointed by the sponsors, one of whom is the chair, plus
- 7 Councillors who represent the Academy community, including:
 - The Executive Principal
 - The Principal.
 - 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. CLF Post 16 has its own governance structure.

The leadership of the Federation in the year ended 31 August 2016 has been overseen by Stephen Taylor, the Chief Executive Officer and the Senior Executive Leadership Team which consists of Executive Principals, the Chief Operating Officer, HR Director, Head of Compliance, Director of CLF Institute, Interim Finance Director (previously Senior Finance Manager) 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.

Arrangement for setting pay and remuneration of key management personnel

The key management personnel of the Federation comprise the trustees and the Senior Executive leadership team listed in the Reference and Administrative details on page 1. No trustees are remunerated for their services as a trustee.

Objectives for the Chief Executive are set through an appraisal meeting between the Chief Executive and the Chair and other members of the Board. Following that meeting appraisals with the Chief Executive's direct reports, at which a member of the Board also attends, take place and objectives are agreed. The objectives will be aligned to the strategic plan. Reviews against performance objectives take place on an on-going basis and finally in the end of year appraisal

meeting. At this meeting, and for all posts other than the Chief Executive's, a decision in respect of incremental progression takes place based on performance outcomes. The Chief Executive is in receipt of a spot salary.

Salaries for senior posts are determined through benchmarking against external similar roles. The Board and/or remuneration committee reviewed and authorised salaries for most senior roles.

Risk Management

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 2016 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 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 Cabot Learning Federation's expansion and other strategic developments which would deflect attention away from core business of existing academies and the performance of the Executive team. Capacity within the central team is continually reviewed to ensure correct skill set and sufficient capacity.

Financial

Financial risks and uncertainties are covered in the section on Principal Financial Risks.

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 risk in this area is non-compliance with statutory reporting, the provision of skills and training, emergency planning procedures. In mitigation, a group wide Health and Safety policy is in place and standard Academy Council meeting agendas include Health and Safety and Risk Registers. External advisors complete regular health and safety audits and also 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, Data Protection Act and data quality. Comprehensive annual training on Data Protection and Freedom of Information is provided to key personnel.

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 focussing on the delivery of the key strategic objectives of the Federation of which student achievement is paramount.

The Federation risk register is comprehensive and deals with a wide range of matters relating to the above. Where appropriate, we ensure there is adequate insurance cover to mitigate any residual risks.

Connected Organisations, including Related Party Relationships

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, 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 2016, 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 to 31 August 2016.

The Federation owns 100% of the issued ordinary share of City Academy Bristol Trading Limited, a Company registered in England and Wales (no. 05342913). The company owns and manages a building used by City Academy. The share ownership was reassigned to Cabot Learning Federation from One World Learning Trust on 1 June 2016. The consolidated financial statements include the results for City Academy Bristol Trading Limited for the period 1 June 2016 to 31 August 2016.

Objectives and Activities

The Charitable Company's objects are: to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but not limited to, English and Information and Communications Technology. 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 2016 are summarised below.

Embedding Excellence

In the course of 2015-2016, the 'Embedding Excellence' vision that was developed in the previous year was used to generate a five-year strategic plan for the period 2015-2020. The plan was launched at the CLF Autumn Conference in November 2015, with the five strategic areas broken down into 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 ('The Characteristics of Successful MATs'), as well as by other relevant regulatory bodies.

In order to ensure high accountability at Board level, individual directors are linked to each of the five 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 director links were organised thus:

- | | |
|---------------------------------------|------------------|
| A. Educator of Choice: | Nicky McAllister |
| B. Employer of Choice: | Rhodri James |
| C. An Effective Learning Organisation | Pete Franklin |
| D. Tomorrow's Citizens | Tony Cherry |
| E. Leading Communities: | Jon Gould |

Core Purpose

Also launched at the CLF Autumn Conference was the revised 'Core Purpose' of the Cabot Learning Federation. This was generated following a period of stakeholder input and is both the articulation of the moral compass of the organisation as well as the rationale behind its endeavours. The core purpose of the CLF is at the HEART of all we do:



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.

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 2016 and signed on its behalf by:

Prof Jane Harrington
Chair

Strategic Report

Growth and Leadership

During the course of 2015-16, the Cabot Learning Federation developed its provision thus:

- The opening of a primary provision in a new building at King's Oak Academy in September 2015 had led to successful outcomes for the academy's first Reception cohort. The academy has recruited up to capacity both in Reception and into Year 7 for 2016.
- Digitech Studio School Bristol, specialising in digital, high tech and creative sectors for 14 to 19-year-olds, opened in September 2015 and moved into its new purpose-built accommodation in October 2016 with students in all years 10 to 13.
- Wallscourt Farm Academy, newly-inspected and judged to be good with outstanding features, expanded its provision into key stage 2 for the first time.
- After a year of being in receipt of school-to-school support from the CLF, City Academy Bristol formally joined the Federation in June 2016.
- Haywood Village Academy, a brand new primary academy in Weston-Super-Mare, opened its doors in September 2016 to two forms of Reception children.
- The CLF Institute, the Federation's school of professional training, development, research and excellence expanded its portfolio by launching a School-Centred Initial Teacher Training centre (SCITT), recruiting 15 primary and 36 secondary trainee teachers into its first cohort.

All CLF academies ended the academic year 2015-2016 with leadership teams that were full and stable. The Federation grew and augmented its leadership capacity thus:

- Mr Jon Angell and Mrs Sally Apps took on the roles of Senior Principal in the secondary phase.
- Ms Susie Weaver and Mr Duncan Cruickshank took on the roles of Senior Principal in the primary phase.
- Mr Richard Clutterbuck became the new Principal of King's Oak Academy, an all-through school, in January 2016. As an experienced head teacher, he also took on the role of Senior Principal.
- Mr Steve Kneller became the new Principal of Hanham Woods Academy in April 2016.
- Mr Craig Jones became the Principal Designate of Haywood Village Academy in May 2016, becoming the Principal in September 2016.
- Mr Simon White became the new Principal of John Cabot Academy in September 2016.
- After six years as the Chair of the Cabot Learning Federation Board, Professor Ron Ritchie stood down in October 2016. His contribution to the success of the CLF during this period was considerable and he will continue to contribute to effective governance in the CLF in the future as he remains both a Member and a Director. During Professor Ritchie's period as chair, the CLF grew from three to fifteen academies and his current role as a national authority on MAT governance is testament to his understanding of and contribution to the national educational landscape. In 2015 he received an OBE for his services to education.

Professor Ritchie is succeeded by Professor Jane Harrington, the Deputy Vice-Chancellor and Provost of the University of the West of England; an excellent and highly-qualified person to take the work of the Board forward, her appointment further reinforces the relationship between UWE and the CLF.

Achievements and Performance

Against a backdrop of changing accountabilities and new curricula, the CLF has been able to draw strength from its scale and opportunity for effective collaboration. Where collaboration has been at its strongest, the CLF has been able either to demonstrate effective resilience against the uncertainties of new regulations and changes to assessment or to achieve new heights in established areas of performance. Of all of the different phases of the Federation's 3-19 provision, the only assessment points that were not subject to any changes were the Early Years Foundation Stage and the Phonics assessment in Year 1. Between 2015 and 2016 the sector experienced changes in curriculum and assessment at all other Key Stages.

The outcomes included below represent the unvalidated data available both locally and via national data sets. The data will be validated in time for the national league table release in January, at which time we can anticipate an even more positive picture for performance in the CLF.

Primary Performance:

Overall, the results across the primary academies showed the greatest consistency at Key Stage 1 and Key Stage 2 since primary academies had joined the CLF.

Early Years Foundation Stage: There was an increase in the percentage of children achieving Good Level of Development in four-fifths of the academies and there were similar results in phonics with 89% of the children achieving their phonics check compared 79% in 2015.

Key Stage 1: The CLF performance in Phonics was 89.4%, which was considerably higher than local comparison. The outcomes of Key Stage 1 assessments in reading and maths were that 68.8% of the children achieved Age-Related Expectations with 58% achieving this in writing. For the first time the combined score for reading, writing and maths has been reported, with the CLF registering an overall figure of 52%.

Key Stage 2:

- **Attainment Overall:** maths achieved the highest results at 68.8% with reading at 62.4% and writing at 70%. The results of the test for each child was reported using scaled scores where 100 is the expected standard. The Average Points Score (APS) nationally for reading and maths was 103. Begbrook Primary Academy met or exceeded both and Minerva Primary Academy returned a score of 104.9 in maths.
- **Progress Overall:** the progress measures show that no academy is below the government's floor standards, with all academies making sufficient progress in reading, writing and maths.
- **Performance across the Academies:**
 - In its first year delivering Early Years provision, children at King's Oak Academy's primary phase, 'The Acorn', made an impressive start with 70% achieving Good Level of Development in their first year.
 - Boys' Good Level of Development has improved or maintained across the academies.
 - Phonics is strong at Wallscourt Farm Academy, Minerva Primary Academy and Frome Vale Academy.
 - Key Stage 1 reading and maths have consistent results across all academies.
 - Key Stage 2 writing at 70% represents a best-ever score against a backdrop of tougher assessments.
 - 100% of High Prior-Attaining children are achieving ARE with 64% deepening in reading.

Secondary Performance:

- All the key headline figures for the Cabot Learning Federation as a whole in the Key Stage 4 Outcomes 2016 improved compared to 2015.
- **Attainment overall:** the Basics measure (percentage of students achieving grades A*-C in English and Maths) rose to 55% from 51% in 2015; the legacy headline attainment measure of the percentage of students achieving five GCSEs including English and maths was also improved.
- **Progress overall:** Progress 8 (progress made by all students across eight subjects) is estimated as -0.16 compared to -0.21 for the CLF in 2015. This is likely to be the CLF's best performance against a Value Added measure. Across these eight subjects students in the CLF performed on average a quarter of a grade per subject better than in 2015.
- **English and maths overall:** English performed very strongly, with 79% of students achieving 3 levels of progress from their score at Key Stage 2 and all academies performing well. This is 10% higher than the

National Average; 69% in 2015. Maths has also improved, with 66% of students achieving 3 levels of progress, the same as the National Average in 2015.

- Key groups overall: the performance of disadvantaged pupils in English and maths improved on 2015. High Prior Attaining students have performed better than in 2015 for both Attainment and progress, but Low Prior Attaining students make the most progress from starting points.
- Academies performance: at Key Stage 4 six of the eight Academies can claim an improving picture, one performed similarly and one declined slightly compared to 2015 outcomes.
 - There were best-ever Basics performances at Bristol Brunel Academy, Bath Community Academy and City Academy Bristol.
 - Bristol Metropolitan Academy had the strongest Progress 8 outcome in the CLF and in the City of Bristol (the predecessor school was the lowest-performing school in Bristol in 2009).
 - John Cabot Academy had the strongest attainment and the second-strongest progress in the CLF. It was also placed second overall in South Gloucestershire.
 - There was clear improvement compared to 2015 and compared to other local schools at both King's Oak Academy and Hans Price Academy in terms of both attainment and progress.
 - The position of all of these Academies improved against the Ofsted criteria.
 - After demonstrating marked improvement between 2014 and 2015, the Basics performance at Hanham Woods Academy dipped from 57% to 51% in 2016.
 - No Academy delivered outcomes under the legacy floor standard (40% of students achieving five GCSEs including English and maths).

Post 16 Performance

Performances at Post-16 were indicative of the improving picture that was consistently demonstrated throughout the year. The provision has undergone considerable update and improvement of its curriculum, becoming more inclusive and providing a raft of transition opportunities, focussing on supporting students to move from Key Stage 4 to higher study Post 18.

In terms of outcomes, changes in the allocation of points in 2016 has reduced the opportunity for like-for-like comparison with 2015. Nevertheless, Advanced Subsidiary (AS) attainment was largely in-line with 2015, with A*-B grades up 3.7% to 24.8%, A*-A grades up 1.6% to 11.8%. Overall Value Added for AS subjects was +0.46; this is up from 0.2 in 2015. Advanced Level Attainment remained in line with 2015 at 28%, though A*-B Value Added scores fell slightly to -0.28 from -0.2 in 2015.

Destinations data is very strong. More than 98% of students leaving Post 16 progressed to an appropriate next step. Of the 72% of students who applied to Higher Education, 66% progressed as planned. None of the leavers in Year 12 and between Year 12 and 13 are Not in Education, Employment or Training (NEET).

At this early stage of the academic year 2016-2017, there are indications that outcomes are up on like-for-like projections from the previous academic years.

Going Concern

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

Financial Review

Financial report for the year

The Federation's accounting period is from 1 September 2015 to 31 August 2016.

Most of the Federation's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (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 EFA 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 2016, total expenditure of £53,442,000 (excluding the pension fund) was met by recurrent grant funding from the EFA, other incoming resources, and funding carried forward from the previous year. The excess of income over expenditure for the year was £29,274,000 (deficit of £1,271,000 excluding the pension fund and the restricted fixed asset fund).

At 31 August 2016 the net book value of fixed assets excluding investment properties was £128,558,000 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.

Existing staff of the Federation were joined by staff transferring from One World Learning Trust on the transfer of City Academy on 1 June 2016. The Federation continues to offer central finance, HR, IT and project management functions, which provide back office services as well as professional support to the Academies.

Buildings and assets

The lease of the land and buildings of City Academy transferred to Cabot Learning Federation on 1 June 2016, and the land and buildings were valued at £24,400,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £1,453,000.

The share ownership of City Academy Bristol Trading Limited was reassigned to Cabot Learning Federation on 1 June 2016 and consolidated into the results from this date. The lease of the building within City Academy Bristol Trading Limited had a net book value of £376,125 at the transfer date.

The building valuation of King's Oak Primary Academy (part of King's Oak Academy) transferred to Cabot Learning Federation on 1 September 2015, and the land and buildings were valued at £6,390,000 as at the date of transfer. The transfer of the lease relating to this site had already taken place when King's Oak Academy joined the Federation on 1 September 2011.

The lease of the land and buildings of Hanham Woods Academy transferred to Cabot Learning Federation on 1 September 2014, and the land and buildings were valued at £17,630,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £717,000.

The lease of the land and buildings of Wallscourt Farm Academy transferred to Cabot Learning Federation on 19 August 2015, and the land and buildings were valued at £10,060,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £61,000. The academy was opened in the previous financial year but was operated under a licence granted by South Gloucestershire Council.

The lease of the land and buildings of Bath Community Academy transferred to Cabot Learning Federation on 1 September 2012, and the land and buildings were valued at £14,038,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £320,000.

The lease of the land and buildings of Begbrook Primary Academy transferred to Cabot Learning Federation on 1 September 2012, and the land and buildings were valued at £6,006,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £110,000.

The lease of the land and buildings of Minerva Primary Academy transferred to Cabot Learning Federation on 1 September 2012, and the land and buildings were valued at £1,647,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £161,000.

The lease of the buildings of Frome Vale Academy transferred to Cabot Learning Federation on 1 September 2012, and the buildings were valued at £6,050,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £93,000.

The lease of the land and buildings of Summerhill Academy transferred to Cabot Learning Federation on 1 September 2012, and the land and buildings were valued at £2,007,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £108,000.

The lease of the buildings of King's Oak Academy transferred to Cabot Learning Federation on 1 September 2011, and the buildings were valued at £10,470,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £695,000.

The lease of the buildings of Hans Price Academy transferred to Cabot Learning Federation on 1 May 2011, and the buildings were valued at £8,170,000 as at the date of transfer. In addition, all other tangible fixed assets transferred with their professionally assessed valuation at this date. The transfer value of these other assets was £643,000.

The buildings of John Cabot Academy transferred to Cabot Learning Federation on 1 September 2009, and were revalued as at the date of transfer. The transferring value was £16,885,000. In addition, all other tangible fixed assets transferred with their existing net book value at this date. The transfer value of other assets was £6,112,000. The houses on the John Cabot Academy site were valued at the date of transfer as £2,690,000 and are held as an investment asset by the Federation.

The buildings of Bristol Brunel and Bristol Metropolitan academies were procured as part of Bristol City Council's Building Schools for the Future (BSF) programme, which is a Private Finance Initiative (PFI) scheme. Under the scheme the costs of the building are met by the Local Authority over the course of a 27 year contract. At the end of the contract ownership of the building will transfer to the Local Authority.

The contract also provides for Facilities Management (FM), including cleaning and caretaking, and catering. The academies make a contribution to the Local Authority to meet the costs of delivering this part of the contract. This contribution is calculated as a percentage of the funding that would have been available to the Academy had it remained as a maintained school, and therefore varies depending on student numbers. The contribution for the year ending 31 August 2016 was £1,474,000.

Reserves Policy

The Trustees have reviewed the resources of the Federation. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that each academy must hold a minimum level of reserves in order to meet unforeseen maintenance and staffing expenditure (including restructuring) and to manage future unforeseen funding adjustments. A differentiation of the minimum balances takes into account the varying sizes and buildings conditions of each academy. The minimum balances of reserves are as follows:

- | | |
|---|-------|
| - Secondary non-BSF academies | £200k |
| - Secondary BSF academy or new build within 5 years | £150k |
| - Primary academies | £150k |

All proposals for the use of reserves must be approved by the Board on an academy by academy basis.

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 Financial Risks and Uncertainties

Financial and risk management objectives and policies

The Federation has cash balances and other working capital balances. The main risk arising from the use of financial instruments is liquidity risk.

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 and therefore the Federation is not exposed to significant 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 it 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.

Plans for Future Periods

On 1 September 2016, Haywood Village Academy opened for reception year students in Weston Super Mare. The school will, over the next few years, have a capacity of 420 students including a nursery class. Digitech Studio School, which specialises in the digital, high tech and creative sectors, opened on 1 September 2015 and moved into newly built premises in October 2016 that will greatly enhance the learning experiences of its students.

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 directors 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 2016 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 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 as governance included were supplements that described 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)	5	5
Con Alexander	6	8
Anthony Cherry	8	8
Airlie Fife	5	8
Tracey France	7	8
Peter Franklin	6	8
Jon Gould	8	8
Marcus Holder	4	8
Rhodri James	6	8
Guy Keith-Miller	8	8
Nicky McAllister	7	8
Ron Ritchie	8	8

Ron Ritchie resigned as Chair of the Board on 6 October 2016. On the same date, Jane Harrington was appointed to the position of Chair of the Board.

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	3	3

Airlie Fife resigned as Chair of the Audit Committee on 1 September 2015. On the same date, Anthony Cherry was appointed to the Audit Committee and also took up the position of Chair.

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 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:

- Monitoring previously established contracts, such as for facilities management, 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 team to investigate potential cost savings at all times;
- Introducing a benchmarking pack that is issued to each academy that compares the academy's results against others in the Federation as well as externally available data;
- The streamlining of reporting processes in the CLF Finance team to provide better information, including the identification of trends in expenditure, using less resources.

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 2016 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 ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and 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 appointed BDO as internal auditor during 2013-14.

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 auditors 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 2016 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."

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:

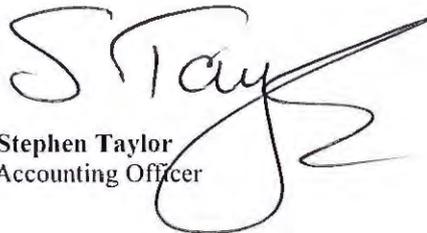
- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 2016 and signed on its behalf by:



Prof Jane Harrington
Chair



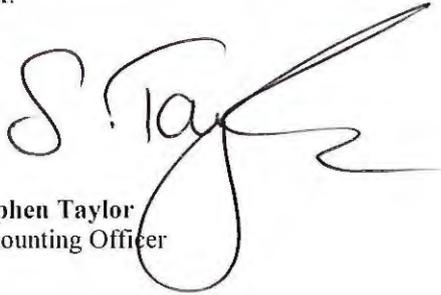
Stephen Taylor
Accounting Officer

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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

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

A handwritten signature in black ink, appearing to read 'S. Taylor', with a large, sweeping flourish extending to the right.

Stephen Taylor
Accounting Officer

Statement of Trustees Responsibilities

The Trustees (who act as governors of Cabot Learning Federation and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2016 and signed on its behalf by:



Prof Jane Harrington
Chair



KPMG LLP
66 Queen Square
Bristol
BS1 4BE
United Kingdom

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

We have audited the financial statements of Cabot Learning Federation for the year ended 31 August 2016 set out on pages 25 to 68. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency ('EFA') on terms that have been agreed. 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, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2015 to 2016 issued by the EFA, those matters that we have agreed to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees (who act as Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Charitable Company's affairs at 31 August 2016, and of the Group and 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 Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006;
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

(Continued)

Matters on which we are required to report by exception

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

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



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

Date: 19 DECEMBER 2016



KPMG LLP
 66 Queen Square
 Bristol
 BS1 4BE
 United Kingdom

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

In accordance with the terms of our engagement letter dated 23 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion included:

Independent Reporting Accountant's Assurance Report on Regularity to Cabot Learning Federation and the Education 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 Chief Executive Officer 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 not for profit principles set out in the relevant provisions of the Academies Financial Handbook 2015;
- 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 2015 to 2016.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 19 DECEMBER 2016

Consolidated Statement of Financial Activities for the year ended 31 August 2016

(including Income and Expenditure Account)

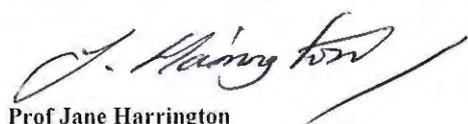
	<i>Note</i>	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2016 £000	Total 2015 £000
Income and endowments from:						
Donations and capital grants	3	-	8	4,750	4,758	1,353
Transfer from OWLT / local authority on conversion	30	151	(3,195)	32,377	29,333	27,317
Charitable activities:						
Funding for the Academy Trust's educational operations	4	366	47,869	-	48,235	44,853
Other trading activities	5	1,187	9	-	1,196	1,000
Investment Income	6	79	-	-	79	72
Total		<u>1,783</u>	<u>44,691</u>	<u>37,127</u>	<u>83,601</u>	<u>74,595</u>
Expenditure on:						
Raising funds	7	858	3	-	861	633
Charitable activities:						
Academy Trust's educational operations	8	353	48,383	4,730	53,466	49,269
Total	7	<u>1,211</u>	<u>48,386</u>	<u>4,730</u>	<u>54,327</u>	<u>49,902</u>
Net income and expenditure		572	(3,695)	32,397	29,274	24,693
Transfers between funds	22	(11)	(984)	995	-	-
Net income / (expenditure) for the year		561	(4,679)	33,392	29,274	24,693
Other recognised gains and losses:						
Actuarial (losses) / gains on defined benefit pension schemes	22,28	-	(11,341)	-	(11,341)	(809)
Net movement in funds		561	(16,020)	33,392	17,933	23,884
Reconciliation of funds						
Total funds brought forward at 1 September 2015	22	2,783	(2,725)	98,130	98,188	74,304
Total funds carried forward at 31 August 2016	22	<u>3,344</u>	<u>(18,745)</u>	<u>131,522</u>	<u>116,121</u>	<u>98,188</u>

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

Balance Sheet as at 31 August 2016

	Note	Group		Company	
		2016 £000	2015 £000	2016 £000	2015 £000
Fixed assets					
Intangible assets	13	7	5	7	5
Tangible assets	14	128,558	94,830	128,184	94,830
Investment properties	14	2,690	2,690	2,690	2,690
Investment in subsidiaries	15	-	-	-	-
		<u>131,255</u>	<u>97,525</u>	<u>130,881</u>	<u>97,525</u>
Current assets					
Stocks	16	20	17	20	17
Debtors	17	2,171	1,827	2,293	1,970
Investments	18	3,037	2,450	3,037	2,450
Cash at bank and in hand		9,419	9,513	9,273	9,348
		<u>14,647</u>	<u>13,807</u>	<u>14,623</u>	<u>13,785</u>
Creditors: Amounts falling due within one year	19	(5,545)	(3,945)	(5,485)	(3,925)
Provisions	20	(38)	(174)	(38)	(174)
		<u>9,064</u>	<u>9,688</u>	<u>9,100</u>	<u>9,686</u>
Net current assets					
		<u>9,064</u>	<u>9,688</u>	<u>9,100</u>	<u>9,686</u>
Total assets less current liabilities		140,319	107,213	139,981	107,211
Creditors: Amounts falling due after one year	21	(985)	-	(808)	-
		<u>139,334</u>	<u>107,213</u>	<u>139,173</u>	<u>107,211</u>
Net assets excluding pension liability					
		<u>139,334</u>	<u>107,213</u>	<u>139,173</u>	<u>107,211</u>
Pension scheme liability	28	(23,213)	(9,025)	(23,213)	(9,025)
		<u>116,121</u>	<u>98,188</u>	<u>115,960</u>	<u>98,186</u>
Net assets including pension liability					
		<u>116,121</u>	<u>98,188</u>	<u>115,960</u>	<u>98,186</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	22	131,522	98,130	131,522	98,130
General fund	22	4,468	6,300	4,468	6,300
Pension reserve	22	(23,213)	(9,025)	(23,213)	(9,025)
		<u>112,777</u>	<u>95,405</u>	<u>112,777</u>	<u>95,405</u>
Total restricted funds					
		<u>112,777</u>	<u>95,405</u>	<u>112,777</u>	<u>95,405</u>
Unrestricted income funds					
General fund	22	3,344	2,783	3,183	2,781
		<u>3,344</u>	<u>2,783</u>	<u>3,183</u>	<u>2,781</u>
Total funds		116,121	98,188	115,960	98,186
		<u>116,121</u>	<u>98,188</u>	<u>115,960</u>	<u>98,186</u>

The financial statements on pages 25 to 68 were approved by the Trustees, and authorised for issue on 13 December 2016 and are signed on their behalf by:



Prof Jane Harrington
Chair

Company number: 06207590

Statement of Cash Flows for the year ended 31 August 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Profit for the year	29,274	24,693
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	4,732	3,598
Loss on sale of fixed assets	1	-
Capital grants from DfE and other capital income	(4,750)	(1,271)
Defined benefit pension scheme obligation inherited	1,962	-
Defined benefit pension scheme cost less contributions payable	535	658
Defined benefit pension scheme finance cost	350	115
Interest receivable and similar income	(79)	(72)
Interest payable and similar charges	3	-
Transfer of assets relating to Wallscourt Farm Academy	-	(10,121)
Transfer of assets relating to Hanham Woods Academy	-	(17,196)
Transfer of assets relating to City Academy	(24,754)	-
Transfer of assets relating to King's Oak Academy	(6,390)	-
Transfer of assets relating to City Academy Bristol Trading Limited	(151)	-
	<hr/>	<hr/>
	733	404
(Increase)/decrease in trade and other debtors	(55)	300
(Increase)/decrease in stocks	17	7
(Decrease)/increase in trade and other creditors	909	(259)
(Decrease)/increase in provisions and employee benefits	(174)	(70)
	<hr/>	<hr/>
Tax paid	1,430	382
	-	-
	<hr/>	<hr/>
Net cash from operating activities	1,430	382
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interest and rents from investments	79	67
Purchase of investments	(587)	(970)
Purchase of intangible fixed assets	(10)	-
Purchase of tangible fixed assets	(5,834)	(1,669)
Capital grants from DfE / EFA	4,717	1,192
Capital funding received from sponsors and others	33	-
	<hr/>	<hr/>
Net cash from investing activities	(1,602)	(1,380)
	<hr/>	<hr/>
Cash flows from financing activities		
Interest paid	(3)	-
Repayment of borrowings	(6)	-
	<hr/>	<hr/>
Net cash from financing activities	(9)	-
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	(181)	(998)
Cash and cash equivalents at 1 September 2015	9,513	10,511
Cash and cash equivalents transferred on 1 June 2016	87	-
	<hr/>	<hr/>
Cash and cash equivalents at 31 August 2016	9,419	9,513
	<hr/>	<hr/>

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 2015 to 2016 issued by EFA, 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.

An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Academy Trust is provided in note 32. The Trust has taken advantage of the transitional arrangement in FRS 102 to include a previous GAAP revaluation of investment properties as the deemed cost. None of the other transitional arrangements have been adopted in the preparation of the financial statements.

These financial statements consolidated the results of the Federation and its wholly owned subsidiaries, John Cabot Ventures Limited and City Academy Bristol Trading Limited, 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 surplus for the year was £17,933,000 (2015: £23,884,000).

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 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 operation existence for 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.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes (continued)

1 Statement of Accounting Policies (continued)

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balances in the restricted fixed asset fund.

- **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 the amount can be reliably measured.

- **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 in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **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.

Notes *(continued)*

1 Statement of Accounting Policies *(continued)*

- **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.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. 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, 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.

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 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. 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.

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.

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, and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Notes (continued)

1 Statement of Accounting Policies (continued)

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 charges.

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 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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2016 £000	Total 2015 £000
DfE / EFA capital grants	-	4,707	4,707	1,163
North Somerset Council funding	-	33	33	-
South Gloucestershire Council funding	-	-	-	108
Lottery capital grant	-	10	10	-
Miscellaneous donations	-	8	8	82
	<hr/>	<hr/>	<hr/>	<hr/>
	-	4,758	4,758	1,353
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	
DfE / EFA capital grants	-	1,163	1,163	
South Gloucestershire Council funding	-	108	108	
Miscellaneous donations	1	81	82	
	<hr/>	<hr/>	<hr/>	
	1	1,352	1,353	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

Notes (continued)

4 Funding for Academy Trust's educational operations

	Unrestricted £000	Restricted £000	2016 £000	2015 £000
Department for Education revenue grant				
- General Annual Grant (GAG)	-	40,909	40,909	38,435
- Bursary contribution - admin costs	3	-	3	3
- Start up funding	-	199	199	351
- Phonics and Moderation Grant	-	1	1	-
- Infant Free School Meals funding	-	184	184	150
- Comparison study grant	-	-	-	7
- Summer School funding	-	2	2	92
- Primary PE Sport Premium funding	-	46	46	46
- City Academy re-brokerage funding	-	654	654	-
- Pupil Premium funding	-	2,550	2,550	2,376
- Digitech pre-opening funding	-	-	-	300
- Digitech ICT revenue funding	-	11	11	100
- Digitech building revenue funding	-	2	2	-
- Digitech specialist equipment revenue funding	-	28	28	-
- Haywood Village pre-opening funding	-	25	25	-
- Year 7 catch-up funding	-	119	119	119
- ICT funding for new building	-	-	-	62
- Sponsor Capacity funding	-	-	-	19
- Funding for statutory redundancy costs	-	1	1	17
- School Direct salaried funding	-	63	63	18
- Condition improvement fund (revenue)	-	304	304	81
- Core Maths funding	-	9	9	21
- Early Years funding	-	15	15	15
	<u>3</u>	<u>45,122</u>	<u>45,125</u>	<u>42,212</u>

Notes (continued)

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

	Unrestricted £000	Restricted £000	2016 £000	2015 £000
Other government grants				
- Special Educational Needs funding	-	1,279	1,279	1,038
- CLF Institute grants	79	182	261	372
- Pupil premium – looked after children	-	142	142	116
- School Games organiser funding	-	30	30	24
- Funding from British Council	-	-	-	3
- Core Maths funding	-	30	30	30
- Maths Hub funding	-	235	235	187
- Erasmus funding	-	-	-	24
- Lottery funding	-	-	-	10
- English Heritage grant	-	-	-	6
- Nursery funding from Bristol City Council	-	177	177	181
- Funding from Bristol City Council 2012/13 contingency	-	-	-	(262)
- Funding from Bristol City Council - Infant Class Size grant	-	99	99	124
- Bristol City Council – sale of CLF Nest places	48	-	48	42
- Funding from Bath and North East Somerset Council	-	-	-	84
- Funding from South Gloucestershire Council – Grange School	15	-	15	96
- Funding from South Gloucestershire Council – Resource Base	-	225	225	190
- Funding from South Gloucestershire Council – ICT funding (revenue)	-	-	-	39
- Funding from South Gloucestershire Council – new school subsidy	-	100	100	50
- Funding from South Gloucestershire Council – KOA Primary	-	-	-	82
- Funding from South Gloucestershire Council – Other	-	104	104	-
- Funding from North Somerset Council – Haywood Village pre-opening funding	-	45	45	-

Notes (continued)

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

	Unrestricted £000	Restricted £000	2016 £000	2015 £000
- Funding from North Somerset Council – Haywood Village furniture funding	-	94	94	-
- Funding from North Somerset Council - Other	-	1	1	-
	<hr/>	<hr/>	<hr/>	<hr/>
	142	2,743	2,885	2,436
	<hr/>	<hr/>	<hr/>	<hr/>
Other income				
- Troops to Teacher funding	-	-	-	4
- Teachfirst	-	4	4	-
- Catering income	149	-	149	146
- Music tuition fees	45	-	45	55
- Other	27	-	27	-
	<hr/>	<hr/>	<hr/>	<hr/>
	221	4	225	205
	<hr/>	<hr/>	<hr/>	<hr/>
	366	47,869	48,235	44,853
	<hr/>	<hr/>	<hr/>	<hr/>
			2015	
	Unrestricted	Restricted	£000	
	£000	£000		
Department for Education revenue grant				
- General Annual Grant (GAG)	-	38,435	38,435	
- Bursary contribution - admin costs	3	-	3	
- Start up funding	-	351	351	
- Infant Free School Meals funding	-	150	150	
- Comparison study grant	7	-	7	
- Summer School funding	-	92	92	
- Primary PE Sport Premium funding	-	46	46	
- Pupil Premium funding	-	2,376	2,376	
- Digitech pre-opening funding	-	300	300	
- Digitech ICT revenue funding	-	100	100	
- Year 7 catch-up funding	-	119	119	
- ICT funding for new building	-	62	62	
- Sponsor Capacity funding	-	19	19	
- Funding for statutory redundancy costs	-	17	17	
- School Direct salaried funding	-	18	18	
- Condition improvement fund (revenue)	-	81	81	
- Core Maths funding	-	21	21	
- Early Years funding	-	15	15	
	<hr/>	<hr/>	<hr/>	
	10	42,202	42,212	
	<hr/>	<hr/>	<hr/>	

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

	Unrestricted £000	Restricted £000	2015 £000
Other government grants			
- Special Educational Needs funding	-	1,038	1,038
- CLF Institute grants	105	267	372
- Pupil premium – looked after children	-	116	116
- School Games organiser funding	-	24	24
- Funding from British Council	-	3	3
- Core Maths funding	-	30	30
- Maths Hub funding	-	187	187
- Erasmus funding	-	24	24
- Lottery funding	-	10	10
- English Heritage grant	-	6	6
- Nursery funding from Bristol City Council	-	181	181
- Funding from Bristol City Council 2012/13 contingency	-	(262)	(262)
- Funding from Bristol City Council - Infant Class Size grant	-	124	124
- Bristol City Council – sale of CLF Nest places	42	-	42
- Funding from Bath and North East Somerset Council	-	84	84
- Funding from South Gloucestershire Council – Grange School	36	60	96
- Funding from South Gloucestershire Council – Resource Base	-	190	190
- Funding from South Gloucestershire Council – ICT funding (revenue)	-	39	39
- Funding from South Gloucestershire Council – new school subsidy	-	50	50
- Funding from South Gloucestershire Council – KOA Primary	82	-	82
	<hr/>	<hr/>	<hr/>
	265	2,171	2,436
	<hr/>	<hr/>	<hr/>
Other income			
- Troops to Teacher funding	-	4	4
- Catering income	146	-	146
- Music tuition fees	55	-	55
	<hr/>	<hr/>	<hr/>
	201	4	205
	<hr/>	<hr/>	<hr/>
	476	44,377	44,853
	<hr/>	<hr/>	<hr/>

Unrestricted funds

Unrestricted funds are built up over time from other income streams such as letting of facilities, rental property income and consultancy work completed by the Federation.

Notes (continued)

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Salary recharges	70	-	70	27
Grange School support	111	-	111	57
Easton Academy support	2	-	2	-
Fishponds Academy support	18	-	18	-
City Academy support	85	-	85	45
John Cabot Ventures Limited	204	-	204	219
City Academy Bristol Trading Limited	18	-	18	-
Letting of facilities	301	-	301	258
Student teacher training	-	9	9	32
Education projects	15	-	15	-
Sale of uniform	11	-	11	15
NPQH/NPQSL/NPQML course income	72	-	72	78
NLE bursary	6	-	6	3
Training income	10	-	10	-
Sale of CLF Engage / Nest places	16	-	16	-
Other sundry income	248	-	248	266
	<u>1,187</u>	<u>9</u>	<u>1,196</u>	<u>1,000</u>

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000
Salary recharges	-	27	27
Grange School support	57	-	57
City Academy support	45	-	45
John Cabot Ventures Limited	219	-	219
Letting of facilities	258	-	258
Student teacher training	-	32	32
Sale of uniform	15	-	15
NPQH/NPQSL/NPQML course income	78	-	78
NLE bursary	3	-	3
Other sundry income	244	22	266
	<u>919</u>	<u>81</u>	<u>1,000</u>

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Bank interest	79	-	79	72
	<u>79</u>	<u>-</u>	<u>79</u>	<u>72</u>
	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	
Bank interest	72	-	72	
	<u>72</u>	<u>-</u>	<u>72</u>	

Notes (continued)

7 Expenditure

	Staff costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2016 £000	Total 2015 £000
Expenditure on raising funds	403	144	314	861	633
Academy Trust's educational operations					
- Direct costs	30,879	2,400	3,963	37,242	35,643
- Allocated support costs	7,378	3,765	5,081	16,224	13,626
	<u>38,660</u>	<u>6,309</u>	<u>9,358</u>	<u>54,327</u>	<u>49,902</u>

	Staff costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2015 £000
Expenditure on raising funds	245	66	322	633
Academy Trust's educational operations				
- Direct costs	30,005	2,218	3,420	35,643
- Allocated support costs	5,874	3,095	4,657	13,626
	<u>36,124</u>	<u>5,379</u>	<u>8,399</u>	<u>49,902</u>

	2016 £000	2015 £000
Net income / (expenditure) for the period includes:		
Operating lease rentals	132	139
Depreciation	4,724	3,598
Amortisation of intangible fixed assets	8	-
(Gain) / loss on disposal of fixed assets	1	-
Fees payable to auditor for:		
- audit	52	48
- other services	14	11
	<u>5,432</u>	<u>7,396</u>

Notes *(continued)*

7 Expenditure *(continued)*

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	137,670	49,500	Employee's employment with the Federation terminated by mutual agreement.
		37,800	As above
		26,539	As above
		9,831	As above
		8,000	As above
Gifts made by the trust		-	-
Fixed asset losses		-	-
Stock losses		-	-
Unrecoverable debts		-	-
Cash losses		-	-

Notes (continued)

8 Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Direct costs – educational operations				
Teaching and educational support staff costs	116	30,763	30,879	30,005
Depreciation	-	3,460	3,460	2,883
Technology costs	-	100	100	125
Educational supplies	-	672	672	635
Examination fees	1	471	472	477
Staff development	-	121	121	108
Educational consultancy	32	1,168	1,200	1,111
Other direct costs	-	338	338	299
	<u>149</u>	<u>37,093</u>	<u>37,242</u>	<u>35,643</u>
Support costs – educational operations				
Support staff costs	3	7,375	7,378	5,874
Depreciation	2	1,262	1,264	708
Amortisation	-	8	8	-
Technology costs	-	604	604	892
Premises	-	3,658	3,658	3,337
Other support costs	199	3,053	3,252	2,756
Governance costs	-	60	60	59
	<u>204</u>	<u>16,020</u>	<u>16,224</u>	<u>13,626</u>
	<u>353</u>	<u>53,113</u>	<u>53,466</u>	<u>49,269</u>

8 Charitable activities (continued)

	Unrestricted Funds	Restricted Funds	Total 2015
	£000	£000	£000
Direct costs – educational operations			
Teaching and educational support staff costs	369	29,636	30,005
Depreciation	-	2,883	2,883
Technology costs	-	125	125
Educational supplies	13	622	635
Examination fees	3	474	477
Staff development	-	108	108
Educational consultancy	44	1,067	1,111
Other direct costs	1	298	299
	<hr/> 430	<hr/> 35,213	<hr/> 35,643
Support costs – educational operations			
Support staff costs	102	5,772	5,874
Depreciation	-	708	708
Technology costs	-	892	892
Premises	88	3,249	3,337
Other support costs	243	2,513	2,756
Governance costs	-	59	59
	<hr/> 433	<hr/> 13,193	<hr/> 13,626
	<hr/> 863	<hr/> 48,406	<hr/> 49,269

Notes *(continued)*

9 Staff

a. Staff costs

Staff costs during the period were:	2016 £000	2015 £000
Wages and salaries	29,348	28,489
Social security costs	2,146	1,821
Pension costs	5,430	4,580
	<hr/>	<hr/>
	36,924	34,890
Supply teacher costs	1,392	1,149
Staff restructuring payments	344	85
	<hr/>	<hr/>
	38,660	36,124
	<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 £137,670 (2015: £85,463). Five 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:

	2016 No.	2015 No.
Teachers	532	538
Administration and support	722	642
Management	93	78
	1,347	1,258
	1,347	1,258

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No.	2015 No.
£60,001 - £70,000	13	7
£70,001 - £80,000	5	6
£80,001 - £90,000	4	2
£90,001 - £100,000	2	1
£100,001 - £110,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	25	18
	25	18

24 (2015: 18) of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme, and 1 (2015: nil) in the Local Government Pension Scheme. During the year ended 31 August 2016, the Federation's pension contributions for these staff amounted to £296,393 (2015: £198,346).

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 £758,000 (2015: £738,000).

Notes (continued)

10 Central Services

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

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

The underlying charge for Central Services was based on 5% (2015: 5%) of each academies' income. Additional charges for a Central educational provision at CLF Engage / Nest were based upon previous usage of the facility by each academy.

The actual amounts charged during the year were:

	2016	2015
	£000	£000
John Cabot Academy	244	252
Bristol Brunel Academy	383	384
Bristol Metropolitan Academy	334	306
Hans Price Academy	166	139
King's Oak Academy	263	255
Bath Community Academy	113	151
Hanham Woods Academy	208	210
Digitech Studio School	14	-
City Academy	2	-
CLF Post 16	122	-
Begbrook Primary Academy	118	109
Minerva Primary Academy	84	81
Frome Vale Academy	65	67
Summerhill Academy	89	89
Wallscourt Farm Academy	45	24
	2,250	2,067

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 29.

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 £5,000,000 on any one claim and the cost for the period ended 31 August 2016 was £4,879 (2015: £4,097).

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

Notes *(continued)*

13 Intangible Fixed Assets

Group and Company	Computer software	Total
	£000	£000
<i>Cost</i>		
At 1 September 2015	23	23
Additions	10	10
	33	33
At 31 August 2016	33	33
<i>Amortisation</i>		
At 1 September 2015	18	18
Charged in year	8	8
	26	26
At 31 August 2016	26	26
<i>Net book value</i>		
At 31 August 2016	7	7
<i>At 1 September 2015</i>	5	5

Notes *(continued)*

14 Tangible Fixed assets

Group	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
<i>Cost or valuation</i>							
At 1 September 2015	2,690	101,150	6,227	3,565	531	7	114,170
Transfer of assets (see Note 30)	-	31,215	839	606	-	8	32,668
Additions	-	10	1,106	115	4,603	-	5,834
Transfers	-	-	65	59	(124)	-	-
Disposals	-	-	(132)	(285)	-	-	(417)
At 31 August 2016	2,690	132,375	8,105	4,060	5,010	15	152,255
<i>Depreciation</i>							
At 1 September 2015	-	8,268	4,992	3,383	-	7	16,650
Transfer of assets (see Note 30)	-	49	-	-	-	-	49
Charged in year	-	2,524	1,492	700	-	8	4,724
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(131)	(285)	-	-	(416)
At 31 August 2016	-	10,841	6,353	3,798	-	15	21,007
<i>Net book value</i>							
At 31 August 2016	2,690	121,534	1,752	262	5,010	-	131,248
<i>At 1 September 2015</i>	<i>2,690</i>	<i>92,882</i>	<i>1,235</i>	<i>182</i>	<i>531</i>	<i>-</i>	<i>97,520</i>

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
Cost or valuation							
At 1 September 2015	2,690	101,150	6,227	3,565	531	7	114,170
Transfer of assets (see Note 30)	-	30,790	839	606	-	8	32,243
Additions	-	10	1,106	115	4,603	-	5,834
Transfers	-	-	65	59	(124)	-	-
Disposals	-	-	(132)	(285)	-	-	(417)
At 31 August 2016	2,690	131,950	8,105	4,060	5,010	15	151,830
Depreciation							
At 1 September 2015	-	8,268	4,992	3,383	-	7	16,650
Charged in year	-	2,522	1,492	700	-	8	4,722
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(131)	(285)	-	-	(416)
At 31 August 2016	-	10,790	6,353	3,798	-	15	20,956
Net book value							
At 31 August 2016	2,690	121,160	1,752	262	5,010	-	130,874
At 1 September 2015	2,690	92,882	1,235	182	531	-	97,520

Notes *(continued)*

15 Investment in Subsidiaries - company

	2016 £	2015 £
Shares at cost (100% holding)	<u>2</u>	<u>1</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:

	2016 £	2015 £
John Cabot Ventures Limited - Profit and Loss account		
Turnover	203,664	218,995
Expenditure	(78,001)	(73,467)
Interest receivable	102	97
Profit on ordinary activities before Gift Aid payment	<u>125,765</u>	<u>145,625</u>
Gift Aid payment to Cabot Learning Federation	(125,765)	(145,625)
	-	-
Retained profits brought forward	<u>2,000</u>	<u>2,000</u>
Retained profits carried forward	<u>2,000</u>	<u>2,000</u>
John Cabot Ventures Limited Balance sheet		
Current assets	143,400	167,912
Current liabilities	(141,399)	(165,911)
	<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 £10,300 (2015: £10,199) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.

15 Investment in Subsidiaries – company (continued)

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

	2016	2015
	£	£
City Academy Bristol Trading Limited - Profit and Loss account		
Turnover	17,984	-
Expenditure	(9,637)	-
Interest receivable	-	-
	8,347	-
Profit on ordinary activities before Gift Aid payment	8,347	-
Gift Aid payment to Cabot Learning Federation	-	-
	8,347	-
Retained profits on 1 June 2016	151,369	-
	159,716	-
Retained profits carried forward	159,716	-

	2016	2015
	£	£
City Academy Bristol Trading Limited Balance sheet		
Fixed assets	374,000	-
Current assets	7,382	-
Current liabilities	(44,556)	-
Non-current liabilities	(177,110)	-
	159,716	-
Called up share capital	1	-
Profit and loss account	159,715	-
	159,716	-
Shareholder's funds	159,716	-

Notes (continued)

16 Stock

	Group		Company	
	2016 £000	2015 £000	2016 £000	2015 £000
Sundry stock items	20	17	20	17
	<u>20</u>	<u>17</u>	<u>20</u>	<u>17</u>

17 Debtors

	Group		Company	
	2016 £000	2015 £000	2016 £000	2015 £000
Trade debtors	100	132	97	130
Prepayments	841	568	841	568
Amounts due from subsidiary	-	-	126	146
Accrued income	784	732	784	732
Other debtors	446	395	445	394
	<u>2,171</u>	<u>1,827</u>	<u>2,293</u>	<u>1,970</u>

Amounts owed by intercompany debtors are trading balances repayment 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	
	2016 £000	2015 £000	2016 £000	2015 £000
Balance at 1 September	2,450	1,480	2,450	1,480
Additions	587	970	587	970
	<u>3,037</u>	<u>2,450</u>	<u>3,037</u>	<u>2,450</u>

Notes *(continued)*

19 Creditors: amounts falling due within one year

	Group		Company	
	2016 £000	2015 £000	2016 £000	2015 £000
Trade creditors	1,185	884	1,185	884
Taxation and social security	760	621	760	621
Sundry creditors	768	542	708	522
Accruals and deferred income	2,832	1,898	2,832	1,898
	<u>5,545</u>	<u>3,945</u>	<u>5,485</u>	<u>3,925</u>

At the Balance Sheet date the Academy Trust held deferred income of £669,000 (2015: £512,000). This represents a number of receipts that were received in 2015-16 but related to the 2016-17 academic year. These included devolved formula capital funding, Wallscourt Farm ICT funding, maintenance funding for Wallscourt Farm, rates funding, various CLF Institute grants and funding for infant free school meals.

20 Provisions for liabilities

Group and Company

	2016 £000	2015 £000
Provisions at 1 September	174	244
Utilised during the period	(174)	(184)
Released during the period	-	(60)
Additions during the period	38	174
	<u>38</u>	<u>174</u>

Provisions made during 2014-15 related to anticipated clawbacks at Hans Price Academy in relation to General Annual Grants and Special Educational Needs funding. These were utilised during 2015-16. The provision made in 2015-16 relates to a potential write-off in connection with the transfer of City Academy on 1 June 2016.

21 Creditors: amounts falling due after one year

	Group		Company	
	2016 £000	2015 £000	2016 £000	2015 £000
Sundry creditors	985	-	808	-
	<u>985</u>	<u>-</u>	<u>808</u>	<u>-</u>

The balance within the Company represents amounts due to the Education Funding Agency by City Academy. A repayment plan is in the process of being agreed.

The additional £177k 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 2015 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	4,151	39,605	(40,355)	(985)	2,416
Other restricted funds transferred	404	71	(227)	-	248
Start Up grants	393	199	(315)	-	277
Pupil premium	120	2,550	(2,542)	-	128
Primary PE Sport Premium funding	21	46	(44)	-	23
Infant Free School Meals funding	8	184	(191)	-	1
School Direct salaried funding	-	63	(63)	-	-
Phonics and Moderation grant	-	1	(1)	-	-
Funding for statutory redundancy costs	-	1	(1)	-	-
Summer School funding	78	2	(80)	-	-
Year 7 catch-up funding	-	119	(119)	-	-
Digitech pre-opening funding	22	-	(22)	-	-
Digitech ICT revenue funding	-	11	(16)	5	-
Digitech building revenue funding	-	2	(2)	-	-
Digitech specialist equipment revenue funding	-	28	(28)	-	-
Haywood Village pre-opening funding	-	25	(25)	-	-
Condition improvement fund (revenue)	-	304	(370)	66	-
EFA Core Maths funding	-	9	(9)	-	-
Early Years funding	15	15	(8)	-	22
City Academy re-brokerage funding	-	654	(260)	-	394
School Games organiser funding	-	30	(30)	-	-
SEN grants	120	1,279	(1,339)	-	60
Funding from South Gloucestershire Council - other	125	104	(154)	-	75
Funding from SGC – Resource Base	-	225	(225)	-	-
Funding from SGC – new school subsidy	-	100	(100)	-	-
Funding from SGC – ICT	17	-	(14)	5	8
Funding from SGC – Community funding	7	-	(1)	-	6
Funding from NSC – Haywood Village pre-opening	-	45	(32)	-	13
Funding from NSC – Haywood Village furniture	-	94	(81)	-	13
Funding from NSC – Other	-	1	(1)	-	-
Next Practice grant	16	-	-	-	16
Funding from the British Council	12	-	(11)	-	1
Pupil premium – looked after children	14	142	(154)	-	2
CLF Institute grant	-	182	(182)	-	-
Core Maths funding – other	-	30	(30)	-	-
Maths Hub funding	50	235	(161)	-	124
English Heritage grant	14	-	(1)	-	13
Extended schools funding	22	-	-	-	22
Discretionary ICT funding	1	-	(1)	-	-
Nursery funding	-	177	(177)	-	-
Primary academy revenue surplus transferred	472	-	-	(75)	397
Bristol City Council 2012/13 contingency	1	-	-	-	1
Bristol City Council IT funding	35	-	(9)	-	26
Bristol City Council Infant Class size funding	-	99	(99)	-	-
Bristol City Council discretionary grants	62	-	-	-	62
Other grants	1	-	-	-	1
Other income	43	19	(19)	-	43
Voluntary income	76	2	(2)	-	76
	<u>6,300</u>	<u>46,653</u>	<u>(47,501)</u>	<u>(984)</u>	<u>4,468</u>

Notes (continued)

22 Funds (continued)

	Balance at 1 September 2015 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted pension fund					
Pension reserve	(9,025)	(1,962)	(885)	(11,341)	(23,213)
	<u>(9,025)</u>	<u>(1,962)</u>	<u>(885)</u>	<u>(11,341)</u>	<u>(23,213)</u>
Restricted fixed asset funds					
DfE capital grants	28,776	4,707	(1,204)	57	32,336
BCC ICT funding	367	-	(10)	-	357
NSC furniture funding	-	33	-	-	33
Lottery funding	-	10	(2)	-	8
Primary academy capital surplus transferred	135	-	(8)	-	127
Capital expenditure from Restricted Funds	824	-	(232)	927	1,519
Capital expenditure from Unrestricted Funds	21	-	(20)	11	12
Recognition of transfer of assets – HPA	2,107	-	(54)	-	2,053
Recognition of transfer of assets – KOA	9,083	6,390	(424)	-	15,049
Recognition of transfer of assets – BCA	13,195	-	(296)	-	12,899
Recognition of transfer of assets – BPA	5,704	-	(108)	-	5,596
Recognition of transfer of assets – MPA	1,509	-	(49)	-	1,460
Recognition of transfer of assets – FVA	5,765	-	(109)	-	5,656
Recognition of transfer of assets – SA	1,825	-	(64)	-	1,761
Recognition of transfer of assets – WFA	9,968	-	(145)	-	9,823
Recognition of transfer of assets – IWA	17,211	-	(457)	-	16,754
Recognition of transfer of assets – CAB	-	25,987	(1,485)	-	24,502
Transfer from JCA - private sector sponsorship	1,640	-	(63)	-	1,577
	<u>98,130</u>	<u>37,127</u>	<u>(4,730)</u>	<u>995</u>	<u>131,522</u>
Unrestricted funds					
Unrestricted funds	2,783	1,783	(1,211)	(11)	3,344
	<u>2,783</u>	<u>1,783</u>	<u>(1,211)</u>	<u>(11)</u>	<u>3,344</u>
Total funds	<u>98,188</u>	<u>83,601</u>	<u>(54,327)</u>	<u>(11,341)</u>	<u>116,121</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 was not subject to limits on the amount of GAG that it could carry forward at 31 August 2016.

Other restricted funds transferred relates to the balance of restricted funds (excluding GAG) transferred when the assets and liabilities of John Cabot Academy and City Academy were transferred to the Federation on 1 September 2009 and 1 June 2016 respectively.

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 EFA 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 specialist equipment revenue funding was provided by the EFA in order to purchase certain agreed specialist equipment at Digitech Studio School.

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

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

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 enable the Federation to support the Grange School and funding to support our new academy at Wallscourt Farm Academy and the recently opened primary provision at King's Oak Academy.

The Federation received funding from North Somerset Council in order to support the opening of a new primary provision called Haywood Village Academy. The academy opened on 1 September 2016.

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.

Core Maths other funding is received from CfBT Education Trust. The aim of the funding is to ensure that the vast majority of all Post-16 students continue to study some form of mathematics.

Maths Hub funding has been provided to enable the Federation to establish a Maths Hub. The Maths Hub's aim is to spread excellent maths practice for the benefit of all pupils and students through national collaborative and local projects. These include exchange trips with Chinese maths teachers, the use of higher quality maths textbooks and the recruitment and ongoing training of higher quality maths teachers.

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 28 Pension and similar obligations.

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.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total £000
John Cabot Academy	2,473
Bristol Brunel Academy	1,045
Bristol Metropolitan Academy	859
Hans Price Academy	287
King's Oak Academy	390
Bath Community Academy	282
Hanham Woods Academy	(34)
Digitech Studio School	6
City Academy	(1,243)
Begbrook Primary Academy	1,078
Minerva Primary Academy	747
Frome Vale Academy	305
Summerhill Academy	379
Wallscourt Farm Academy	174
Cabot Learning Federation Central	903
John Cabot Ventures Limited	2
City Academy Bristol Trading Limited	159
	7,812
Restricted fixed asset fund	131,522
Pension reserve	(23,213)
	116,121

Hanham Woods Academy is carrying a net deficit of £34k, which has been reduced from the £145k deficit reported at 31 August 2015. The restructure carried out during 2014-15 should ensure that the academy is in surplus at 31 August 2017.

City Academy is carrying a net deficit of £1,243k that was 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 Funding Agency (EFA). The Federation has undertaken a restructure of staffing at the academy and is in the process of agreeing a repayment plan with the EFA.

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	4,609	968	287	687	6,551
Bristol Brunel Academy	4,237	789	413	1,391	6,830
Bristol Metropolitan Academy	3,821	633	479	1,056	5,989
Hans Price Academy	2,556	658	306	615	4,135
King's Oak Academy	3,299	805	246	827	5,177
Bath Community Academy	1,679	591	167	392	2,829
Hanham Woods Academy	3,519	835	209	616	5,179
Digitech Studio School	551	136	54	122	863
City Academy	1,069	364	37	213	1,683
Begbrook Primary Academy	1,621	386	153	406	2,566
Minerva Primary Academy	1,057	245	80	261	1,643
Frome Vale Academy	783	128	84	222	1,217
Summerhill Academy	999	263	94	254	1,610
Wallscourt Farm Academy	476	110	73	174	833
Cabot Learning Federation Central	1,107	366	311	620	2,404
John Cabot Ventures Limited	-	-	-	78	78
City Academy Bristol Trading Limited	-	-	-	8	8
	<u>31,383</u>	<u>7,277</u>	<u>2,993</u>	<u>7,942</u>	<u>49,595</u>

23 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Intangible fixed assets	-	-	7	7
Tangible fixed assets	374	-	130,874	131,248
Current assets	3,207	10,799	641	14,647
Current liabilities and provisions	(60)	(5,523)	-	(5,583)
Non-current liabilities	(177)	(808)	-	(985)
Pension scheme liability	-	(23,213)	-	(23,213)
Total net assets	<u>3,344</u>	<u>(18,745)</u>	<u>131,522</u>	<u>116,121</u>

Notes *(continued)*

24 Capital commitments

At 31 August 2016 the Federation and Group had capital commitments as follows:

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	44	225
Authorised by governors, but not yet contracted	-	-

25 Commitments under operating leases

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Amounts due within one year	140	119
Amounts due between one and five years	224	230
Amounts due after five years	2	1
	366	350

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 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Notes (continued)

28 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 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS report 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 element of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the year amounted to £3,121,000 (2015: £2,496,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Notes *(continued)*

28 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 2016 was £1,989,000, of which employer's contributions totalled £1,484,000 and employees' contributions totalled £505,000. 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 2016	At 31 August 2015
Rate of increase in salaries	3.3%	3.8%
Rate of increase for pensions in payment/inflation	1.9%	2.3%
Discount rate for scheme liabilities	2.1%	4.0%
Inflation assumption (CPI)	1.8%	2.3%

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 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.5	23.4
Females	26.0	25.9
<i>Retiring in 20 years</i>		
Males	25.9	25.8
Females	28.9	28.8

Notes (continued)

28 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 2016 £000	Fair value at 31 August 2015 £000
Equities	12,305	7,986
Government Bonds	2,970	1,291
Other Bonds	2,339	1,622
Property	2,361	1,163
Cash/Liquidity	(123)	317
Other	4,506	1,981
	<hr/>	<hr/>
Total market value of assets	24,358	14,360
Present value of scheme liabilities – Funded	(47,571)	(23,385)
	<hr/>	<hr/>
Deficit in the scheme	(23,213)	(9,025)
	<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 £651,000 (2015: £725,000).

Amounts recognised in the Statement of Financial Activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	1,832	1,698
Past service cost	-	-
Administration expenses	31	-
Benefits paid / gain/(loss) on curtailment and gain/(loss) on settlement	156	-
	<hr/>	<hr/>
Total operating charge	2,019	1,698
	<hr/>	<hr/>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(651)	(725)
Interest on pension liabilities	1,001	840
	<hr/>	<hr/>
Pension finance cost / (income)	350	115
	<hr/>	<hr/>

Notes *(continued)*

28 Pension and similar obligations *(continued)*

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

	2016 £000	2015 £000
At 1 September	(23,385)	(17,789)
Current service cost	(1,832)	(1,698)
Interest cost	(1,001)	(840)
Employee contributions	(505)	(484)
Actuarial loss	(13,600)	(479)
Benefits paid	417	106
Past service cost	-	-
Curtailments and settlements	(156)	-
Business combinations	(7,509)	(2,201)
	(47,571)	(23,385)
At 31 August	(47,571)	(23,385)

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

	2016 £000	2015 £000
At 1 September	14,360	11,497
Expected return on assets	651	725
Actuarial gain / (loss)	2,259	(551)
Employer contributions	1,484	1,261
Employee contributions	505	484
Benefits paid	(417)	(106)
Administration expenses	(31)	-
Business combinations	5,547	1,050
	24,358	14,360
At 31 August	24,358	14,360

The estimated value of employer contributions for the year ended 31 August 2017 is £1,684,000.

Notes (continued)

29 Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors' being drawn from local public and private sector organisations, transactions may take place with organisations in which the Federation has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Federation's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

University of the West of England - The Federation is also sponsored by the University of the West of England and employs Mr Guy Keith-Miller (a member of the trust). During the period, the Federation received total income of £47,000 (2015: £83,000) of which £45,000 was in respect of teaching school grants (2015: £71,000), with the remainder relating to teacher trainee placements within the academies. The Federation incurred expenditure of £24,000 (2015: £14,000) with the University of the West of England, in respect of room hire in respect of 3 conferences held during the year. There are no amounts receivable or payable as at 31 August 2016.

Veale Wasbrough Vizards – Con Alexander is a partner with Veale Wasbrough Vizards. As one of the Federation's legal advisers, £84,000 (2015: £134,000) was incurred in respect of various legal matters across the Federation. There were a number of one-off costs incurred in 2014-15 that explain the difference between the two years. There are no amounts payable as at 31 August 2016.

Weston College – Marcus Holder is employed by Weston College. The Federation incurred £nil (2015: £14,000) in respect of various educational courses undertaken through Hans Price Academy. There are no amounts payable as at 31 August 2016.

Inspirational Futures Trust – Marcus Holder is a Director of Inspirational Futures Trust. The Federation received total income of £1,000 (2015: £nil) in respect of a catering service provided by City Academy. There are no amounts receivable as at 31 August 2016.

DAC Beachcroft – Anthony Cherry is employed by DAC Beachcroft. The Federation received total income of £4,000 (2015: £nil) in respect of sponsorship of events at Bristol Metropolitan Academy. There are no amounts receivable as at 31 August 2016.

South Gloucestershire Council – Tracey France is employed by South Gloucestershire Council. As a number of our academies were previously operated under this local authority, prior to the transfer into the Federation, there are numerous transactions in terms of both income and expenditure between the parties. During the year, the Federation received income of £1,078,000 (2015: £1,127,000) and incurred expenditure of £637,000 (2015: £396,000). At 31 August 2016, there was an amount payable to South Gloucestershire Council of £51,000 included within creditors.

Bristol City Council - Airlie Fife and Peter Franklin are employed by Bristol City Council. As a number of our Academies were previously under this local authority, prior to the transfer into the Federation, there are numerous transactions in terms of both income and expenditure between the parties. During the year, the Federation received income of £978,000 (2015: £715,000) and incurred expenditure of £2,868,000 (2014: £1,969,000). At 31 August 2016, there was an amount receivable of £6,000 included within debtors and an amount payable to Bristol City Council of £203,000 included within creditors.

Notes (continued)

30 Conversion to an Academy Trust

On 1 September 2015, King's Oak Primary opened as part of the all-through King's Oak Academy. The land and buildings transferred to Cabot Learning Federation for £nil consideration under an existing leasehold agreement.

On 1 September 2015, Digitech Studio School opened as a new academy. The academy occupied temporary accommodation during 2015-16 while a new school was built. The value of the building being constructed is included within Assets under Construction within Note 14 Tangible Fixed Assets. The new school will open in 2016-17. There was a small LGPS pension deficit at the point that the school opened.

On 1 June 2016, the assets and liabilities of City Academy were transferred to the Federation from One World Learning Trust (OWLT) for £nil consideration. At the point of transfer, the assets and liabilities were fair valued in accordance with FRS 102.

On 1 June 2016, the share ownership of City Academy Bristol Trading Limited was reassigned to the Federation from OWLT for £nil consideration. The assets and liabilities were consolidated at book value.

All transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities under the transfer from OWLT / local authority line.

The following tables sets out the fair value of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

King's Oak Primary Academy

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016
	£000	£000	£000	£000
Tangible fixed assets				
. Leasehold land and buildings	-	-	6,390	6,390
. Other tangible fixed assets	-	-	-	-
LGPS pension surplus / (deficit)	-	-	-	-
Net assets	-	-	6,390	6,390

Notes *(continued)*

30 Conversion to an Academy Trust *(continued)*

Digitech Studio School

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016
	£000	£000	£000	£000
Tangible fixed assets				
. Leasehold land and buildings	-	-	-	-
. Other tangible fixed assets	-	-	-	-
LGPS pension surplus / (deficit)	-	(2)	-	(2)
Net assets	-	(2)	-	(2)

City Academy

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016
	£000	£000	£000	£000
Tangible fixed assets				
. Leasehold land and buildings	-	-	24,400	24,400
. Other tangible fixed assets	-	-	1,453	1,453
LGPS pension surplus / (deficit)	-	(1,960)	-	(1,960)
Other assets and liabilities	-	(1,099)	-	(1,099)
Net assets	-	(3,059)	25,853	22,794
Funds				
Restricted general fund	-	(3,193)	-	(3,193)
Restricted fixed asset fund	-	-	25,987	25,987
Unrestricted fund	-	-	-	-
	-	(3,193)	25,987	22,794

Notes *(continued)*

30 Conversion to an Academy Trust *(continued)*

City Academy Bristol Trading Limited

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2016 £000
Tangible fixed assets				
· Leasehold land and buildings.	376	-	-	376
Other assets and liabilities	(225)	-	-	(225)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	151	-	-	151
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

31 Agency arrangements

	2016	2015
	£000	£000
16-19 bursary funding received 2015-16	67	64
16-19 bursary funding disbursed 2015-16	<u>(62)</u>	<u>(43)</u>
Balance in year	<u>5</u>	<u>21</u>
Amount included in other creditors in relation to 16-19 bursary	<u>73</u>	<u>55</u>

32 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Academy Trust's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in that note have been applied in preparing the financial statements for the year ended 31 August 2016 and the comparative information presented in these financial statements for the year ended 31 August 2015.

An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables:

	Note	Net income / expenditure for the year ended 31 August 2015 £000	Equity as at 31 August 2015 £000	Equity as at 31 August 2014 £000
Amount under UK GAAP		24,914	98,188	74,304
Change in recognition of LGPS interest cost	(a)	(221)	-	-
Amount under FRS 102		<u>24,693</u>	<u>98,188</u>	<u>74,304</u>

a) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income / expense. Under FRS102 a net interest expense, based on the defined benefit liability, is recognised in income / expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income / expense by £221,000 and increase the debit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.