

**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 2017

## **Contents**

Reference and Administrative Details	1
Trustees' Report	3
Strategic Report	7
Governance Statement	13
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees Responsibilities	17
Independent auditor's report to the members of Cabot Learning Federation	18
Independent Reporting Accountant's Assurance Report on Regularity to Cabot Learning Federation and the Education Funding Agency	20
Statement of Financial Activities	22
Balance sheet as at 31 August 2017	23
Cash flow statement for the year ended 31 August 2017	24
Notes	25

## Reference and Administrative Details

### Members

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

### Trustees

Jane Harrington (Chair)  
Con Alexander (resigned 07.02.17)  
Anthony Cherry  
Susan Coombes (appointed 27.04.17)  
Airlie Fife  
Pete Franklin  
Jon Gould  
Marcus Holder (resigned 15.11.16)  
Rhodri James  
Guy Keith-Miller  
William Liew (appointed 27.04.17)  
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  
Finance Director  
Head of IT  
Stephen Taylor  
Simon Bowker (resigned 30.09.16)  
Dan Nicholls  
Mandy Milsom  
Ian Payne  
Bryony Green  
Alison Fletcher  
Sarah Lovell  
Andy Ling

### Company Name

Cabot Learning Federation

### 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<sup>th</sup> Floor  
Bridgewater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

### Solicitors

VWV LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

### Auditors

KPMG LLP  
66 Queen Square  
Bristol  
BS1 4BE

### Academies

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

## Trustees' Report

The trustees of Cabot Learning Federation who are also directors under company law, present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, strategic report and directors' report under company law.

The trust operates 15 academies (8 secondary, 6 primary and 1 all-through) in Bristol, Bath and Weston-Super-Mare. Its academies have a combined pupil capacity of 10,942 and had a roll of 7,544 in the school census during January 2017. It also operates a Post 16 provision that had 481 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 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA) and the Companies Act 2006.

### Structure, Governance and Management

#### Constitution

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

The trustees of Cabot Learning Federation are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cabot Learning Federation.

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

#### Members' Liability

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

#### Trustees Indemnities

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

#### Principal activities

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

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

The Articles of Association states that the members of the Trust should comprise; 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 with a pairing system of an experienced trustee with a new trustee during their first few months. Where necessary, induction provides training on charity, educational, legal and financial matters. All trustees are provided with policies, procedures, annual accounts,

management accounts, annual budgets, financial reports and other documents that they require to undertake their role as trustees.

### **Organisational Structure**

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

The Board's responsibilities are:

- To provide strategic direction for the Federation including the addition of further new Academies.
- To provide strategic vision and support for School Improvement across the Federation.
- To monitor the effectiveness of the Federation support programme and to ensure that the Academies are satisfied with the support and that they are getting value for money.
- To appoint and performance manage the Chief Executive Officer.
- To receive reports from the Executive 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: 2 ex-officio, 5 appointed by the Board and 6 who represent the Academy community. The councillor roles are:

- 2 Councillors who are ex-officio:
  - The Executive Principal.
  - The Principal.
- 5 Councillors appointed by the sponsors, one of whom is the chair, plus
- 6 Councillors who represent the Academy community, including:
  - 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 2017 has been overseen by Stephen Taylor, the Chief Executive Officer and the Senior Executive Leadership Team which consists of Executive Principals, the Finance Director, HR Director, Head of Compliance, Director of CLF Institute, and Head of IT. Each Academy also has a senior leadership team, responsible for the strategic and operational decision making at academy level, with responsibility for implementing the individual academies' annual improvement plans, and organising teaching and learning, facilities, and student support frameworks.

### **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.

### 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 of Teaching and Learning, Education and Skills Funding Agency, the Department for Education, and the Local Authorities within which the academies operate.

The Federation owns 100% of the issued ordinary shares of John Cabot Ventures Ltd, a Company registered in England and Wales (no. 03057532). This company operates the commercial affairs of the Federation. For the year to 31 August 2017, the subsidiary will donate the whole of its taxable profits to the Federation. The consolidated financial statements include the results for John Cabot Ventures Ltd for the year to 31 August 2017.

The Federation owns 100% of the issued ordinary shares of City Academy Bristol Trading Limited, a Company registered in England and Wales (no. 05342913). The company owns and manages a building used by the Federation. The 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 year to 31 August 2017.

### Objectives and Activities

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

The vision, aims and objectives of the Federation during the year ended 31 August 2017 are summarised below.

#### Core Purpose

The core purpose of the CLF is at the HEART of what 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.

#### Embedding Excellence

In the course of 2015-2016, the 'Embedding Excellence' vision was developed 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 the sub-themes. These were updated for 2016-2017 as below:



The plan itself drew on objectives and strategies defined both by the ambitions of the Federation over this period and the aspects of improvement drawn from the annual process of self-evaluation. The self-evaluation process was founded on the statutory and non-statutory guidance provided by the Ofsted Inspection Framework, the Academies Financial Handbook and the best-practice guidance and checklists provided for Multi-Academy Trusts by the Regional Schools Commissioner of the South West, as well as by other relevant regulatory bodies. Each year, the objectives within the core strategy are reviewed and updated where necessary to deliver the core ambition of embedding excellence by 2020.

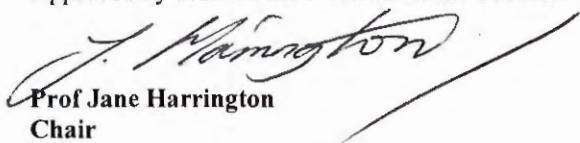
In order to ensure high accountability at Board level, individual trustees are linked to each of the five areas in the strategic plan, so lead officers can be held to account and developments in each area can be effectively tracked and monitored. The trustee links were organised thus:

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

### 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 30 November 2017 and signed on its behalf by:

  
**Prof Jane Harrington**  
 Chair

## Strategic Report

### Structural changes

During the course of 2016-2017 the trust developed a notion of how best to structure itself to provide both more effective support for its current academies and also to lay the foundations for growth in the future. Having identified the ‘cluster’ model as the structure likely to best promote trust business and accelerate school improvement, the trust plans to move to three geographically-centred clusters in Bristol, North Somerset and South Gloucestershire. The project to move to clusters will be developed over the course of 2017-18 ready for full implementation in September 2018.

### Growth and Leadership

During the course of 2016-17, the Cabot Learning Federation developed its provision thus:

- 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 – approved as training provider and SCITT opened
- Digitech Studio School moved into its new purpose-built accommodation in November 2016
- Added new Year groups to its provisions at King’s Oak Academy (Primary Phase) and Wallscourt Farm Academy
- Pupil Admission Numbers were extended at John Cabot Academy, Bristol Brunel Academy and King’s Oak Academy (Secondary Phase) in response to local demographic need
- Commenced work of the re-build of Minerva Primary Academy.

The majority of CLF academies ended the academic year 2016-2017 with leadership teams that were full and stable.

The Federation grew and augmented its leadership capacity thus:

- Miss Sarah Lovell appointed as Finance Director
- Mr Laurie Munro appointed as Principal at Begbrook Primary Academy, transferring from Summerhill Academy (September 2017 start)
- Mrs Rebecca Curtis appointed as Principal at Summerhill Academy (January 2018 start)

### Start of 2017-18

During 2016-17, resources were refocused to educational capacity and the following posts were recruited, effective September 2017:

- Dr Dan Nicholls appointed as Executive Director of Education
- Mrs Sally Apps appointed as Executive Principal
- Mr Tony Searle appointed as Senior Principal
- Mrs Helen Angell appointed as Director of School Improvement
- Miss Michelle Moxham appointed as SCITT Director

### Ofsted

In January 2017 Ofsted visited Bristol Metropolitan Academy, which it judged to be Good with outstanding features.

## Results / Outcomes for 2016-2017

### Post-16 Outcomes 2017

The Post-16 outcomes for summer 2017 improved significantly compared to 2016 and historic performance. Attainment improved, with the percentage of entries achieving A\*-B up to 39.6% compared to 28.3% in 2016. A\*-A is now 22% compared to 15.4% in 2016 and U grades have more than halved to 2.2%. Progress is also positive and improved by 0.36 from 2016.

This performance is the result of stronger leadership, higher levels of accountability, curriculum change and stronger course guidance for students. This is significant improvement in area that has underperformed over time.

### Secondary Outcomes 2017 (Key Stage 4)

Attainment for Basics (9-4 English and Maths) is 53% and broadly in-line with the Basics A\*-C of 2016 (55%) despite the more challenging 100% exams in English and Maths, which was likely to disproportionately impact upon disadvantaged students. Best ever attainment was achieved at KOA, BMA, and HPA. Progress 8 is also broadly in-line with progress in 2016 at -0.18. There is significant variation in Progress 8 across the Academies with BMA, CAB, HPA and BBA all positive, KOA improving and HWA, JCA, DSSB and BCA negative. Pupil Premium students have made slightly more progress this year compared to 2016.

### Primary Outcomes 2017

#### 1.1 Early Years

Outcomes in 2017 in Early Years continued to improve in nearly all CLF academies. Approximately half of the pupils enter reception below or well below national expectations; nevertheless five out of the six academies' Good Level of Development (GLD) is above the national average, with the overall CLF figure at 72% (national average 69.3% (2016)).

In 2013, an analysis of Early Years data ahead of a DfE visit identified that there were significant differences in the percentage of pupils achieving GLD across the academies, for example MPA's GLD for that year stood at 22%. An Early Years network was established and led by Susie Weaver, Senior Principal at WFA. The impact of this network has been significant, with GLD rising year on year in the majority of settings.

Responding proactively to trials around communication skills, all settings invested in speech and language support over the last 2 years and as a result in 2017, 86% of all pupils achieved the Early Learning Goal for communication (84% of disadvantaged pupils).

#### 1.2 Phonics

Outcomes for pupils in phonics has shown year on year improvement. Over the last 2 years 100% of academies have achieved improved phonics results. BPA, FVA and WFA all exceeded the national average with FVA and WFA achieving 96% and 90% respectively. The Year 2 phonics check shows that 90% of pupils pass with no gap between the performance of disadvantaged and other pupils.

Repeated outstanding phonics outcomes at FVA have led to the identification of a lead practitioner who will be taking up a pan-federation role in September 2017.

#### 1.3 Key Stage 1

Nearly all of the 4 CLF academies improved their SATs outcomes from 2016. FVA exceeded the 2016 national averages in all 3 subjects with a significant number of pupils achieving greater depth in all 3 areas. The improvements at BPA and WFA show outcomes to be broadly in line with national averages in all 3 subjects.

Previously a trial, maths outcomes have improved to 77% of pupils achieving age-related expectations and 22% working at greater depth.

#### 1.4 Key Stage 2

The Key Stage 2 outcomes in the CLF improved on the 2016 results overall. This improvement did not keep pace with the national improvement trend to 61%, however, a greater number of higher attaining pupils achieved greater depth in reading across all four academies leading to a 16% increase. In writing, the conversion of middle attaining pupils was high at BPA, FVA and MPA. Although these are teacher-assessed MPA and FVA were moderated externally, which supported the judgements of the internal moderation process previously applied across the CLF.

The main shift in approach for 2017-18 has involved the consideration of the new Year 6 group as one whole cohort, using coordinated Raising Attainment Strategies (such as those prescribed by PiXL) to improve the conversion rate across the subjects. The most successful Year 6 teacher from last year (from BPA) has taken on the Raising Standards Leader role for the 242 pupils in the CLF Year 6 cohort this year. It will also be the case that for BPA, FVA and MPA, the incoming Year 6 cohort will be the last of the 'legacy' cohorts of children who were taught in the schools before they joined the CLF as academies. As the outcomes demonstrate further down in earlier key stages, the pupils arriving since 2012 have had a considerably more secure formative experience than their predecessors.

#### 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 2016 to 31 August 2017.

Most of the Federation's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). Grants are made to each of the individual academies within the Federation and are restricted to fund the activities of the academy to which they are granted.

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

During the period ended 31 August 2017, total expenditure of £60,539,000 (excluding FRS102 pension fund adjustments) was met by recurrent grant funding from the ESFA, other incoming resources, and funding carried forward from the previous year. The excess of expenditure over income for the year was £5,195,000 (deficit of £924,000 excluding the FRS102 pension fund adjustments and the restricted fixed asset fund). The £924,000 expenditure included a number of planned investments utilising carry forward reserves to improve estates across the Federation, for school improvement projects and upgrades of ICT equipment.

At 31 August 2017 the net book value of fixed assets excluding investment properties was £126,660,000 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. Budget targets for the 2017-18 financial year are set at a 1% surplus of income to ensure maximisation of funding being spent in year on current students and also ensure a suitable level of funds to replenish reserves spend on suitable investments.

The Federation continues to offer central finance, HR, school improvement, health and safety, IT and project management functions, which provide back office services as well as professional support to the Academies.

### **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 or Studio Schools	£200k
- Secondary BSF academy or new build within 5 years	£150k
- All through provision	£350k
- Primary academies	£150k
- CLF Central	£75k

All proposals for the use of reserves must be approved by the Board on an academy by academy basis for values in excess of £250k.

### **Investment Policy**

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

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

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

### **Principal Risks and Uncertainties**

#### **Risk Management**

The 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 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The key areas of focus are:

#### **Governance and legal**

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

## **Strategic**

The key risks in this area relate to the delivery of the Cabot Learning Federation's 5 year strategic plan to embed excellence by 2020 whilst still ensuring suitable attention to core business and the performance of the Executive team. Capacity within the central team is continually reviewed to ensure correct skill set and sufficient capacity.

## **Educational**

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

## **Human Resources**

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

## **Health and Safety**

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

## **Other Legal and Operational**

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

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

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

## **Financial**

### *Liquidity risk*

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

### *Interest rate risk*

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

### *Financial Sustainability risk*

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

*Other risks*

The Federation is exposed to price risks, but 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**

During 2017-2018 the trust will be developing the cluster structure to move to three geographically-centred clusters in Bristol, North Somerset and South Gloucestershire effective September 2018. New classes will be opened at HVA, WFA and KOA (primary) and expansion planned at KOA (secondary), JCA and BBA. Bath Community Academy will be closing August 2018. Other opportunities for growth are being explored, particularly in the primary phase.

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

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

**Anditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware;
- and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 30 November 2017 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 7 times during the year. Attendees during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
Jane Harrington (Chair)	7	7
Con Alexander	1	3
Anthony Cherry	7	7
Susan Coombes	3	3
Airlie Fife	7	7
Peter Franklin	6	7
Jon Gould	6	7
Marcus Holder	0	1
Rhodri James	3	7
Guy Keith-Miller	5	7
William Liew	3	3
Nicky McAllister	7	7
Ron Ritchie	7	7

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

## 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 Finance team to investigate potential cost savings and budget challenges;
- The appointment of a Procurement Manager to review all aspects of the Federation's expenditure and make recommendations where cost savings can be made;
- Where appropriate, vacancies have not been made on a like for like basis, which have seen some staff working across several sites and therefore sharing the cost across those academies;
- Installed energy efficient lighting at a number of sites which will see reduced energy bills in the future.

## 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 2017 and up to the date of approval of the annual report and financial statements.

## Capacity to Handle Risk

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

## The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and 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 2017 concludes:

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

During 2016-17, the Internal Auditor reviewed and evaluated the Federation's internal control arrangements in relation to financial controls, data protection and risk management.

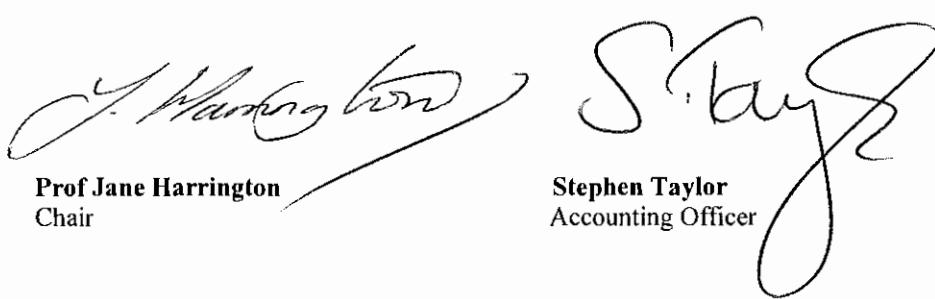
#### **Review of Effectiveness**

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

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

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

Approved by order of the members of the Governing Body on 30 November 2017 and signed on its behalf by:



The image shows two handwritten signatures. The signature on the left is 'Prof Jane Harrington' and the signature on the right is 'Stephen Taylor'. Both signatures are written in black ink on a white background.

**Prof Jane Harrington**  
Chair

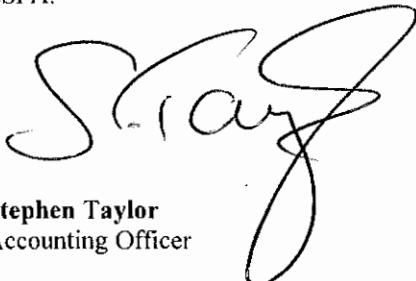
**Stephen Taylor**  
Accounting Officer

## **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Cabot Learning Federation I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. 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 ESFA.

  
**Stephen Taylor**  
Accounting Officer

## Statement of Trustees Responsibilities

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group and charitable company's incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Approved by order of the members of the Board of Trustees on 30 November 2017 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 ("the charitable company") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, Balance sheet, Cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 August 2017, and of the Group's and the charitable company's incoming resources and application of resources, including the Group and charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2016 to 2017* issued by the Education and Skills Funding Agency.

#### Basis for opinion

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

#### Going concern

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

#### Other information

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

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

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

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

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

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

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

We have nothing to report in these respects.

### Trustees' responsibilities

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

### Auditor's responsibilities

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

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

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

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

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

Date: *5 December 2017*



## 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 and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 23 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cabot Learning Federation (the Academy Trust) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and ESFA, 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 dated 2 July 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the 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 'at cost' requirements of the Academies Financial Handbook 2016;
- 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 2016 to 2017.

### **Conclusion**

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



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

Date: *5 December 2017*

**Consolidated Statement of Financial Activities for the year ended 31 August 2017**  
 (including Income and Expenditure Account)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2017 £000	Total 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	149	2,055	<b>2,204</b>	4,758
Transfer from OWLT / local authority on conversion	30	-	-	-	-	29,333
<b>Charitable activities:</b>						
Funding for the Academy Trust's educational operations	4	524	51,817	-	<b>52,341</b>	47,714
Teaching schools		296	991	-	<b>1,287</b>	593
Other trading activities	5	1,495	45	-	<b>1,540</b>	1,124
Investment Income	6	61	-	-	<b>61</b>	79
<b>Total</b>		<u>2,376</u>	<u>53,002</u>	<u>2,055</u>	<u><b>57,433</b></u>	<u>83,601</u>
<b>Expenditure on:</b>						
Raising funds	7	1,264	43	-	<b>1,307</b>	710
Charitable activities:						
Academy Trust's educational operations	8	906	54,369	4,738	<b>60,013</b>	53,098
Teaching schools		296	1,012	-	<b>1,308</b>	519
<b>Total</b>	7	<u>2,466</u>	<u>55,424</u>	<u>4,738</u>	<u><b>62,628</b></u>	<u>54,327</u>
<b>Net income and expenditure</b>		(90)	(2,422)	(2,683)	<b>(5,195)</b>	29,274
Transfers between funds	22	(9)	(492)	501	-	-
<b>Net income / (expenditure) for the year</b>		(99)	(2,914)	(2,182)	<b>(5,195)</b>	29,274
<b>Other recognised gains and losses:</b>						
Actuarial (losses) / gains on defined benefit pension schemes	22,28	-	4,335	-	<b>4,335</b>	(11,341)
<b>Net movement in funds</b>		(99)	1,421	(2,182)	<b>(860)</b>	17,933
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2016	22	3,344	(18,745)	131,522	<b>116,121</b>	98,188
<b>Total funds carried forward at 31 August 2017</b>	22	<u>3,245</u>	<u>(17,324)</u>	<u>129,340</u>	<u><b>115,261</b></u>	<u>116,121</u>

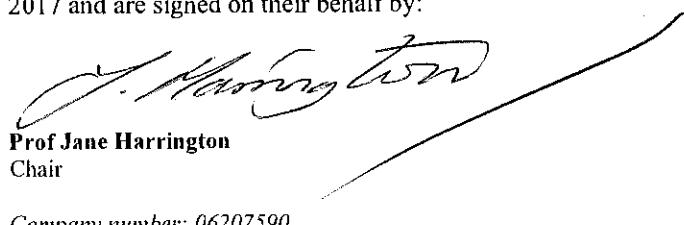
All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

Company number: 06207590

## Balance Sheet as at 31 August 2017

	<i>Note</i>	<b>Group</b>	<b>Company</b>		
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Fixed assets</b>					
Intangible assets	13	5	7	5	7
Tangible assets	14	126,660	128,558	126,295	128,184
Investment properties	14	2,690	2,690	2,690	2,690
Investment in subsidiaries	15	-	-	-	-
		<b>129,355</b>	<b>131,255</b>	<b>128,990</b>	<b>130,881</b>
<b>Current assets</b>					
Stocks	16	13	20	13	20
Debtors	17	2,323	2,171	2,488	2,293
Investments	18	4,751	3,037	4,751	3,037
Cash at bank and in hand		6,379	9,419	6,192	9,273
		<b>13,466</b>	<b>14,647</b>	<b>13,444</b>	<b>14,623</b>
<b>Creditors: Amounts falling due within one year</b>	19	(6,119)	(5,545)	(6,037)	(5,485)
<b>Provisions</b>	20	(3)	(38)	(2)	(38)
		<b>7,344</b>	<b>9,064</b>	<b>7,405</b>	<b>9,100</b>
<b>Total assets less current liabilities</b>	21	136,699	140,319	136,395	139,981
<b>Creditors: Amounts falling due after one year</b>		(889)	(985)	(751)	(808)
		<b>135,810</b>	<b>139,334</b>	<b>135,644</b>	<b>139,173</b>
<b>Net assets excluding pension liability</b>					
Pension scheme liability	28	(20,549)	(23,213)	(20,549)	(23,213)
		<b>115,261</b>	<b>116,121</b>	<b>115,095</b>	<b>115,960</b>
		<b>115,261</b>	<b>116,121</b>	<b>115,095</b>	<b>115,960</b>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	22	129,340	131,522	129,340	131,522
General fund	22	3,643	4,468	3,643	4,468
Pension reserve	22	(20,967)	(23,213)	(20,967)	(23,213)
		<b>112,016</b>	<b>112,777</b>	<b>112,016</b>	<b>112,777</b>
<b>Unrestricted income funds</b>					
General fund	22	3,245	3,344	3,079	3,183
		<b>115,261</b>	<b>116,121</b>	<b>115,095</b>	<b>115,960</b>

The financial statements on pages 22 to 64 were approved by the Trustees, and authorised for issue on 30 November 2017 and are signed on their behalf by:

  
 Prof Jane Harrington  
 Chair

Company number: 06207590

## Statement of Cash Flows for the year ended 31 August 2017

	2017 £000	2016 £000
<b>Cash flows from operating activities</b>		
Result for the year	(5,195)	29,274
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	4,747	4,732
Loss on sale of fixed assets	-	1
Capital grants from DfE and other capital income	(1,215)	(4,750)
Revaluation of land and buildings	(840)	-
Defined benefit pension scheme obligation inherited	-	1,962
Defined benefit pension scheme cost less contributions payable	1,203	535
Defined benefit pension scheme finance cost	468	350
Interest receivable and similar income	(61)	(79)
Interest payable and similar charges	11	3
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/>
(Increase)/decrease in trade and other debtors	(882)	733
(Increase)/decrease in stocks	(93)	(55)
(Decrease)/increase in trade and other creditors	7	17
(Decrease)/increase in provisions and employee benefits	(123)	909
	(35)	(174)
	<hr/>	<hr/>
Tax paid	(1,126)	1,430
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>(1,126)</b>	<b>1,430</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	73	79
Purchase of investments	(1,713)	(587)
Purchase of intangible fixed assets	-	(10)
Purchase of tangible fixed assets	(1,586)	(5,834)
Capital grants from DfE / ESFA	1,339	4,717
Capital funding received from sponsors and others	22	33
	<hr/>	<hr/>
<b>Net cash from investing activities</b>	<b>(1,865)</b>	<b>(1,602)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Interest paid	(38)	(3)
Repayment of borrowings	(11)	(6)
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	<b>(49)</b>	<b>(9)</b>
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	(3,040)	(181)
Cash and cash equivalents at 1 September 2016	9,419	9,513
Cash and cash equivalents transferred on 1 June 2016	-	87
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 August 2017</b>	<b>6,379</b>	<b>9,419</b>
	<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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

These financial statements consolidated the results of the Federation and its wholly owned subsidiaries, John Cabot Ventures Limited 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 deficit for the year was £860,000 (2016: *surplus of £17,933,000*).

#### *Going Concern*

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

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

#### *Critical areas of judgement*

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

**Notes (continued)**

**2 General Annual Grant (GAG)**

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

**3 Donations and capital grants**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
DfE / ESFA capital grants	-	1,193	1,193	4,707
North Somerset Council funding	-	22	22	33
Revaluation of land and buildings	-	840	840	-
Lottery capital grant	-	-	-	10
Miscellaneous donations	-	149	149	8
	—	—	—	—
	-	2,204	2,204	4,758
	—	—	—	—
	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	
DfE / ESFA capital grants	-	4,707	4,707	
North Somerset Council funding	-	33	33	
Lottery capital grant	-	10	10	
Miscellaneous donations	-	8	8	
	—	—	—	—
	-	4,758	4,758	
	—	—	—	—

**Notes (continued)**

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

	Unrestricted £000	Restricted £000	2017 £000	2016 £000
Department for Education revenue grant				
- General Annual Grant (GAG)	-	45,128	<b>45,128</b>	40,909
- Bursary contribution - admin costs	4	-	<b>4</b>	3
- Start up funding	-	58	<b>58</b>	199
- Phonics and Moderation Grant	-	-	-	1
- Infant Free School Meals funding	-	230	<b>230</b>	184
- Summer School funding	-	-	-	2
- Primary PE Sport Premium funding	-	55	<b>55</b>	46
- City Academy re-hrokerage funding	-	-	-	654
- Pupil Premium funding	-	2,915	<b>2,915</b>	2,550
- Digitech ICT revenue funding	-	72	<b>72</b>	11
- Digitech building revenue funding	-	-	-	2
- Digitech specialist equipment revenue funding	-	20	<b>20</b>	28
- Haywood Village pre-opening funding	-	-	-	25
- Year 7 catch-up funding	-	138	<b>138</b>	119
- Funding for statutory redundancy costs	-	-	-	1
- School Direct salaried funding	-	164	<b>164</b>	63
- Condition improvement fund (revenue)	-	334	<b>334</b>	304
- Core Maths funding	-	-	-	9
- Early Years funding	-	-	-	15
- Other funding	-	26	<b>26</b>	-
	—	—	—	—
	4	49,140	<b>49,144</b>	45,125
	—	—	—	—

**Notes (continued)**

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

	Unrestricted £000	Restricted £000	2017 £000	2016 £000
Other government grants				
- Special Educational Needs funding	-	1,166	1,166	1,279
- Pupil premium – looked after children	-	124	124	142
- School Games organiser funding	-	48	48	30
- Maths Hub funding	-	-	-	5
- Erasmus funding	-	12	12	-
- Nursery funding from Bristol City Council	-	165	165	177
- Funding from Bristol City Council - Other	40	103	143	-
- Funding from Bristol City Council - Infant Class Size grant	-	106	106	99
- Bristol City Council – sale of CLF Nest places	150	-	150	48
- Funding from South Gloucestershire Council – Grange School	-	-	-	15
- Funding from South Gloucestershire Council – Resource Base	-	247	247	225
- Funding from South Gloucestershire Council – ICT funding (revenue)	-	18	18	-
- Funding from South Gloucestershire Council – new school subsidy	-	100	100	100
- Funding from South Gloucestershire Council – Other	-	62	62	104
- Funding from North Somerset Council – Haywood Village pre-opening funding	-	-	-	45

**Notes (continued)**

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

	Unrestricted £000	Restricted £000	2017 £000 220	2016 £000 94
- Funding from North Somerset Council – Haywood Village furniture funding	-	220		
- Funding from North Somerset Council - Other	-	229	<b>229</b>	1
	190	2,600	<b>2,790</b>	2,364
Other income				
- Researchers in Schools	-	29	<b>29</b>	-
- Future Quest	-	25	<b>25</b>	-
- Teachfirst	-	7	<b>7</b>	4
- Catering income	278	-	<b>278</b>	149
- Music tuition fees	44	-	<b>44</b>	45
- Other	8	16	<b>24</b>	27
	330	77	<b>407</b>	225
	524	51,817	<b>52,341</b>	47,714
Department for Education revenue grant				
- General Annual Grant (GAG)	-	40,909	<b>40,909</b>	
- Bursary contribution - admin costs	3	-		3
- Start up funding	-	199	<b>199</b>	
- Phonics and Moderation Grant	-	1	<b>1</b>	
- Infant Free School Meals funding	-	184	<b>184</b>	
- Summer School funding	-	2	<b>2</b>	
- Primary PE Sport Premium funding	-	46	<b>46</b>	
- City Academy re-brokerage funding	-	654	<b>654</b>	
- Pupil Premium funding	-	2,550	<b>2,550</b>	
- Digitech ICT revenue funding	-	11	<b>11</b>	
- Digitech building revenue funding	-	2	<b>2</b>	
- Digitech specialist equipment revenue funding	-	28	<b>28</b>	
- Haywood Village pre-opening funding	-	25	<b>25</b>	
- Year 7 catch-up funding	-	119	<b>119</b>	
- Funding for statutory redundancy costs	-	1	<b>1</b>	
- School Direct salaried funding	-	63	<b>63</b>	
- Condition improvement fund (revenue)	-	304	<b>304</b>	
- Core Maths funding	-	9	<b>9</b>	
- Early Years funding	-	15	<b>15</b>	
	3	45,122	<b>45,125</b>	

**Notes (continued)**

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

	Unrestricted £000	Restricted £000	2016 £000
Other government grants			
- Special Educational Needs funding	-	1,279	1,279
- Pupil premium – looked after children	-	142	142
- School Games organiser funding	-	30	30
- Core Maths funding	-	-	-
- Maths Hub funding	-	5	5
- Nursery funding from Bristol City Council	-	177	177
- Funding from Bristol City Council - Infant Class Size grant	-	99	99
- Bristol City Council – sale of CLF Nest places	48	-	48
- Funding from South Gloucestershire Council – Grange School	15	-	15
- Funding from South Gloucestershire Council – Resource Base	-	225	225
- Funding from South Gloucestershire Council – new school subsidy	-	100	100
- Funding from South Gloucestershire Council – Other	-	104	104
- Funding from North Somerset Council – Haywood Village pre-opening funding	-	45	45
- Funding from North Somerset Council – Haywood Village furniture funding	-	94	94
- Funding from North Somerset Council - Other	-	1	1
	63	2,301	2,364
Other income			
- Teachfirst	-	4	4
- Catering income	149	-	149
- Music tuition fees	45	-	45
- Other	27	-	27
	221	4	225
	287	47,427	47,714

**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 2017 £000	Total 2016 £000
Salary recharges	29	-	29	70
Grange School support	-	-	-	111
Easton Academy support	6	-	6	2
Fishponds Academy support	18	-	18	18
City Academy support	-	-	-	85
John Cabot Ventures Limited	223	-	223	204
City Academy Bristol Trading Limited	58	-	58	18
Letting of facilities	622	-	622	301
Student teacher training	-	43	43	9
Education projects	92	-	92	15
Sale of uniform	13	-	13	11
NLE bursary	6	-	6	6
Training income	10	-	10	10
Sale of CLF Engage / Nest places	15	-	15	16
Other sundry income	403	2	405	248
	1,495	45	1,540	1,124
	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	
Salary recharges	70	-	70	
Grange School support	111	-	111	
Easton Academy support	2	-	2	
Fishponds Academy support	18	-	18	
City Academy support	85	-	85	
John Cabot Ventures Limited	204	-	204	
City Academy Bristol Trading Limited	18	-	18	
Letting of facilities	301	-	301	
Student teacher training	-	9	9	
Education projects	15	-	15	
Sale of uniform	11	-	11	
NLE bursary	6	-	6	
Training income	10	-	10	
Sale of CLF Engage / Nest places	16	-	16	
Other sundry income	248	-	248	
	1,115	9	1,124	

**6 Investment income**

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Bank interest	61	-	61	79
	61	-	61	79

**Notes (continued)**

**6 Investment income (continued)**

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Bank interest	79	-	79
	79	-	79

**7 Expenditure**

	Staff costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2017 £000	Total 2016 £000
Expenditure on raising funds Academy Trust's educational operations	646	184	477	1,307	710
- Direct costs	34,821	3,542	3,524	41,887	37,009
- Allocated support costs	9,449	3,722	4,955	18,126	16,089
Teaching Schools	571	6	731	1,308	519
	45,487	7,454	9,687	62,628	54,327
	=====	=====	=====	=====	=====

	Staff costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2016 £000	
Expenditure on raising funds Academy Trust's educational operations	252	144	314	710	
- Direct costs	30,693	2,400	3,916	37,009	
- Allocated support costs	7,340	3,761	4,988	16,089	
Teaching Schools	375	4	140	519	
	38,660	6,309	9,358	54,327	
	=====	=====	=====	=====	=====

2017  
£000                    2016  
£000

**Net income / (expenditure) for the period includes:**

Operating lease rentals	177	132
Depreciation	4,745	4,724
Amortisation of intangible fixed assets	2	8
(Gain) / loss on disposal of fixed assets	-	1
Fees payable to auditor for:		
- audit	53	52
- other services	11	14

**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	57,552	18,875	Employee's employment with the Federation terminated by mutual agreement.
		13,650	As above
		12,000	As above
		5,500	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 2017 £000	Total 2016 £000
<b>Direct costs – educational operations</b>				
Teaching and educational support staff costs	344	34,477	<b>34,821</b>	30,693
Depreciation	-	3,885	<b>3,885</b>	3,460
Technology costs	-	122	<b>122</b>	100
Educational supplies	-	716	<b>716</b>	667
Examination fees	-	538	<b>538</b>	472
Staff development	-	122	<b>122</b>	121
Educational consultancy	28	1,274	<b>1,302</b>	1,158
Other direct costs	13	368	<b>381</b>	338
	385	41,502	<b>41,887</b>	37,009
	_____	_____	_____	_____
<b>Support costs – educational operations</b>				
Support staff costs	15	9,434	<b>9,449</b>	7,340
Depreciation	9	851	<b>860</b>	1,264
Amortisation	-	2	<b>2</b>	8
Technology costs	-	697	<b>697</b>	593
Premises	155	3,460	<b>3,615</b>	3,654
Other support costs	342	3,105	<b>3,447</b>	3,170
Governance costs	-	56	<b>56</b>	60
	521	17,605	<b>18,126</b>	16,089
	_____	_____	_____	_____
	906	59,107	<b>60,013</b>	53,098
	_____	_____	_____	_____

**Notes (continued)**

**8 Charitable activities (continued)**

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
<b>Direct costs – educational operations</b>			
Teaching and educational support staff costs	116	30,577	<b>30,693</b>
Depreciation	-	3,460	<b>3,460</b>
Technology costs	-	100	<b>100</b>
Educational supplies	-	667	<b>667</b>
Examination fees	1	471	<b>472</b>
Staff development	-	121	<b>121</b>
Educational consultancy	32	1,126	<b>1,158</b>
Other direct costs	-	338	<b>338</b>
	149	36,860	<b>37,009</b>
<b>Support costs – educational operations</b>			
Support staff costs	3	7,337	<b>7,340</b>
Depreciation	2	1,262	<b>1,264</b>
Amortisation	-	8	<b>8</b>
Technology costs	-	593	<b>593</b>
Premises	-	3,654	<b>3,654</b>
Other support costs	199	2,971	<b>3,170</b>
Governance costs	-	60	<b>60</b>
	204	15,885	<b>16,089</b>
	353	52,745	<b>53,098</b>

**Notes (continued)**

**9 Staff**

**a. Staff costs**

Staff costs during the period were:	2017 £000	2016 £000
Wages and salaries	33,264	29,348
Social security costs	2,816	2,146
Pension costs	7,449	5,430
Apprenticeship levy	63	-
	43,592	36,924
Supply teacher costs	1,523	1,392
Staff restructuring payments	372	344
	45,487	38,660

## Notes *(continued)*

### 9 Staff costs *(continued)*

#### b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £57,552 (2016: £137,670). Four of the non-statutory/non-contractual payments exceeded £5,000 individually and are disclosed in note 7.

#### c. Staff numbers

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

	2017 No.	2016 No.
Teachers	576	532
Administration and support	887	722
Management	104	93
	<hr/>	<hr/>
	1,567	1,347
	<hr/>	<hr/>

#### d. Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	11	13
£70,001 - £80,000	9	5
£80,001 - £90,000	4	4
£90,001 - £100,000	3	2
£100,001 - £110,000	1	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	<hr/>	<hr/>
	29	25
	<hr/>	<hr/>

27 (2016: 24) of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme, and 2 (2016: 1) in the Local Government Pension Scheme. During the year ended 31 August 2017, the Federation's pension contributions for these staff amounted to £346,344 (2016: £296,393).

#### 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 £745,000 (2016: £758,000).

## 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% (2016: 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:

	2017 £000	2016 £000
John Cabot Academy	<b>235</b>	244
Bristol Brunel Academy	<b>314</b>	383
Bristol Metropolitan Academy	<b>299</b>	334
Hans Price Academy	<b>175</b>	166
King's Oak Academy	<b>309</b>	263
Bath Community Academy	<b>103</b>	113
Hanham Woods Academy	<b>201</b>	208
Digitech Studio School	<b>50</b>	14
City Academy	<b>240</b>	2
CLF Post 16	<b>131</b>	122
Begbrook Primary Academy	<b>117</b>	118
Minerva Primary Academy	<b>91</b>	84
Frome Vale Academy	<b>64</b>	65
Summerhill Academy	<b>89</b>	89
Walls court Farm Academy	<b>54</b>	45
Haywood Village Academy	<b>22</b>	-
	<b>2,494</b>	2,250

### 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 2017 was £5,799 (2016: £4,879).

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

**Notes (continued)**

**13 Intangible Fixed Assets**

<b>Group and Company</b>	<b>Computer software</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<b><i>Cost</i></b>		
At 1 September 2016	33	<b>33</b>
Additions	-	-
Disposals	(8)	<b>(8)</b>
<b>At 31 August 2017</b>	<b>25</b>	<b>25</b>
<b><i>Amortisation</i></b>		
At 1 September 2016	26	<b>26</b>
Charged in year	2	<b>2</b>
Disposals	(8)	<b>(8)</b>
<b>At 31 August 2017</b>	<b>20</b>	<b>20</b>
<b><i>Net book value</i></b>		
<b>At 31 August 2017</b>	<b>5</b>	<b>5</b>
<b>At 1 September 2016</b>	<b>7</b>	<b>7</b>

**Notes (continued)**

**14 Tangible Fixed assets**

	Investment Properties	Leasehold land & buildings	Furniture and equipment	Computer Equipment & software	Assets under construction	Motor vehicles	Total
<b>Group</b>	£000	£000	£000	£000	£000	£000	£000
<i>Cost or valuation</i>							
At 1 September 2016	2,690	132,375	8,105	4,060	5,010	15	<b>152,255</b>
Transfer of assets (see Note 30)	-	-	-	-	-	-	-
Additions	-	356	1,230	232	189	-	<b>2,007</b>
Revaluation of land and buildings	-	840	-	-	-	-	<b>840</b>
Transfers	-	4,304	703	4	(5,011)	-	-
Disposals	-	-	(32)	(814)	-	-	<b>(846)</b>
<b>At 31 August 2017</b>	<b>2,690</b>	<b>137,875</b>	<b>10,006</b>	<b>3,482</b>	<b>188</b>	<b>15</b>	<b>154,256</b>
<i>Depreciation</i>							
At 1 September 2016	-	10,841	6,353	3,798	-	15	<b>21,007</b>
Transfer of assets (see Note 30)	-	-	-	-	-	-	-
Charged in year	-	3,670	853	222	-	-	<b>4,745</b>
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(32)	(814)	-	-	<b>(846)</b>
<b>At 31 August 2017</b>	<b>-</b>	<b>14,511</b>	<b>7,174</b>	<b>3,206</b>	<b>-</b>	<b>15</b>	<b>24,906</b>
<i>Net book value</i>							
<b>At 31 August 2017</b>	<b>2,690</b>	<b>123,364</b>	<b>2,832</b>	<b>276</b>	<b>188</b>	<b>-</b>	<b>129,350</b>
<b>At 1 September 2016</b>	<b>2,690</b>	<b>121,534</b>	<b>1,752</b>	<b>262</b>	<b>5,010</b>	<b>-</b>	<b>131,248</b>

Following the completion of building works at Digitech Studio School, the site was revalued by a qualified external valuer.

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

**Notes (continued)**

**14 Tangible Fixed assets (continued)**

	Investment Properties	Leasehold land & buildings	Furniture and equipment	Computer Equipment & software	Assets under construction	Motor vehicles	Total
<b>Company</b>							
	£000	£000	£000	£000	£000	£000	£000
<i>Cost or valuation</i>							
At 1 September 2016	2,690	131,950	8,105	4,060	5,010	15	<b>151,830</b>
Transfer of assets (see Note 30)	-	-	-	-	-	-	-
Additions	-	356	1,230	232	189	-	<b>2,007</b>
Revaluation of land and buildings	-	840	-	-	-	-	<b>840</b>
Transfers	-	4,304	703	4	(5,011)	-	-
Disposals	-	-	(32)	(814)	-	-	<b>(846)</b>
<b>At 31 August 2017</b>	<b>2,690</b>	<b>137,450</b>	<b>10,006</b>	<b>3,482</b>	<b>188</b>	<b>15</b>	<b>153,831</b>
<i>Depreciation</i>							
At 1 September 2016	-	10,790	6,353	3,798	-	15	<b>20,956</b>
Charged in year	-	3,661	853	222	-	-	<b>4,736</b>
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(32)	(814)	-	-	<b>(846)</b>
<b>At 31 August 2017</b>	<b>-</b>	<b>14,451</b>	<b>7,174</b>	<b>3,206</b>	<b>-</b>	<b>15</b>	<b>24,846</b>
<i>Net book value</i>							
<b>At 31 August 2017</b>	<b>2,690</b>	<b>122,999</b>	<b>2,832</b>	<b>276</b>	<b>188</b>	<b>-</b>	<b>128,985</b>
<b>At 1 September 2016</b>	<b>2,690</b>	<b>121,160</b>	<b>1,752</b>	<b>262</b>	<b>5,010</b>	<b>-</b>	<b>130,874</b>

**Notes (continued)**

**15 Investment in Subsidiaries - company**

	2017	2016
	£	£
Shares at cost (100% holding)	2	2
	<hr/>	<hr/>

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

	2017	2016
	£	£
John Cabot Ventures Limited - Profit and Loss account		
Turnover	221,765	203,664
Expenditure	(54,903)	(78,001)
Interest receivable	(6)	102
	<hr/>	<hr/>
Profit on ordinary activities before Gift Aid payment	166,856	125,765
Gift Aid payment to Cabot Learning Federation	(166,856)	(125,765)
	<hr/>	<hr/>
Retained profits brought forward	2,000	2,000
	<hr/>	<hr/>
Retained profits carried forward	2,000	2,000
	<hr/>	<hr/>
John Cabot Ventures Limited Balance sheet		
Current assets	185,498	143,400
Current liabilities	(183,497)	(141,399)
	<hr/>	<hr/>
	2,001	2,001
	<hr/>	<hr/>
Called up share capital	1	1
Profit and loss account	2,000	2,000
	<hr/>	<hr/>
Shareholder's funds	2,001	2,001
	<hr/>	<hr/>

Income of £10,403 (2016: £10,300) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.

**Notes (continued)**

**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. A summary of the results of City Academy Bristol Trading Limited for the year ended 31 August 2017 and the period 1 June 2016 to 31 August 2016 are shown below:

	2017	2016
	£	£
City Academy Bristol Trading Limited - Profit and Loss account		
Turnover	58,145	17,984
Expenditure	(53,447)	(9,637)
Interest receivable	-	-
Profit on ordinary activities before Gift Aid payment	4,698	8,347
Gift Aid payment to Cabot Learning Federation	-	-
	<hr/>	<hr/>
Retained profits on 1 September 2017 / 1 June 2016	159,716	151,369
Retained profits carried forward	<hr/>	<hr/>
	164,414	159,716
	<hr/>	<hr/>
City Academy Bristol Trading Limited Balance sheet	2017	2016
	£	£
Fixed assets	365,500	374,000
Current assets	4,097	7,382
Current liabilities	(67,281)	(44,556)
Non-current liabilities	(137,902)	(177,110)
	<hr/>	<hr/>
Called up share capital	1	1
Profit and loss account	<hr/>	<hr/>
Shareholder's funds	164,413	159,715
	<hr/>	<hr/>
	164,414	159,716

## Notes (*continued*)

### 16 Stock

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Sundry stock items	13	20	13	20
	<hr/>	<hr/>	<hr/>	<hr/>
	13	20	13	20
	<hr/>	<hr/>	<hr/>	<hr/>

### 17 Debtors

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Trade debtors	228	100	227	97
Prepayments	834	841	834	841
Amounts due from subsidiary	-	-	167	126
Accrued income	802	784	802	784
Other debtors	459	446	458	445
	<hr/>	<hr/>	<hr/>	<hr/>
	2,323	2,171	2,488	2,293
	<hr/>	<hr/>	<hr/>	<hr/>

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

### 18 Investments

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

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Balance at 1 September	3,037	2,450	3,037	2,450
Additions	1,714	587	1,714	587
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 August	4,751	3,037	4,751	3,037
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes (*continued*)

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

	Group			Company	
		2017 £000	2016 £000	2017 £000	2016 £000
Trade creditors		1,129	1,185	1,129	1,185
Taxation and social security		791	760	791	760
Sundry creditors		1,372	768	1,290	708
Accruals and deferred income		2,827	2,832	2,827	2,832
		6,119	5,545	6,037	5,485

At the Balance Sheet date the Academy Trust held deferred income of £1,372,000 (2016: £669,000). This represents a number of receipts that were received in 2016-17 but related to the 2017-18 academic year. These included devolved formula capital funding, Condition Improvement funding, Wallscourt Farm ICT funding, maintenance funding for Wallscourt Farm, various teaching school grants and funding for infant free school meals.

### 20 Provisions for liabilities

Group	2017 £000	2016 £000
Provisions at 1 September	38	174
Utilised during the period	(10)	(174)
Released during the period	(28)	-
Additions during the period	3	38
	3	38

Company	2017 £000	2016 £000
Provisions at 1 September	38	174
Utilised during the period	(10)	(174)
Released during the period	(28)	-
Additions during the period	2	38
	2	38

Provisions made during 2015-16 related to a potential write-off in connection with the transfer of City Academy on 1 June 2016. These were utilised or released during 2016-17. The provision made in 2016-17 relates to a potential return of funds at Company level and potential tax interest due in a subsidiary company.

**Notes (continued)**

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

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Sundry creditors	<b>889</b>	985	<b>751</b>	808
	<hr/> <b>889</b> <hr/>	<hr/> 985 <hr/>	<hr/> <b>751</b> <hr/>	<hr/> 808 <hr/>

The balance within the Company represents an amount of £603k due to the Education and Skills Funding Agency by City Academy and £148k in respect of Salix interest free loans. A repayment plan for the amount due to the Education and Skills Funding Agency was agreed during 2015-16.

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

## Notes (continued)

### 22 Funds (continued)

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

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 2017.

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 ESFA in order to help disadvantaged students. Funding is based on the number of students in an Academy who receive free school meals.

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

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

## Notes *(continued)*

### 22 Funds *(continued)*

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

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

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

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

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

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

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

The Federation receives different funding for various purposes from South Gloucestershire Council such as supporting the Resource Base at Hanham Woods Academy, funding to support our 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.

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.

The Federation has a difference of £418k between the fund balance and the accounting deficit reported in Note 28 as an advance pension deficit payment for two academies has not been recognised in the fund balance.

## Notes *(continued)*

### 22 Funds *(continued)*

#### Restricted fixed asset funds

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

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

#### Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total £000
John Cabot Academy	2,090
Bristol Brunel Academy	802
Bristol Metropolitan Academy	853
Hans Price Academy	(29)
King's Oak Academy	357
Bath Community Academy	148
Hanham Woods Academy	40
Digitech Studio School	(13)
City Academy	(959)
Begbrook Primary Academy	1,031
Minerva Primary Academy	795
Frome Vale Academy	337
Summerhill Academy	433
Wallscourt Farm Academy	246
Haywood Village Academy	13
Cabot Learning Federation Central	578
John Cabot Ventures Limited	2
City Academy Bristol Trading Limited	164
	<hr/>
	6,888
	<hr/>
Restricted fixed asset fund	129,340
Pension reserve	(20,967)
	<hr/>
Total	<b>115,261</b>
	<hr/>

Hans Price Academy is carrying a net deficit of £29k at 31 August 2017. We expect the academy to return to a surplus position by 31 August 2018.

Digitech Studio School is carrying a net deficit of £13k which is due to lower student numbers than had been hoped since the school opened. This situation at the academy is being continually monitored.

City Academy is carrying a net deficit of £959k that has been considerably reduced from the deficit position of £1,243k at 31 August 2016. The deficit transferred to the Federation when the academy joined the Federation on 1 June 2016. The majority of the deficit relates to amounts due to the Education and Skills Funding Agency (ESFA). The Federation undertook a restructure of staffing at the academy and has agreed a repayment plan with the ESFA.

## Notes (*continued*)

### 22 Funds (*continued*)

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other costs (excluding depreciation) £000	Total £000
John Cabot Academy	4,110	1,080	377	627	6,194
Bristol Brunel Academy	4,529	852	412	1,002	6,795
Bristol Metropolitan Academy	3,881	761	419	960	6,021
Hans Price Academy	2,656	715	195	646	4,212
King's Oak Academy	3,438	929	328	820	5,515
Bath Community Academy	1,767	543	122	356	2,788
Hanham Woods Academy	3,614	996	200	508	5,318
Digitech Studio School	1,037	225	87	132	1,481
City Academy	3,611	1,408	220	1,014	6,253
Begbrook Primary Academy	1,794	465	84	407	2,750
Minerva Primary Academy	1,198	299	90	219	1,806
Frome Vale Academy	721	162	72	197	1,152
Summerhill Academy	1,068	309	77	303	1,757
Wallscourt Farm Academy	618	176	87	240	1,121
Haywood Village Academy	238	77	31	265	611
Cabot Learning Federation					
Central	1,497	713	1,056	742	4,008
John Cabot Ventures Limited	-	-	-	55	55
City Academy Bristol Trading Limited	-	-	-	44	44
	<b>35,777</b>	<b>9,710</b>	<b>3,857</b>	<b>8,537</b>	<b>57,881</b>

### 23 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

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

**Notes** (*continued*)

**24 Capital commitments**

At 31 August 2017 the Federation and Group had capital commitments as follows:

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	485	44
Authorised by governors, but not yet contracted	-	-
	<hr/>	<hr/>

**25 Commitments under operating leases**

**Operating leases**

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Amounts due within one year	126	140
Amounts due between one and five years	135	224
Amounts due after five years	-	2
	<hr/>	<hr/>
	261	366
	<hr/>	<hr/>

## 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 2016.

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

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,829,000 (2016: £3,121,000).

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 2017 was £3,164,000 (2016: £1,989,000), of which employer's contributions totalled £2,540,000 (2016: £1,484,000) and employees' contributions totalled £624,000 (2016: £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 2017	At 31 August 2016
Rate of increase in salaries	3.7%	3.3%
Rate of increase for pensions in payment/inflation	2.2%	1.9%
Discount rate for scheme liabilities	2.4%	2.1%
Inflation assumption (CPI)	2.2%	1.8%

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.5	23.5
Females	26.0	26.0
<i>Retiring in 20 years</i>		
Males	26.0	25.9
Females	28.7	28.9
<b>Sensitivity analysis</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	1,445	1,114
Discount rate -0.1%	(1,445)	(1,114)
Mortality assumption – 1 year increase	(870)	(828)
Mortality assumption – 1 year decrease	870	828
CPI rate +0.1%	(1,178)	(1,140)
CPI rate -0.1%	1,178	1,140

## 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 2017 £000	Fair value at 31 August 2016 £000
Equities	14,155	12,305
Government Bonds	3,202	2,970
Other Bonds	2,200	2,339
Property	2,517	2,361
Cash/Liquidity	1,031	(123)
Other	5,492	4,506
<b>Total market value of assets</b>	<b>28,597</b>	<b>24,358</b>
Present value of scheme liabilities – Funded	(49,146)	(47,571)
<b>Deficit in the scheme</b>	<b>(20,549)</b>	<b>(23,213)</b>

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 £555,000 (2016: £651,000).

#### Amounts recognised in the Statement of Financial Activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	3,623	1,832
Past service cost	-	-
Administration expenses	53	31
Benefits paid / gain/(loss) on curtailment and gain/(loss) on settlement	67	156
<b>Total operating charge</b>	<b>3,743</b>	<b>2,019</b>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	(555)	(651)
Interest on pension liabilities	1,023	1,001
<b>Pension finance cost / (income)</b>	<b>468</b>	<b>350</b>

**Notes** (*continued*)

**28 Pension and similar obligations (*continued*)**

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

	2017 £000	2016 £000
<b>At 1 September</b>	<b>(47,571)</b>	<b>(23,385)</b>
Current service cost	(3,623)	(1,832)
Interest cost	(1,023)	(1,001)
Employee contributions	(624)	(505)
Actuarial gain / (loss)	3,567	(13,600)
Benefits paid	195	417
Past service cost	-	-
Curtailments and settlements	(67)	(156)
Business combinations	-	(7,509)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>(49,146)</b>	<b>(47,571)</b>
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**Changes in the fair value of academy's share of scheme assets:**

	2017 £000	2016 £000
<b>At 1 September</b>	<b>24,358</b>	<b>14,360</b>
Expected return on assets	555	651
Actuarial gain	768	2,259
Employer contributions	2,540	1,484
Employee contributions	624	505
Benefits paid	(195)	(417)
Administration expenses	(53)	(31)
Business combinations	-	5,547
	<hr/>	<hr/>
<b>At 31 August</b>	<b>28,597</b>	<b>24,358</b>
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The estimated value of employer contributions for the year ended 31 August 2018 is £1,738,000.

## Notes (*continued*)

### 29 Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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 sponsored by the University of the West of England. The University of the West of England employs Jane Harrington, Guy Keith-Miller (both members of the trust) and William Liew. During the period, the Federation received total income of £73,000 (2016: £47,000) of which £37,000 was in respect of teaching school grants (2016: £45,000), £30,000 (2016: £nil) relating to the Future Quest project with the remainder relating to teacher trainee placements within the academies. The Federation incurred expenditure of £82,000 (2016: £24,000) with the University of the West of England, in respect of PGCE students totalling £66,000 (2016: £nil) and room hire of £16,000 (2016: £24,000) in respect of conferences held during each year. There are no amounts receivable or payable as at 31 August 2017.

Veale Wasbrough Vizards – Con Alexander is a partner with Veale Wasbrough Vizards. As the Federation's legal adviser, £76,000 (2016: £84,000) was incurred in respect of various legal matters across the Federation. At 31 August 2017, there was an amount payable to Veale Wasbrough Vizards of £3,000 (2016: £nil) included within creditors.

DAC Beachcroft – Anthony Cherry is employed by DAC Beachcroft. The Federation received total income of £1,000 (2016: £4,000) in respect of sponsorship of events at Bristol Metropolitan Academy. There are no amounts receivable as at 31 August 2017.

Bristol City Council – Susan Coombes, Airlie Fife and Pete 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 £1,034,000 (2016: £978,000) and incurred expenditure of £2,234,000 (2016: £2,868,000). At 31 August 2017, there was an amount receivable of £35,000 (2016: £6,000) included within debtors and an amount payable to Bristol City Council of £84,000 (2016: £203,000) included within creditors.

Avon Pension Fund – William Liew is a committee member of Avon Pension Fund. The Local Government Pension Scheme that the Federation participates in is managed by Avon Pension Fund. Full disclosure of the payments and balances in this fund are provided in Note 28. In addition, the Federation receives reports from Avon Pension Fund to enable these disclosures to be provided. During the year, the Federation incurred expenditure of £15,000 (2016: £36,000) to provide these reports.

## Notes (*continued*)

### 30 Conversion to an Academy Trust

This note is included for comparative purposes only.

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 was included within Assets under Construction within Note 14 Tangible Fixed Assets in 2015-16 and was transferred into the Leasehold Land and Buildings category in 2016-17.

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 table sets out the fair value of the net assets and fund values transferred in during 2015-16:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2016 £000
<b>Net assets</b>				
King's Oak Primary net assets	-	-	6,390	<b>6,390</b>
Digitech Studio School net assets	-	(2)	-	<b>(2)</b>
City Academy net assets	-	(3,059)	25,853	<b>22,794</b>
City Academy Bristol Trading Limited net assets	151	-	-	<b>151</b>
<b>Net assets total</b>	<b>151</b>	<b>(3,061)</b>	<b>32,243</b>	<b>29,333</b>
<b>Funds</b>				
King's Oak Primary	-	-	6,390	<b>6,390</b>
Digitech Studio School	-	(2)	-	<b>(2)</b>
City Academy	-	(3,193)	25,987	<b>22,794</b>
City Academy Bristol Trading Limited	151	-	-	<b>151</b>
<b>Funds total</b>	<b>151</b>	<b>(3,195)</b>	<b>32,377</b>	<b>29,333</b>

**Notes** (*continued*)

**31 Agency arrangements**

	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
16-19 bursary funding received 2016-17	94	67
16-19 bursary funding disbursed 2016-17	(97)	(62)
Balance in year	<u>(3)</u>	<u>5</u>
Amount included in other creditors in relation to 16-19 bursary	<u><u>70</u></u>	<u><u>73</u></u>