

Cabot Learning Federation

(A Company Limited by Guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 August 2013

Cabot Learning Federation

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Cabot Learning Federation

REFERENCE AND ADMINISTRATIVE DETAILS OF THE FEDERATION, ITS DIRECTORS AND ADVISORS

DIRECTORS/ TRUSTEES

Ron Ritchie (Chair) ^ #
Con Alexander
Andy Bennett # (resigned 27.06.13)
Sir David Carter #
Janie Chesterton (appointed 31.12.12)
Isobel Clark
Rod Cook # (resigned 31.08.13)
Airlie Fife *
Peter Franklin
Jon Gould #
Susannah Hill
Guy Keith-Miller ^ # *
Nicky McAllister #
Nicola Pearce
Peter Price ^
Jon Rhymes ^ # (resigned 31.12.12)
Rob Stroud # (appointed 27.06.13)
Peggy Tovey
Sam Tucker #

Note:

^ Indicates Directors who are also Members of the Trust

Indicates Directors who are members of the Finance and General Purposes Committee

* Indicates Directors who are members of the Audit Committee

SECRETARY

Sujata McNab

SENIOR MANAGERS

Executive Principal	Sir David Carter
Chief Operating Officer	Sujata McNab
Principal	Armando Di-Finizio
Principal	Ian Frost
Principal	Stephen Taylor
Principal	Jon Angell
Principal	Dan Nicholls
Principal	Adam Williams
Principal	Duncan Cruickshank
Principal	Gemma Jackson
Principal	Ros Farrell
Principal	Mandy Milsom
Principal Designate	Susie Weaver

ACADEMIES IN THE FEDERATION

John Cabot Academy	JCA
Bristol Metropolitan Academy	BMA
Bristol Brunel Academy	BBA
Hans Price Academy	HPA
King's Oak Academy	KOA
Bath Community Academy	BCA
Begbrook Primary Academy	BPA
Minerva Primary Academy	MPA
Frome Vale Academy	FVA
Summerhill Academy	SA

Cabot Learning Federation

REFERENCE AND ADMINISTRATIVE DETAILS OF THE FEDERATION, ITS DIRECTORS AND ADVISORS

PRINCIPAL AND REGISTERED OFFICE

Cabot Learning Federation
Woodside Road
Bristol
BS15 8BD

COMPANY REGISTRATION NUMBER

06207590 (England and Wales)

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55 – 61 Victoria Street
Bristol
BS1 6AD

BANKERS

Barclays Bank Plc
4th Floor
Bridgewater House
Counterslip
Finzels Reach
Bristol
BS1 6BX

SOLICITORS

VWV LLP
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Harrison Clark Rickerbys Limited
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

Cabot Learning Federation

DIRECTORS' REPORT

for the year ended 31 August 2013

The Directors present their report together with the financial statements of the charitable company for the year ended 31 August 2013. The report has been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies on pages 31 – 34 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Cabot Learning Federation is a company limited by guarantee with no share capital (registration no. 06207590). The charitable company's memorandum and articles of association are the primary governing documents of the Federation Trust. The articles of association state that the one member of the charitable company be appointed by Rolls Royce PLC, one by the University of the West of England, and one by the Secretary of State for Education (previously the Department of Children, Schools and Families). The Chair of the Board of Directors is also a member, and the members may agree unanimously in writing to appoint additional members as they see fit. In line with amendments to the Academies Act 2010, the Federation became an exempt charity with effect from 1 August 2011.

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 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.

Directors' indemnity

Subject to the provisions of the Companies Act 2006, every Director 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.

Directors

The Directors are the directors of the charitable company for the purposes of the Companies Act 2006. They are also trustees for the purposes of charity legislation.

The Directors of the Board represent the co-sponsors Rolls Royce PLC and the University of the West of England (UWE), each of whom have four nominated Directors. In addition the Academies are represented on the Board by the chairs of the Academy Councils together with the Executive Principal and an elected parent councillor representative.

The term of office for the parent representative is two years. The term of office for all other directors except the Executive Principal is four years. The Executive Principal's term of office runs in parallel with his contract of employment.

The Directors who were in office at 31 August 2013 are listed on page 1. During the period under review there were five meetings of the Board of Directors, as well as meetings of the subcommittees and Academy Councils. The training and induction provided for Directors is tailored to individual requirements. All new Directors are given an overview of the Federation and the academies, and the chance to meet with the Executive Principal, the

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

principals and staff. All Directors are provided with copies of documents that they will need to undertake their role.

All directors, other than the Executive Principal who is an employee of the company, give of their time freely and no remuneration or expenses were paid in the year in relation to their function as Directors.

Organisational Structure

The governance structure of the Federation is on two levels: the Board of Directors (and its subcommittees) and the Academy Councils. The Board of Directors is responsible for the strategic decision making of the Federation. The Board of Directors 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 Executive Principal.
- To receive reports from the Academy Principals on the effectiveness of their provision for the students in their care.
- To ensure that the vision for enabling the Academies to be autonomous organisations is maintained.
- To directly support the Federation and Academies through the Executive Principal 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, 7 appointed by the Board and 6 who represent the Academy community. The councillor roles are:

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

Each Academy Council is chaired by a member of the Board of Directors, and the Executive Principal is a member of each Academy Council.

The leadership of the Federation is overseen by Sir David Carter, the Executive Principal and the Strategic Leadership Team which consists of the Principals and the Chief Operating Officer. The Principals of the academies are listed on page 1. The Strategic Leadership Team controls the Federation at an executive level, implementing policies and reporting to Directors. 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.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Connected organisations

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

The Federation owns 100% of the issued ordinary shares of John Cabot Ventures Ltd, a Company registered in England and Wales (no. 03057532). This company operates the commercial affairs of the Federation. For the year to 31 August 2013, the subsidiary will donate the whole of its taxable profits to the Federation. The consolidated financial statements include the results for John Cabot Ventures Ltd to 31 August 2013.

Risk management

The Federation has been through a process to assess business risk and to identify and implement strategies for addressing risks. This process allowed risks to be scored and prioritised in terms of their potential operational and financial impact, their likelihood of occurrence assessed and means of mitigation identified. The Board of Directors has reviewed the risks to which the Federation is exposed, and considered in particular those relating to the strategic development of the Federation, as well as its operational activities, and its finances. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Federation has an effective system of internal financial controls and this is explained in more detail in the following statement.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that Cabot Learning Federation 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.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

OBJECTIVES AND ACTIVITIES

Objects, aims and activities

In setting our objectives and planning our activities the Directors 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.

The charitable company's objects are: to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but not limited to, English and Information and Communications Technology. The sole activity of the charitable company is the operation of the academies within the Federation.

The vision, aims and objectives of the Federation during the year ended 31 August 2013 are summarised below.

Collaboration for Outstanding Achievement

Our Promise is to deliver an outstanding education to every child who attends one of our Academies. To achieve this, every student will be taught by a well trained and well supported teacher, in an Academy that is led at every level by an inspirational leader, with parents & carers who are partners in their children's education. As a result, we will create a federated learning community that through collaboration and partnership, delivers outstanding achievement for all.

Our Belief is that through collaboration we can accelerate our vision of every CLF Academy being judged to be at least "good" and on the path to "outstanding" by 2013-14. Students come first, and we judge ourselves on how successful we are in supporting our most vulnerable children as well as those who are gifted and talented. Many of our students are the first in their family to attend University, and by placing learning and leadership at the heart of the Federation, we can create a culture of success that supports them as they move into adulthood and employment, whilst becoming aware of the role they can play in the communities in which they live.

Our Goal is to share the effective practice that is developed by staff in one Academy so that students in another can benefit from Federation wide strategies. We embrace the uniqueness of our schools and the communities they serve. We want our Academies to have their own identities, but in the same way that families recognise the differences between "siblings" and allow personal growth to take place within the family unit, the Federation is the sum of the quality of the parts. It is our collective belief that our shared abilities to deliver outstanding educational outcomes will make a difference to the development and prosperity of the communities we serve.

Objective 1 - To support all of our Academies on their journey to sustained outstanding performance through partnership, support and collaboration.

- **We will** support the collaboration between our Academies to accelerate their improvement and embed their "outstanding" performance through a process of shared learning across our community.
- **We will** work together to identify, share and embed outstanding teaching and learning strategies that will have a transformational impact on classroom practice.
- **We will** work with our sponsors and other partner organisations to ensure that the impact of the relationship is felt as widely as possible across the Federation.
- **We will** work alongside national and international partners to contribute to and learn from the best education systems in the world.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Objective 2 - To develop, support and train our staff so that they can be inspirational leaders, outstanding teachers, and excellent supporters of student learning.

- **We will** create a talent management programme for staff that supports the development of inspirational leadership at every level of the Federation.
- **We will** deliver high quality professional development for all staff in order to develop a federated learning community.
- **We will** ensure that there are unique enrichment, development, and support opportunities available to all students through our relationship with sponsors and other partners that makes the Cabot Learning Federation the first choice for students in our part of the city.
- **We will** create opportunities for students from different Academies within the Federation to learn together and develop as leaders becoming ambassadors for the Federation in our community.
- **We will** collaborate as a Federation to design and deliver outstanding level 3 post 16 outcomes for all students.
- **We will** embed outstanding Federation governance to support and challenge Federation performance.

Objective 3 - To lead a sustainable future for the Cabot Learning Federation so that outstanding performance can be secured for future generations of students in our Academies.

- **We will** provide outstanding support and development for all staff so that we recruit and retain a high calibre workforce in our academies to deliver outstanding teaching & learning.
- **We will** enable our Academies to focus on their core business of teaching and learning by delivering a quality support service that represents value for money.
- **We will** work together to engage and inform our communities about the outstanding educational experience across the Federation in order to achieve our goal of having all of our Academies over-subscribed.
- **We will** take advantage of opportunities to share the effective practice of the Federation with a wide range of educational partners, including our partner primary schools and other organisations interested in joining the Federation.
- **We will** develop new business opportunities and explore a wide range of commercial activity in order to sustain our Academies against any reduction in core funding that might reduce or limit educational opportunities.

Admissions

The Federation Academies welcome students from all backgrounds. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Safeguarding

The Federation is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parent evenings and through regular written reports. The Academies maintain regular contact with parents throughout the year through informal contacts and through formal reporting.

EAL provision

Approximately 500 students within our Academies have English as an additional language (EAL). In response to this the Academies have a number of specialist EAL teachers, and teaching assistants and mentors who speak the languages of our students.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

SEN provision

The Special Educational Needs (SEN) departments within the Academies provide extensive support for a wide range of SEN including behavioural and emotional difficulties. They are supported by Higher Level Teaching Assistants, Learning Mentors, and Learning Support Assistants who support improved access to numeracy and literacy, and in-class support is available for students with statements and School Action Plus.

Students with social, emotional and behavioural difficulties are supported by the academies within all the academies, and carefully personalised programmes and support allows all children to access lessons.

Equal opportunities policy

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

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academies within the Federation. The policy of the Federation is to support recruitment and retention of students and employees with disabilities. The Federation does this by adapting the physical environment within its academies as appropriate, and by making support resources available and through training and career development.

ACHIEVEMENTS AND PERFORMANCE

Key achievements for 2012/13

- Four new primary academies joining CLF.
- Opening of Bath Community Academy with CLF.
- Four 'Good' Ofsted inspections.
- Sustained and improved performance of students across the Federation at GCSE level.
- Improved performance of students across the Federation at A Level.
- Continued delivery of high quality development opportunities for teachers and staff.
- First cohort of School Direct trainees now employed in the CLF as NQT.
- David Carter, the Executive Principal of the Federation, was awarded a knighthood in the Queen's birthday honours for services to education.

How did our Academies perform in 2012/13?

Primary Performance:

The performance of our Primary academies in the KS2 tests of 2013 was as we would expect given the starting points of students at FVA and MPA. At MPA the results showed that students made strong progress even to reach these levels of attainment and the outcomes in 2014 will build upon this success. With each student representing 6% we could not afford for any of them to miss out on their level 4 test scores but two students missed a level 4 in Reading by one mark and the academy slipped from 70% of students gaining a level 4 in all their tests to 59% and therefore below the government floor target.

For FVA the results were low, but in line with the predictions the academy and local authority were making. The CLF interventions that began in the summer of 2013 are already making a difference to performance in year 6 but 2014 will be a significant year for the academy if improvement is not rapid and transformational.

At BPA and SA the results were very strong and reflected the good and outstanding practice that we saw throughout the year and confirmed our assessment that these are both good schools moving closer to becoming outstanding.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Primary KS2 Outcomes and Progress made in other year groups (Figures in brackets show 2012 data):

	BPA %	FVA %	MPA %	SA %	2013 Floor %	2014 Floor %
Number of Y6 in Cohort	51 (48)	23 (37)	17 (20)	63 (74)		
Year 6 SATS						
Level 4 Performance						
Reading	92 (73)	60 (84)	59 (70)	87 (78)		
Writing	92 (67)	43 (76)	76 (75)	79 (65)		
Maths	90 (77)	43 (81)	76 (70)	87 (76)		
SPAG at Level 4	94 (n/a)	43 (n/a)	47 (n/a)	74 (n/a)		
Level 4 in Reading, Writing and Maths	84 (69)	22 (76)	53 (65)	75 (66)	60	65
Level 5 Performance +						
Reading	56 (40)	17 (32)	18 (40)	32 (46)		
Writing	20 (21)	0 (8)	24 (15)	15 (14)		
Maths	34 (29)	4 (14)	24 (15)	32 (40)		
SPAG at Level 5	66 (n/a)	13 (n/a)	29 (n/a)	37 (n/a)		
Two Levels Progress from KS1 to KS2						
Reading/English in 2012	98 (82)	65 (86)	75 (88)	93 (83)	92	92
Writing	98 (n/a)	65 (n/a)	100 (n/a)	96 (n/a)	92	92
Maths	96 (93)	60 (89)	88 (82)	93 (73)	90	90

Begbrook Primary Academy was inspected in June 2013, and was judged to be a “good” school. The academy is now well prepared to take the next step of the journey to outstanding within the next three years. On almost every indicator there is an improvement on the 2012 results this summer and national averages are exceeded in almost every comparison. Level 4 performance in Reading, Writing and Maths is never less than 90% and the floor target of attainment in all three foci at level 4 is 84%. This is a key measure and has increased by 15% from 2012. Progress measures from KS1 to KS2 are equally good with only one student out of the 51 not making expected progress in Reading and Writing and only two in Maths. This is a performance the CLF and BPA can be proud of and one that sets the benchmark high for the next year.

Summerhill Academy is likely to be inspected in 2013/14, and is currently rated as good, and is working towards an outstanding judgement. There has been an increase at almost every level in 2013 compared with 2012. The level 4 outcomes in reading, writing and maths increased by 9% from 2012, but missed floor targets by 4%. Level 4 performance in the individual tests of reading, writing and maths show an increase of 9%, 14% and 9% respectively. Progress measures from KS1 to KS2 are strong and exceed floor targets and national averages from 2012.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Federation Performance at GCSE Level

Across the Federation, 81% of year 11 students achieved 5 A-C grades, with 47% of students achieving 5 A-C grades with English and Maths. The inclusion of results from BCA has resulted in a dip in both measures across the Federation, and HPA and KOA also had lower than expected results for English and Maths. The overall Federation statistics for the performance of 16 year olds in from 2009 to 2013 shows the on-going achievements of the Federation:

Overall performance from CLF students	No of students in Year 11	Academies included in the results	5 A-C grades inc English and Maths	5 A-C Grades
2011	419	BBA, BMA and JCA	53.2%	90%
2012	702	BBA, BMA, JCA plus HPA and KOS	49%	85%
2013	829	All 5 above plus BCA	47.1%	81%

The table below shows results by Academy:

	BBA %	BMA %	JCA %	HPA %	KOA %	BCA%
5 A-C						
2011	87	95	96	(56)*Wyvern	(65)*Kingsfield	
2012	87	97	95	68	79	
2013	81	90	92	72	86	43
5 A-C including English and Maths						
2011	41	42	73	(23)*Wyvern	(32)*Kingsfield	
2012	45	34	72	45	51	(24)*Culverhay
2013	44	48	74	40	41	18

* Results relate to predecessor school.

For the second year running, the exam boards were put under pressure to move the grade boundaries higher to ensure that their allocated quota of grades was met. At all of our academies this had some impact but not as severe as we saw at KOA and BCA.

Bristol Brunel Academy had a strong and motivating year which culminated in the "good" OFSTED judgement in June 2013. The academy made significant school improvements during the year so these results are disappointing. The target was 50% and whilst this had elements of stretch within it was realistic. The outcome of 44% was good, given the ability profile on entry is below national average.

Bath Community Academy saw its first year as part of CLF. Although outcomes were low, they were in line with our predictions given the low ability of the cohort. The degree of vulnerability of this year group was also a factor, with 75% of students on FSM or the SEN register. It has been a real achievement of BCA that the school is now safe, secure, and a pleasant environment in which to learn. It is worth noting that Maths results at 50% A-C were significantly better than in the predecessor school and that 57% of the students attained 5 A*-D grades including English and Maths which underlines our view that had the students had longer in the academy they would have achieved significantly better than they did.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Bristol Metropolitan Academy results were the best they have achieved and came on the back of the disappointment in 2012. A rise of 14% takes them to 48% and their best ever. The academy also saw the highest number of A* and A grades as well as seeing strong performance in Science and MFL alongside improvements in English (53% and up 16% on 2012) and sustained performance in Maths (58%).

Hans Price Academy was judged to be good in June and deservedly so for the improvements and the impact that had been seen since 2011. However, the core faculties of English, Maths and Science had high staff turnover and a small but significant group of staff that were on capability have now left. Nevertheless, not to maintain the 2012 performance is disappointing and the performance of core subjects this year will be of vital importance.

John Cabot Academy secured their best ever GCSE results, which puts them in a strong position ahead of a likely inspection in 2013/14. Strong performance in English, Maths and Science was pleasing, and JCA has the best progress measures in the CLF, which, given that the academy also has the highest points score on entry into year 7 is impressive.

King's Oak Academy KOA also had a good Ofsted inspection and the results represented both a surprise and disappointment. The impressive 51% of 2012 was not sustained and English results were the root cause of the drop in performance. The English department is one of the strongest and best led in the CLF and therefore the results are particularly disappointing, given the quality of teaching, the praise heaped on the faculty by Ofsted. Maths and Science maintained and improved their performance and 5 A-C grades rose across the school.

What will we do differently in 2013-14? Review of Targets for 2014 and 2015

One of the key messages is that many of the interventions we have deployed over the past three years have worked, and we need to continue to drive momentum towards the 2014 results. In 2013/14 CLF will appoint two Executive Principals who will take responsibility and be accountable for Secondary and Primary academy performance. CLF will do further peer-to-peer reviews and work with the Teaching School and School Improvement team to ensure that there is a clear plan for how SLEs will support year 11 performance in 2013/14. Nevertheless, the reality is that the targets we set for 2014 must still be achieved and the data below is the prime focus of everything we will deliver in 2013-14.

CLF Targets for 2014

Primary Academies-Revised Targets for 2014 (2013 in brackets)

	Number of Children in Cohort	Level 4 Reading	Level 4 Writing	Level 4 Maths	RWM-Combined Level 4	Expected Progress in Reading	Expected Progress in Writing	Expected Progress in Maths
Begbrook Primary Academy	51	92 (92)	92 (92)	90 (90)	85 (84)	95 (98)	95 (98)	95 (96)
Frome Vale Academy	25	80 (60)	75 (43)	75 (43)	70 (22)	90 (65)	90 (65)	90 (60)
Minerva Primary Academy	32	75 (59)	80 (76)	80 (76)	70 (53)	80 (75)	90 (100)	90 (88)
Summerhill Academy	90	90 (87)	80 (79)	90 (90)	80 (75)	95 (93)	95 (96)	95 (93)
CLF Overall-total Year 6 cohort	198	87	82	86	78	90	92	92

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DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Secondary Academies-Revised Targets for 2014 (2013 in brackets)

	Number of Year 11 in Cohort	5 ACEM	5 A-C	3L Progress in English	4L Progress in English	3L Progress in Maths	4L Progress in Maths
BBA	198	55 (44) +11	85	65	30	65	30
BCA	54	40 (18) +22	60	55	20	65	20
BMA	102	60 (47) +13	92	75	40	75	35
HPA	156	52 (40) +12	75	65	25	60	20
JCA	160	80 (74) +6	95	85	40	85	40
KOA	117	60 (41) +19	85	65	25	65	25
CLF Overall	787	60 (47) +13	84	69	31	68	29

Federation Performance at Post 16

Numbers in the CLF post 16 have grown over the past three years, from 366 in 2011 to 463 in 2013. As year 11 numbers grow at BBA and BMA, offset by smaller future groups at KOA, we should see our overall population at post 16 exceed 500 in 2013-14. Overall, 43% of the year 11 students who sat GCSEs in their academies in both 2010 and 2011 remained with CLF to 2012 and 2013.

Year 13 Results

2013 A2 results are the best since the CLF Collaborative post 16 was created and most of the A2 trends are upward. Pass rates have moved from 92% to 94% and this summer to 94.7%. The gap between the CLF and national averages is closing.

- A*-E pass rate gap in 2012 was 4% and in 2013 is 3.4%
- A* and A gap in 2012 was 8% and in 2013 is 4.8%.

The proportion of A* and A grades and A*-B grades has risen over the past three years. In 2011, 34% of grades were A*-B, increasing to 34.9% in 2012 and this summer to 37.3%. The UCAS points score per student still hovers around the C grade boundary as it has done for the past three years. As we move towards a new model of post 16 delivery in 2014, this has to be one of the prime objectives if we are to move our performance to a B grade average.

In total 109 students from year 13, (48%) achieved the grades they needed to go to University in the Autumn term. 18 of these have begun their HE studies at UWE but we also saw students joining a wider cross section of Universities then we have seen before including Birmingham, Swansea, Bristol, Bath Spa, Edinburgh, Exeter, Nottingham, Southampton, Cambridge, Manchester and Reading. This is very satisfying and addresses the aspiration we have for post 16 of students gaining places at a range of Universities across the country and not just remaining in the South West.

	Retention Y12-Y13	No- Y13	% A*-E	% A*-B	% A*-C	% A*-D	% U	UCAS pts per student	UCAS pts per entry	No completed per student
2011	68%	130	92	34	55	77	8	187	71	2.51
2012	82%	194	94	35	64	79	6	235	80	2.94
2013	81%	211	95	38	62	80	5	191	81	3.17

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

How did we fulfil our overall strategic objectives in 2012/13?

Objective 1 - To support all of our Academies on their journey to sustained outstanding performance through partnership, support and collaboration.

The Federation's strategic plan has identified the key methods behind the delivery of this objective. Sharing and developing practice is a core principle of the Federation and there are many formal and informal examples of this taking place. However, those listed below will give a flavour of how this has been implemented this year.

- We introduced Federation network nights every term for subject teachers to meet and share practice but also to work on a more closely structured approach to student intervention strategies. The primary academies introduced Primary Academy Collaboration (PAC) for the same purpose.
- Our Teaching School team of Specialist Leaders in Education (SLE) did more outreach work in the academies than we have been able to do in previous years, with a major focus on English and Maths and E BACC subjects.
- We maintained our policy of reviewing every academy and used senior leaders and Principals to achieve this. This model of external review was viewed positively in each of our four inspections in June 2013.
- We held two conferences in 2012-13. The first in November 2012 was a training day based in each of the academies and focusing upon moving teaching from good to outstanding and the second was held in July 2013 when we were able to celebrate the success of our four inspections. We brought everyone in the CLF together to Bristol City FC for the keynote celebration and then moved everyone to BBA for a series of workshops that were cross phase and focused around the OFSTED four main areas for judgement.

Working alongside our sponsors

The links with Rolls Royce plc and University of the West of England (UWE) have been instrumental to our success. Some of the valuable partnership activity involves the following:

- Rolls Royce plc supported the CLF Studio with a grant of £20,000, which was used to support students with re-engagement in their Academy and has made a significant difference to the lives of a number of students within the Federation.
- Both Rolls Royce plc and UWE continue to play an invaluable role in the governance of the Federation and in other operational tasks such as staff appointments.
- UWE and CLF successfully bid to become the partners of the newest CLF Academy which opened in September 2013. The new building will be located alongside the UWE campus and creates a partnership strategy for the new community being developed on the Stoke Park site.
- UWE are our strategic University partners in our Teaching School operation, and were heavily involved in developing the programme launched in 2012-13.
- UWE have invited the CLF Executive Principal to become a visiting Professor and this helps to cement the partnership further.

Working beyond the Federation

We have a number of important strategic partnerships beyond the Federation academies that influence our practice and our thinking. This enables us to share the work we are doing more widely but also it enables us to learn from others to support our own improvements. Our key links beyond the Federation this year have been with some of the following organisations:

- The National College awarded the Federation one of 32 licences to deliver national programmes for middle and senior leaders, as well as the NPQH. In 2012-13 we have trained over 90 leaders from across the South West at senior and middle leader level in addition to those preparing for headship.
- The Federation has continued its school to school support work through Sir David Carter's role as a National Leader in Education, in particular with Hanham High School and The Grange School both in South Gloucestershire.
- The Schools Network (formerly the Specialist Schools and Academies Trust) has continued to be a key partner, with the Federation acting as the South West Hub for Leadership Development.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

- Our neighbouring Local Authorities continue to work closely with us and Principals across the Federation to lead and support local groups focusing upon a range of strategies impacting upon all schools and children.

Staff exchanges, secondments and internal appointments

- An integral part of both the school improvement and succession planning agenda in the Federation is the opportunity we create for staff to spend time in an Academy other than their own. In 2012-13 we managed exchange and secondments for 12 staff in total who spent time working in more than one Academy.

Objective 2 - To develop, support and train our staff so that they can be inspirational leaders, outstanding teachers, and excellent supporters of student learning.

This is a key objective for the Federation as its success will have a direct impact upon the sustainability of the organisation. We need to develop teachers to deliver outstanding lessons and train a cadre of outstanding leaders at every level in the Federation. Examples of how we fulfilled this in 2012-13 include the following:

Teaching School

- The CLF Teaching School was launched in September 2011, led by Claire Carter. We recruited 28 trainee teachers for 2012-13 to train within the Teaching School, and this gave our Academies the chance to recruit from a pool of excellent trainees in English, Maths and Science. All of our school direct trainees are now employed within the CLF as NQT in our secondary academies. Two of these new colleagues are former students of John Cabot CTC. For 2013-14 we have recruited a further 27 trainees, seven of whom are primary trainees.
- We also appointed 29 Specialist Leaders in Education (SLE) who are tasked with providing school to school support for our own Academies as well as those schools who are part of our teaching school alliance. They also deliver the FNN and PAC sessions outlined above.

CPD & Leadership Programmes

- As stated earlier, we have trained over 90 leaders from across the South West in our capacity as a NCTL licensee. We also run our own internal leadership courses for middle leaders and aspiring senior leaders. Over 200 staff have now completed these programmes since they were introduced in 2009-10.
- The CLF leadership programmes are popular in areas outside the CLF and the middle leaders programme was delivered to teachers in Gloucestershire and Swindon as part of our outreach programme.

Federation Board and Academy Councils

- Our Board members and Academy councillors continue to make a significant impact on Federation governance. We added two new education sub groups in 2012-13 to focus on Achievement, teaching and learning (ATL) and Leadership Ethos and Behaviour (LEB). We also created a forum for Chairs of Academy Council to meet with the chair of the board and the CEO to talk in a less formal setting about their academies. This was welcomed by the Chairs and has been a positive addition to our governance model.
- We held our annual board and academy councillor review conference in October 2012 where we reviewed the Big Questions that the board wanted the Academy Councils to consider during the academic year. Each Academy chose three questions that they felt were most applicable to their setting and reported their discussions to the board.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Objective 3 - To lead a sustainable future for the Cabot Learning Federation so that outstanding performance can be secured for future generations of students in our Academies.

This objective is about sustaining the CLF model into the future. Many of these areas are on-going but the Federation made the following progress during 2012-13:

Growing the Federation (Plans for Future Periods)

We started the Federation in 2009 with three Academies and we start 2013-14 with 11, including brand new primary provision at Wallscourt Farm Academy. We are developing further new primary provision in partnership with South Gloucestershire Council on the KOA site. We are also continuing to explore the option of opening a separate Academy within the Federation to bring together our post 16 provision. We continue to work closely in partnership with Fishponds Church of England Academy.

CLF Operations Team

The central Finance and HR team was established at the start of 2010-11 and this team has now grown to include ICT support services and Projects. This group of staff is vital for the sustainability of the Federation, and is built on a model of consistency allied to high quality. Our finance and HR team has grown further during the year, to enable it to provide the professional advice that the CLF now needs, and to meet the needs of 11 Academics, and continues to develop successful relationships with the Academy Business Managers.

Staff retention and recruitment

Recruiting staff of a high calibre is the top priority for the Federation. We are delighted to have appointed Susie Weaver as Principal of the new Wallscourt Farm Academy. We continue to see colleagues move between the Academies when vacancies have arisen rather than leave the Federation. Succession planning for outstanding leaders is working especially well, and we start 2013-14 with the strongest senior leadership teams in place since we began the Federation.

Student recruitment numbers

One of the obvious success criteria for the Federation is the degree to which parents want to send their children to the Academies in Year 7 and Year 12. As well as the Year 7 data presented here, there have been significant increases in students wishing to stay on or join the Academies in Year 12. Year 7 data for the start of 2012-13 is as follows:

- John Cabot Academy - 160 places in year 7 with 650 applications
- Bristol Brunel Academy - 214 students in Year 7, starts the year with 22 places available
- Bristol Metropolitan Academy - 155 students in Year 7 with 25 places available – representing an increase of 50 students on 2010/11
- Hans Price Academy – 107 students in Year 7 with 133 places available
- King's Oak Academy - 89 students in Year 7 with 120 places available
- Bath Community Academy – 61 students in Year 7 with 120 places available
- CLF Post 16 started 2012-13 with 503 students on roll

These figures show positive responses to all of our academies, although clearly there is more to be done to attract students to our more recently established academies. Where there is a gap between the current student numbers and the Published Admission Number (PAN) it reflects the legacy of underperformance in the predecessor school. At BCA, there were only 27 students in Year 7 in 2011 so the improvement to 61 with the introduction of girls to the Academy is positive.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

FINANCIAL REVIEW

Financial report for the year

The Federation's accounting period is from 1 September 2012 to 31 August 2013.

Most of the Federation's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities. Grants are made to each of the individual academies within the Federation and are restricted to fund the activities of the academy to which they are granted.

The Academies also receive grants for fixed assets from the EFA and via the Local Authorities. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities (SOFA) 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.

The restricted fixed asset fund includes the transfer of land and buildings and other fixed assets relating to the various academies that have joined the Federation. During the 2012-13 financial year, Bath Community Academy, Begbrook Primary Academy, Minerva Primary Academy, Frome Vale Academy and Summerhill Academy joined the Federation on 1 September 2012.

The restricted fixed asset fund also reflects the value of the ICT assets which were provided under the Building Schools for the Future programme for Bristol Brunel and Bristol Metropolitan Academies, which reverted to the Academies on 30 June 2011, at the end of the contract period.

During the period ended 31 August 2013, total expenditure of £42,452,000 (excluding the pension fund) was met by recurrent grant funding from the EFA, other incoming resources, and funding carried forward from the previous year. The excess of income over expenditure for the year (excluding the restricted fixed asset funds and the pension fund) was £1,661,000.

At 31 August 2013 the net book value of fixed assets excluding investment properties was £63,547,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies within the Federation.

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

Expenditure in the year has supported the key objectives of the Federation, with budgets being set in line with operational requirements which supported these.

Existing staff of the Federation were joined by staff transferring from Bristol City Council on the opening of Begbrook Primary Academy, Minerva Primary Academy, Frome Vale Academy and Summerhill Academy. Staff transferred from Bath and North East Somerset Council on the opening of Bath Community Academy. All five academies opened as part of the Federation on 1 September 2012. In the course of the year the academies have continued to refine the staffing structures required to deliver their objectives within the funding available. The Federation continues to offer central finance, HR, IT and project management functions, which provide back office services as well as professional support to the Academies.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Buildings and assets

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

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

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

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

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

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

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

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

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

The contract also provides for Facilities Management (FM), including cleaning and caretaking, and catering. The academies make a contribution to the Local Authority to meet the costs of delivering this part of the contract. This contribution is calculated as a percentage of the funding that would have been available to the Academy had it remained as a maintained school, and therefore varies depending on student numbers. The contribution for the year ending 31 August 2013 was £875,000.

The ICT infrastructure and maintenance for Bristol Brunel and Bristol Metropolitan academies was also procured under the BSF contract. The contract for ICT ended on 30 June 2011, and at the end of the contract ownership of ICT assets procured as part of the contract passed to the Federation Trust.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

As part of the BSF arrangements, these academies pass over free school meal funding to the Local Authority, which then pays the contractor for the provision of free school meals. During the year ending 31 August 2013 this charge was £169,000.

Principal risks and uncertainties

The principal risks impacting the Federation are uncertainties around future changes in levels of funding. These will be mitigated by the risk management framework put in place by the Directors.

Reserves policy

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

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

All proposals for the use of reserves must be approved by the Finance and General Purposes Committee on an academy by academy basis.

Cabot Learning Federation

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2013

Investment policy

The Directors' 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.

AUDITOR

Insofar as the Directors are aware:

There is no relevant audit information of which the charitable company's auditor is unaware, and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditor, Baker Tilly UK Audit LLP has conducted the audit of Cabot Learning Federation for five years, and therefore the Directors intend to open a tendering process to appoint new auditors. A resolution to appoint the successful contract will be proposed at the Cabot Learning Federation Annual General Meeting.

The report of the directors was approved by the Directors on 5 December 2013 and signed on their behalf by:



Prof Ron Ritchie
Chair

Cabot Learning Federation

GOVERNANCE STATEMENT

for the year ended 31 August 2013

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Cabot Learning 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 Federation Board has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the Academies within the Cabot Learning Federation and the Secretary of State for Education. They are also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' responsibilities. The Directors have met formally five times during the year. Attendance during the year at meetings of the Directors was as follows:

Director	Meetings attended	Out of a possible
Ron Ritchie (Chair)	5	5
Con Alexander	4	5
Andy Bennett	2	4
Sir David Carter	5	5
Janie Chesterton	2	3
Isobel Clark	5	5
Rod Cook	2	5
Airlie Fife	4	5
Peter Franklin	5	5
Jon Gould	5	5
Susannah Hill	5	5
Guy Keith-Miller	5	5
Nicky McAllister	5	5
Nicola Pearce	3	5
Peter Price	1	5
Jon Rhymes	2	2
Rob Stroud	3	3
Peggy Tovey	3	5
Sam Tucker	2	2

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to monitor financial performance, review and recommend financial plans to the Board, and overview systems of internal financial control. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Andy Bennett	2	3
Sir David Carter	3	3
Rod Cook	3	3
Jon Gould	2	3
Guy Keith-Miller	2	3
Nicky McAllister	2	2
Jon Rhymes	0	1
Ron Ritchie	3	3
Rob Stroud	2	2
Sam Tucker	1	1

Cabot Learning Federation

GOVERNANCE STATEMENT *(continued)*

for the year ended 31 August 2013

The Audit Committee is also a sub-committee of the main governing body and members were appointed during the year. Its purpose is to review the risks to internal financial control at the Federation. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Airlie Fife	1	1
Guy Keith-Miller	0	1

Cabot Learning Federation

GOVERNANCE STATEMENT *(continued)*

for the year ended 31 August 2013

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 Federation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cabot Learning Federation for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Directors have 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 Directors are of the view that there is a formal ongoing process for identifying, evaluating and managing the Federation's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

The risk and control framework

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

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

Cabot Learning Federation

GOVERNANCE STATEMENT *(continued)*

for the year ended 31 August 2013

The Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Baker Tilly, the external auditors to perform additional checks. The auditor's role includes giving advice on financial matters and performing a range of checks on the Federation's financial systems. On a quarterly basis, the auditor reports to the governing body, by way of letter, on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. No material control issues arose during the year.

Review of effectiveness

As Accounting Officer, the Executive Principal 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 external auditor;
- The financial management and governance self assessment process;
- The work of the executive managers within the Federation who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 5 December 2013 and signed on its behalf by:



Prof Ron Ritchie
Chair



Sir David Carter
Accounting Officer

Cabot Learning Federation

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE for the year ended 31 August 2013

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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



Sir David Carter
Accounting Officer

Date: 5/12/13

Cabot Learning Federation

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 August 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Generally Accepted Accounting Practice and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Cabot Learning Federation on 5 December 2013 and signed on its behalf by:



Prof Ron Ritchie
Chair

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
CABOT LEARNING FEDERATION
YEAR ENDING ON 31 AUGUST 2013**

We have audited the financial statements of Cabot Learning Federation ("the financial statements") for the year ended 31 August 2013 on pages 28 to 61. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 25, the governors (who act as trustees for the charitable activities of the charitable company, and are also 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 August 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
CABOT LEARNING FEDERATION (*continued*)
YEAR ENDING ON 31 AUGUST 2013

Matters on which we are required to report by exception

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

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

Heather Wheelhouse

HEATHER WHEELHOUSE (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Hartwell House, 55 - 61 Victoria Street
Bristol, BS1 6AD

23 December 2013

Cabot Learning Federation
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2013

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Un- restricted Funds £000	General Funds £000	Restricted Funds Fixed Asset Funds £000	Pension Funds £000	Total 2013 £000	Total 2012 £000
	Note						
Incoming resources							
Incoming resources from generated funds:							
. Voluntary income	2	41	50	-	-	91	111
. Voluntary income – transfer from local authority on conversion	30	-	472	30,683	(1,660)	29,495	10,640
. Activities for generating funds	3	802	77	-	-	879	510
. Investment income	4	80	-	-	-	80	84
Incoming resources from charitable activities:							
. Funding for the Federation's educational operations	5	247	37,436	6,457	-	44,140	29,527
Total incoming resources		1,170	38,035	37,140	(1,660)	74,685	40,872
Resources expended							
Cost of generating funds:							
. Costs of generating voluntary income		-	-	-	-	-	7
. Costs of activities for generating funds		201	-	3	-	204	261
Charitable activities:							
. Federation's educational operations		424	36,328	5,421	521	42,694	30,678
Governance costs	8	14	61	-	-	75	54
Total resources expended	6	639	36,389	5,424	521	42,973	31,000
Net incoming (outgoing) resources before transfers							
		531	1,646	31,716	(2,181)	31,712	9,872
Gross transfers between funds	20	-	(516)	516	-	-	-
Net income (expenditure) for the year		531	1,130	32,232	(2,181)	31,712	9,872
Other recognised gains and losses							
Actuarial gains (losses) on defined benefit pension schemes	25	-	-	-	684	684	(645)
Net movement in funds		531	1,130	32,232	(1,497)	32,396	9,227
Total funds brought forward at 1 September 2012							
		1,985	4,881	36,101	(3,331)	39,636	30,409
Funds carried forward at 31 August 2013		2,516	6,011	68,333	(4,828)	72,032	39,636

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Cabot Learning Federation

BALANCE SHEETS

as at 31 August 2013

		Group		Company	
	Note	2013 £000	2012 £000	2013 £000	2012 £000
Fixed assets					
Tangible assets	13	63,547	33,156	63,547	33,156
Investment properties	13	2,690	2,690	2,690	2,690
Investment in subsidiary	14	-	-	-	-
		<u>66,237</u>	<u>35,846</u>	<u>66,237</u>	<u>35,846</u>
Current assets					
Stock	15	28	30	28	30
Debtors	16	1,352	1,047	1,481	1,191
Investments	17	5,096	4,493	5,096	4,493
Cash at bank and in hand		8,605	3,813	8,456	3,654
		<u>15,081</u>	<u>9,383</u>	<u>15,061</u>	<u>9,368</u>
Creditors: Amounts falling due within one year	18	(3,985)	(2,149)	(3,967)	(2,136)
Provisions	19	(473)	(113)	(473)	(113)
		<u>10,623</u>	<u>7,121</u>	<u>10,621</u>	<u>7,119</u>
Net current assets					
		10,623	7,121	10,621	7,119
Total assets less current liabilities		<u>76,860</u>	<u>42,967</u>	<u>76,858</u>	<u>42,965</u>
Net assets excluding pension liability		76,860	42,967	76,858	42,965
Pension scheme liability	25	(4,828)	(3,331)	(4,828)	(3,331)
		<u>72,032</u>	<u>39,636</u>	<u>72,030</u>	<u>39,634</u>
Net assets including pension liability					
		72,032	39,636	72,030	39,634
Funds					
Income funds					
Restricted funds					
. Restricted fixed asset fund	20	68,333	36,101	68,333	36,101
. Restricted general fund	20	6,011	4,881	6,011	4,881
. Restricted pension fund	20	(4,828)	(3,331)	(4,828)	(3,331)
		<u>69,516</u>	<u>37,651</u>	<u>69,516</u>	<u>37,651</u>
Unrestricted funds					
. General fund	20	2,516	1,985	2,514	1,983
		<u>2,516</u>	<u>1,985</u>	<u>2,514</u>	<u>1,983</u>
Total unrestricted funds	20				
		2,516	1,985	2,514	1,983
		<u>72,032</u>	<u>39,636</u>	<u>72,030</u>	<u>39,634</u>

The financial statements on pages 28 to 61 were approved by the Directors and authorised for issue on 5 December 2013 and signed on their behalf by:



Prof Ron Ritchie
Chair

Cabot Learning Federation
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2013

	Note	2013 £000	2012 £000
Net cash inflow from operating activities	26	2,800	2,108
Returns on investments and servicing of finance			
Interest received		116	54
		<u>116</u>	<u>54</u>
Taxation		-	-
Capital expenditure and financial investment			
Capital grants from DfE / EFA		6,478	101
Other capital grants received from central and local government		-	-
Capital funding received from sponsors		-	40
Fixed assets purchased from recurrent funding		516	152
Purchase of tangible fixed assets		(5,131)	(294)
		<u>1,863</u>	<u>(1)</u>
Management of liquid resources and financing			
Transfers to fixed term deposit account		(603)	(1,051)
		<u>(603)</u>	<u>(1,051)</u>
Increase in cash		<u>4,176</u>	<u>1,110</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash		4,176	1,110
Cash used to increase liquid resources		603	1,051
		<u>4,779</u>	<u>2,161</u>
Change in net funds		4,779	2,161
Cash transferred to CLF on 1 September 2012		616	-
Net funds at 1 September 2012		8,306	6,145
Net funds at 31 August 2013		<u>13,701</u>	<u>8,306</u>

The company had no debt at either the beginning or the end of the financial year.

Cabot Learning Federation

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 August 2013

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investment properties which are stated at valuation, in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction issued by the EFA and the Companies Act 2006.

These financial statements consolidate the results of the Federation and its wholly owned subsidiary, John Cabot Ventures Limited, on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the Federation itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The Federation's surplus for the year was £32,396,000 (2012: £9,227,000).

Going Concern

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

Incoming resources

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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

Sponsorship income

Sponsorship income provided to the Federation which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Federation is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Federation in the period in which they are receivable, and where the benefit is both quantifiable and material.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Operating lease income

Income is recognised in the statement of financial activities on a straight-line basis over the term of the lease.

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT up until 31 October 2011. From 1 April 2011, following changes introduced in the Finance bill, the Federation was able to recover VAT on expenses incurred for educational purposes. From this date, expenses are included net of recoverable VAT. Resources expended have been classified under headings that aggregate all costs relating to that activity.

Cabot Learning Federation

PRINCIPAL ACCOUNTING POLICIES *(continued)*

for the year ended 31 August 2013

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Federation's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Governance costs

Governance costs include the costs attributable to the Federation's compliance with constitutional and statutory requirements, including audit, Board meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Federation at the discretion of the Directors.

Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes as explained in note 20. The actuarial adjustments in respect of the Local Government Pension Scheme are shown as a separate restricted fund.

Tangible fixed assets and investment properties

Tangible fixed assets acquired since the Federation was established are included in the accounts at cost. Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

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. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land or investment properties. The principal useful economic lives utilised by the Federation are:

Buildings	Shorter of the leasehold period and between 25 – 35 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.

Building Schools for the Future programme

Bristol Brunel Academy and Bristol Metropolitan Academy occupy buildings which have been procured by Bristol City Council under the BSF programme as a PFI project. The academies pay revenue contributions in respect of Facilities Management. The BSF contract will expire in 2034, and on expiry ownership of the buildings and project-funded furniture and equipment will pass to Bristol City Council. In the case of Bristol Brunel Academy there is provision for the Council to then provide the Federation with a 150 year lease of the buildings and project-funded equipment at a peppercorn rent. In the case of Bristol Metropolitan Academy this lease arrangement is already in place. The Federation does not have any rights or obligations of ownership in

Cabot Learning Federation

PRINCIPAL ACCOUNTING POLICIES *(continued)*

for the year ended 31 August 2013

respect of these assets, and therefore they are not included in the Federation's balance sheet. The revenue payment for services is recognised in the Income and Expenditure account and in the SOFA.

There is a provision within the BSF contract for 'life-cycle' costs to be added to the procurement of additional furniture, fixtures and equipment, which means that the provider guarantees reasonable replacement over the life of the contract. In these cases, all the costs are capitalised and depreciation is charged over the remaining contract period. When the Federation procures and pays for additional furniture, fixtures and equipment without life-cycle costs, the Federation accepts the risk for replacement of the asset and therefore the asset is depreciated over its useful economic life.

ICT provision for Bristol Brunel Academy and Bristol Metropolitan Academy was procured by Bristol City Council under the BSF programme. This contract ended on 30 June 2011, when ownership of ICT assets procured as part of the contract passed to the Federation Trust.

Stock

Stock is valued at the lower of cost and net realisable value.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term. Certain assets are held by the Federation under long leases for which only a peppercorn rental is paid. Where the risks and rewards of ownership have passed to the Federation the assets have been included in the balance sheet. For academy buildings, the assets are valued using a depreciated replacement cost basis.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Begbrook Primary School, Hillfields Primary School, Oldbury Court Primary School, Summerhill Junior School and Culverhay School to the Federation have been valued at their fair value being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Cabot Learning Federation. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 30.

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 25, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Cabot Learning Federation

PRINCIPAL ACCOUNTING POLICIES *(continued)*

for the year ended 31 August 2013

Pensions benefits *(continued)*

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

1 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which 2% could be used for general recurrent purposes, with any balance being available for premises / capital purposes.

The following academy exceeded the limits during the year ended 31 August 2013:

King's Oak Academy

The Education Funding Agency was advised of the need to carry this forward and approval to do so was provided on 8 July 2013. All other academies within the trust that were subject to limits did not exceed them.

2 VOLUNTARY INCOME

	Unrestricted £000	Restricted £000	2013 £000	2012 £000
Rolls Royce PLC grant	20	40	60	60
University of West of England grant	20	-	20	-
E-learning Foundation donation scheme	-	-	-	7
Miscellaneous donations	1	10	11	44
	<u>41</u>	<u>50</u>	<u>91</u>	<u>111</u>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted £000	Restricted £000	2013 £000	2012 £000
Salary recharges	-	15	15	9
Local Area Partnership	-	-	-	3
John Cabot Ventures Limited	253	-	253	251
Letting of facilities	194	-	194	41
Music tuition fees	48	-	48	39
Student teacher training	-	37	37	38
School partnership programmes	-	-	-	24
Sale of uniform	22	-	22	26
NPQH/NPQSL/NPQML course income	23	-	23	-
NLE bursary	6	-	6	10
Catering	104	-	104	-
Insurance claim	-	25	25	-
Other sundry income	152	-	152	69
	<u>802</u>	<u>77</u>	<u>879</u>	<u>510</u>

Income from John Cabot Ventures Limited, the Federation's trading subsidiary, represents income from rental properties and consultancy.

4 INVESTMENT INCOME

	Unrestricted £000	Restricted £000	2013 £000	2012 £000
Bank interest	80	-	80	84
	<u>80</u>	<u>-</u>	<u>80</u>	<u>84</u>

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

5 FUNDING FOR THE FEDERATION'S EDUCATIONAL OPERATIONS

	Unrestricted £000	Restricted £000	2013 £000	2012 £000
Department for Education capital grant				
. Capital grants	-	6,327	6,327	81
. Environmental improvement grant (capital)	-	130	130	-
	-	6,457	6,457	81
Department for Education revenue grant				
. General Annual Grant (GAG)	-	32,297	32,297	25,534
. Bursary contribution - admin costs	3	-	3	2
. Start up funding	-	1,409	1,409	1,397
. Earmarked Annual Grant	-	16	16	42
. VAT reimbursement on catering	-	-	-	67
. Affordability Gap payment	-	153	153	64
. PE Teachers Grant	-	44	44	40
. Summer School funding	-	113	113	31
. Teaching pay grant	-	-	-	12
. 1:1 Tuition	-	-	-	19
. Pupil Premium funding	-	1,410	1,410	585
. Care 2 Learn	-	1	1	2
. March 2013 pilot accounts exercise	-	30	30	-
. 16-19 bursary funding	-	72	72	-
. FRS 17 funding	-	3	3	-
. Year 7 catch-up funding	-	106	106	-
. ICT funding for new building	-	165	165	-
. Academies maintenance funding	-	108	108	-
. Environmental improvement grant (revenue)	-	8	8	-
. Bath Community Academy Grants	10	-	10	109
. Primary Academy Grants	105	-	105	100
	118	35,935	36,053	28,004
Other Government grants				
. AST funding	-	13	13	12
. Special Educational Needs funding	-	775	775	530
. Golden Hello funding	-	28	28	109
. School Games organiser funding	-	24	24	24
. Graduate teacher training	-	44	44	70
. 1:1 Tuition	-	-	-	24
. Teaching School grants	47	266	313	185
. Other grants	-	-	-	12
. Nursery funding	-	215	215	-
. Environmental improvement grant	-	-	-	6
. Partnership for Schools project management funding	-	-	-	150
. Funding from South Gloucestershire Council	82	2	84	220
. English Heritage grant	-	17	17	-
. Pupil premium – looked after children	-	28	28	-
. Funding from BANES	-	43	43	-
. Healthy Schools grant	-	1	1	-
. Discretionary ICT funding	-	-	-	64
. Bristol City Council discretionary grants	-	45	45	36
	129	1,501	1,630	1,442
	247	43,893	44,140	29,527

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2013

6 RESOURCES EXPENDED

	Staff Costs £000	Deprec- iation £000	Other costs £000	Total 2013 £000	Total 2012 £000
Costs of generating voluntary income	-	-	-	-	7
Fundraising trading	77	3	124	204	261
Federation's educational operations					
. Direct costs	24,961	4,627	2,295	31,883	23,776
. Allocated support costs	4,339	794	5,678	10,811	6,902
	29,300	5,421	7,973	42,694	30,678
Governance costs including allocated support costs	14	-	61	75	54
	29,391	5,424	8,158	42,973	31,000
Incoming / outgoing resources for the year include:				2013 £000	2012 £000
Operating leases – plant & machinery				103	53
Fees payable to auditor - audit				58	37
Fees payable to auditor – other services				11	5
				172	95

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

7 CHARITABLE ACTIVITIES – FEDERATION'S EDUCATIONAL OPERATIONS

	Unrestricted £000	Restricted £000	2013 £000	2012 £000
DIRECT COSTS				
Teaching and educational support staff costs	44	24,917	24,961	19,266
Depreciation	-	4,627	4,627	2,638
Books, apparatus and stationery	5	553	558	426
Technology	-	88	88	33
Examination fees	2	494	496	467
Staff development	-	83	83	51
External educational provision and supplies	41	726	767	654
Other direct costs	18	285	303	241
	<u>110</u>	<u>31,773</u>	<u>31,883</u>	<u>23,776</u>
ALLOCATED SUPPORT COSTS				
Support staff costs	92	3,726	3,818	2,555
Additional pension cost	-	521	521	264
Depreciation	-	794	794	318
Repairs and maintenance	5	595	600	378
BSF buildings and facilities management	-	875	875	703
BSF IT managed service	-	-	-	-
Furniture and equipment	-	77	77	23
Utilities	23	574	597	331
Cleaning	-	281	281	221
Other occupancy costs	-	120	120	77
Catering	108	506	614	322
Uniform	4	41	45	54
Communications	-	104	104	72
Printing	1	204	205	110
Professional fees	47	217	264	280
Marketing	2	31	33	17
Recruitment	-	101	101	99
Other employment costs	-	52	52	35
Rates	-	177	177	77
Insurance	-	188	188	121
Technology costs	21	888	909	567
Staff development	3	10	13	18
Other support costs	8	415	423	260
	<u>314</u>	<u>10,497</u>	<u>10,811</u>	<u>6,902</u>
	<u>424</u>	<u>42,270</u>	<u>42,694</u>	<u>30,678</u>

8 GOVERNANCE COSTS

	Unrestricted £000	Restricted £000	2013 £000	2012 £000
Staff costs	10	4	14	12
Audit fees	4	53	57	39
Responsible Officer fee	-	4	4	3
Other costs	-	-	-	-
	<u>14</u>	<u>61</u>	<u>75</u>	<u>54</u>

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

9 STAFF COSTS

The average number of persons (including senior management team) employed by the Federation during the period ended 31 August 2013 expressed as full time equivalents was as follows:

	2013 No.	2012 No.
Charitable Activities		
Teachers	371.8	269.3
Administration and support	293.2	239.0
Management	65.2	49.4
	<u>730.2</u>	<u>557.7</u>
Governance activities	0.2	0.2
	<u>730.4</u>	<u>557.9</u>

Staff costs comprise:	2013 £000	2012 £000
Wages and salaries	23,689	18,135
Social security costs	1,553	1,212
Pension costs	3,476	2,490
	<u>28,718</u>	<u>21,837</u>
Supply teacher costs	673	311
Compensation payments	-	-
	<u>29,391</u>	<u>22,148</u>

Nineteen employees (2012: fourteen) earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2013. The total emoluments of these employees were in the following ranges:

	2013 No.	2012 No.
£60,001 - £70,000	8	7
£70,001 - £80,000	2	1
£80,001 - £90,000	5	3
£90,001 - £100,000	2	1
£100,001 - £110,000	1	1
£140,001 - £150,000	1	1
	<u>19</u>	<u>14</u>

Eighteen (2012: thirteen) of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme, and one (2012: none) in the Local Government Pension Scheme. During the year ended 31 August 2013, the Federation's pension contributions for these staff amounted to £183,327 (2012: £145,821).

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

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 2.8% of each academies' income. Additional charges for ICT provision, secondary improvement and additional educational provision were based on a flat rate charge, which was dependent on how many academies utilised the service.

The actual amounts charged during the year were:

	2013 £000
John Cabot Academy	292
Bristol Brunel Academy	302
Bristol Metropolitan Academy	250
Hans Price Academy	187
King's Oak Academy	216
Bath Community Academy	96
Begbrook Primary Academy	58
Minerva Primary Academy	46
Frome Vale Academy	44
Summerhill Academy	48
	<hr/> 1,539

11 DIRECTORS' REMUNERATION AND EXPENSES

The Executive Principal and staff directors only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff and not in respect of their services as directors. Other directors did not receive any payments from the Federation in respect of their role as directors. The value of directors' remuneration was as follows:

Executive Principal £140k - £145k

Other related party transactions involving the directors are set out in note 29.

12 GOVERNORS' 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 2013 was £4,278 (2012: £1,501).

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

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

13 FIXED ASSETS

Group and company	Investment Properties £000	Leasehold land and buildings £000	Furniture & equipment £000	Computer equipment & software £000	Assets under construct- ion £000	Motor vehicle £000	Total £000
Cost or valuation							
At 1 September 2012	2,690	38,305	3,752	2,879	7	7	47,640
Transfer of assets (see note 30)	-	29,748	491	301	-	-	30,540
Additions	-	-	619	73	4,583	-	5,275
Transfers	-	-	7	-	(7)	-	-
Disposals	-	-	(51)	(32)	-	-	(83)
At 31 August 2013	2,690	68,053	4,818	3,221	4,583	7	83,372
Depreciation							
As at 1 September 2012	-	6,236	2,973	2,580	-	5	11,794
Charged in year	-	3,967	977	478	-	2	5,424
Disposals	-	-	(51)	(32)	-	-	(83)
As at 31 August 2013	-	10,203	3,899	3,026	-	7	17,135
Net book values							
At 31 August 2013	2,690	57,850	919	195	4,583	-	66,237
At 1 September 2012	2,690	32,069	779	299	7	2	35,846

	Investment Properties £000	Leasehold land and buildings £000	Furniture & equipment £000	Computer equipment & software £000	Assets under construct- ion £000	Motor vehicle £000	Total £000
Educational provision	-	54,505	626	131	4,480	-	59,742
Support services	-	3,345	293	64	103	-	3,805
Generating funds	2,690	-	-	-	-	-	2,690
	2,690	57,850	919	195	4,583	-	66,237

The Directors used a valuation by King Sturge in November 2010 as the basis for their valuation of the investment properties on transfer to the Federation on 1 September 2009. The valuation was unchanged as at 31 August 2013.

Due to the rebuilding work at Hans Price Academy, the depreciation of the building has been based on a revised useful economic life.

Aggregate rental income received under operating leases was £77,514 (2012: £nil) in respect of the lease of various rooms at Bath Community Academy.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

14 INVESTMENT IN SUBSIDIARY

	2013	2012
	£	£
Shares at cost (100% holding)	1	1

A summary of the subsidiary's results for the year ended 31 August 2013 and the balance sheet position at 31 August 2013 is shown below:

	2013	2012
	£	£
John Cabot Ventures Limited - Profit and loss account		
Turnover	253,030	250,527
Expenditure	(81,503)	(80,045)
Interest receivable	64	114
Profit on ordinary activities before Gift Aid payment	171,591	170,596
Gift Aid payment to Cabot Learning Federation	(171,591)	(170,596)

Retained profits brought forward	2,000	2,000
Retained profits carried forward	2,000	2,000

	2013	2012
	£	£
John Cabot Ventures Limited- Balance sheet		
Current assets	191,243	185,899
Current liabilities	(189,242)	(183,898)
	2,001	2,001

Called up share capital	1	1
Profit and loss account	2,000	2,000
Shareholder's funds	2,001	2,001

Income of £11,336 (2012: £11,003) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

15 STOCK

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Sundry stock items	28	30	28	30
	<u>28</u>	<u>30</u>	<u>28</u>	<u>30</u>

Obsolete Bristol Metropolitan Academy student uniform with a value of £15,000 was written off during the year.

16 DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	106	106	66	80
Prepayments	440	410	440	410
Amounts due from subsidiary	-	-	171	171
Accrued income	532	253	532	253
Other debtors	274	278	272	277
	<u>1,352</u>	<u>1,047</u>	<u>1,481</u>	<u>1,191</u>

17 INVESTMENTS

The current asset investment represents cash held in a bank deposit account. Access to the funds is restricted in the short term. The movement in the year was as follows:

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Balance at 1 September 2012	4,493	3,442	4,493	3,442
Additions	603	1,051	603	1,051
	<u>5,096</u>	<u>4,493</u>	<u>5,096</u>	<u>4,493</u>

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade creditors	804	696	804	696
Taxation and social security	526	421	526	421
Sundry creditors	432	269	414	256
Accruals and deferred income	2,223	763	2,223	763
	<u>3,985</u>	<u>2,149</u>	<u>3,967</u>	<u>2,136</u>

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR *(continued)*

Deferred income	2013
Group and Company	£000
Deferred income at 1 September 2012	348
Resources deferred in the year	740
Amounts released from previous years	(348)
Deferred income at 31 August 2013	740

At the balance sheet date, the Federation deferred a number of receipts that were received in 2012-13 but related to 2013-14. These included devolved formula capital grants, teaching school grants, rates relief, sports centre funding, English Heritage grants, Rolls Royce funding, Wallscourt Farm ICT funding and a grant for building work at Begbrook Primary Academy where work does not commence until 2013-14.

19 PROVISIONS FOR LIABILITIES

Group and Company	2013 £000	2012 £000
Provisions at 1 September 2012	113	90
Utilised during the period	-	(5)
Released during the period	(53)	(85)
Additions during the period	413	113
Provisions at 31 August 2013	473	113

Provisions made during 2012-13 relate to anticipated General Annual Grant clawbacks at Hans Price Academy, King's Oak Academy, Begbrook Primary Academy and Minerva Primary Academy, plus a clawback expected in Special Educational Needs funding at Hans Price Academy.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

20 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 2012 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2013 £000
Restricted general funds					
General Annual Grant (GAG)	2,685	32,297	(31,064)	(474)	3,444
Other restricted funds transferred for JCA	549	-	(25)	-	524
Start Up grants	925	1,409	(1,625)	-	709
Earmarked Annual Grants	-	16	(16)	-	-
Pupil premium	-	1,410	(1,403)	-	7
Care2Learn	-	1	(1)	-	-
Affordability Gap payment	-	153	(153)	-	-
16-19 bursary funding	-	72	(55)	-	17
PE Teachers grant	-	44	(44)	-	-
March 2013 pilot accounts exercise	-	30	(30)	-	-
Summer School funding	2	113	(53)	-	62
Year 7 catch-up funding	-	106	(106)	-	-
Academies maintenance funding	-	108	(108)	-	-
Environmental improvement grant (revenue)	-	8	(8)	-	-
ICT funding for new building	-	165	(71)	(6)	88
FRS 17 funding	-	3	(3)	-	-
School Games organiser funding	-	24	(24)	-	-
School Sports Co-ordinator funding	2	-	(2)	-	-
Advanced Skills Teacher (AST) funding	-	13	(13)	-	-
SEN grants	153	775	(715)	-	213
Funding from South Gloucestershire Council	209	2	(61)	-	150
Next Practice grant	16	-	-	-	16
Golden Hellos	-	28	(28)	-	-
Graduate teacher training	-	44	(44)	-	-
Pupil premium – looked after children	-	28	(15)	-	13
Teaching School grant	-	266	(213)	-	53
Environmental Improvement grant	6	-	(6)	-	-
English Heritage grant	-	17	(10)	-	7
Extended schools funding	22	-	-	-	22
Partnership for Schools project management funding	36	-	-	(36)	-
Discretionary ICT funding	106	-	(101)	-	5
Nursery funding	-	215	(215)	-	-
Healthy school grant	-	1	(1)	-	-
Funding from BANES	-	43	(38)	-	5
Primary academy revenue surplus transferred	-	472	-	-	472
Bristol City Council discretionary grants	47	45	(24)	-	68
Other grants	13	-	-	-	13
Other income	43	-	-	-	43
Voluntary income	67	50	(40)	-	77
Activities for generating funds	-	77	(74)	-	3
	<u>4,881</u>	<u>38,035</u>	<u>(36,389)</u>	<u>(516)</u>	<u>6,011</u>

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

20 FUNDS *(continued)*

	Balance at 1 September 2012 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2013 £000
Restricted pension fund					
Pension reserve	(3,331)	(1,660)	(521)	684	(4,828)
	<u>(3,331)</u>	<u>(1,660)</u>	<u>(521)</u>	<u>684</u>	<u>(4,828)</u>
Restricted fixed asset funds					
DfE capital grants	17,051	6,457	(783)	-	22,725
BSF ICT assets	1	-	-	-	1
Local Choice funding	-	-	-	-	-
Other capital grants	2	-	(2)	-	-
Primary academy capital surplus transferred	-	144	(3)	-	141
Capital expenditure from Restricted Funds	158	-	(179)	516	495
Capital expenditure from Unrestricted Funds	12	-	(3)	-	9
Recognition of transfer of assets – HPA	6,894	-	(2,801)	-	4,093
Recognition of transfer of assets – KOA	10,150	-	(364)	-	9,786
Recognition of transfer of assets – BCA	-	14,358	(514)	-	13,844
Recognition of transfer of assets – BPA	-	6,116	(196)	-	5,920
Recognition of transfer of assets – MPA	-	1,808	(200)	-	1,608
Recognition of transfer of assets – FVA	-	6,143	(156)	-	5,987
Recognition of transfer of assets – SA	-	2,114	(157)	-	1,957
Transfer from JCA - private sector sponsorship	1,833	-	(66)	-	1,767
	<u>36,101</u>	<u>37,140</u>	<u>(5,424)</u>	<u>516</u>	<u>68,333</u>
Unrestricted funds					
Unrestricted funds	1,985	1,170	(639)	-	2,516
	<u>1,985</u>	<u>1,170</u>	<u>(639)</u>	<u>-</u>	<u>2,516</u>
Total funds	<u>39,636</u>	<u>74,685</u>	<u>(42,973)</u>	<u>684</u>	<u>72,032</u>

The explanations below have only been provided for significant funds:

Restricted general funds

General annual grant (GAG) is the main grant receivable from the Education Funding Agency (EFA) and is used for the Academy's normal running costs. Under the funding agreement with the Secretary of State, the academy trust was subject to limits on the amount of GAG that it could carry forward at 31 August 2013. Note 1 discloses whether the limits were exceeded.

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

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 etc. experienced at the start up of a new Academy.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

20 FUNDS *(continued)*

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

The affordability gap on PFI contracts relating to Bristol Brunel and Bristol Metropolitan Academies are met through funding provided by the EFA.

16-19 bursary funding is provided to offer support towards the most financially disadvantaged 16- to 19-year-olds. The Federation distributes awards in line with EFA guidelines.

Summer school funding was paid by the EFA to help disadvantaged Year 6 pupils in primary school make the transition to secondary education.

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.

Academics maintenance funding is provided upon the successful assessment of a bid for funding, to deal with urgent building condition issues. Bath Community Academy was awarded funding to complete urgent roof repairs.

ICT funding is being utilised to purchase ICT for the new Academy building at Hans Price.

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

Funding from South Gloucestershire Council related to various funding elements due to King's Oak Academy when it joined the Federation on 1 September 2011.

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.

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

Surpluses from the primary schools that transferred to the Federation on 1 September 2012 were paid over by Bristol City Council and are restricted to expenditure on educational operations.

Restricted pension fund

For details of restricted pension funds, please see Note 25 Pension Commitments.

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.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

20 FUNDS *(continued)*

Private sector sponsorship (JCA) relates to funding provided by various private sector companies to John Cabot Academy to support particular capital expenditure projects or items of expenditure.

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.

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows:

	Total £000
John Cabot Academy	3,114
Bristol Brunel Academy	1,288
Bristol Metropolitan Academy	655
Hans Price Academy	709
King's Oak Academy	990
Bath Community Academy	142
Begbrook Primary Academy	426
Minerva Primary Academy	287
Frome Vale Academy	187
Summerhill Academy	211
Cabot Learning Federation Central	516
John Cabot Ventures Limited	2
	<hr/> 8,527
Restricted fixed asset fund	68,333
Pension reserve	<hr/> (4,828)
Total	<hr/> <hr/> 72,032

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

20 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	4,731	826	444	851	6,852
Bristol Brunel Academy	4,783	519	412	1,077	6,791
Bristol Metropolitan Academy	2,991	505	302	827	4,625
Hans Price Academy	3,571	657	345	676	5,249
King's Oak Academy	3,138	585	317	559	4,599
Bath Community Academy	1,546	548	137	740	2,971
Begbrook Primary Academy	1,389	187	57	299	1,932
Minerva Primary Academy	920	173	28	233	1,354
Frome Vale Academy	803	158	25	272	1,258
Summerhill Academy	927	145	46	247	1,365
Cabot Learning Federation Central	162	127	62	120	471
John Cabot Ventures Limited	-	-	-	82	82
	<u>24,961</u>	<u>4,430</u>	<u>2,175</u>	<u>5,983</u>	<u>37,549</u>

21 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted general funds £000	Restricted pension funds £000	Restricted fixed asset funds £000	Total £000
Fund balances at 31 August 2013 are represented by:					
Fixed assets	-	-	-	66,237	66,237
Current assets	2,846	10,118	-	2,117	15,081
Current liabilities	(330)	(4,107)	-	(21)	(4,458)
Pension scheme liability	-	-	(4,828)	-	(4,828)
	<u>2,516</u>	<u>6,011</u>	<u>(4,828)</u>	<u>68,333</u>	<u>72,032</u>

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

22 CAPITAL COMMITMENTS

At 31 August 2013 the Federation and Group had capital commitments as follows:

	2013 £000	2012 £000
Contracted for, but not provided in the financial statements	9,355	28
Authorised by governors, but not yet contracted	507	-

23 LEASE COMMITMENTS

Operating leases

At 31 August 2013 the Federation and Group had annual commitments under non-cancellable operating leases as follows:

	2013 £000	2012 £000
<u>Other</u>		
Expiring within one year	25	-
Expiring within two and five years inclusive	63	73
Expiring in over five year	-	2
	88	75

Under the School Agreement, Bristol Brunel Academy and Bristol Metropolitan Academy are required to pay 13% of their adjusted income to Bristol City Council in respect of the BSF scheme, until the termination or expiry of the BSF Project Agreement. The expiry date is 13 August 2034. The adjusted income figure is the funding which the academies would have received had they remained maintained schools.

24 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.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

25 PENSION COMMITMENTS

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 defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS (*continued*) for the year ended 31 August 2013

25 PENSION COMMITMENTS (*continued*)

gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of $1/57^{\text{th}}$; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £1,205,000, of which employer's contributions totalled £826,000 and employees' contribution totalled £379,000. The agreed rates for future years are variable for both employers and employees. Employer contributions vary according to the Academy the member works in and the employee contribution rate is dependent on the member's Full Time Equivalent salary.

The Federation is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

25 PENSION COMMITMENTS *(continued)*

triennial valuations using the projected unit method. The following information is based upon a full actuarial valuation of the fund as at 31 March 2010, updated to 31 August 2013 by a qualified independent actuary.

As described in note 30, an element of the LGPS obligation relates to the employees of five new academies, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to and did join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Federation at the balance sheet date.

Assumptions

The major assumptions used by the actuary were:	31 August 2013 % per annum	31 August 2012 % per annum
Inflation	2.40	2.30
Salary increases	3.90	3.80
Rate of discount	4.60	4.50
Rate of increase in pensions in payment and deferred pensions	2.40	2.30

The mortality assumptions used were as follows:	2013 years	2012 years
Longevity at age 65 for current pensioners		
. Men	22.9	22.8
. Women	25.9	25.7
Longevity at age 65 for future pensioners		
. Men	25.2	25.1
. Women	28.2	28.1

The assets of the scheme and the weighted average expected rate of return were:

	Long-term rate of return expected 31 August 2013 %	Value at 31 August 2013 £000	Long-term rate of return expected 31 August 2012 %	Value at 31 August 2012 £000
Equities	7.0	5,812	7.0	3,580
Government Bonds	3.4	965	2.5	756
Other Bonds	4.4	793	3.4	740
Property	5.7	640	6.0	452
Cash / Liquidity	0.5	162	0.5	110
Other	7.0	640	7.0	477
Total assets		9,012		6,115
Present value of scheme obligations				
- Funded		(13,840)		(9,446)
Deficit in the scheme		(4,828)		(3,331)

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

25 PENSION COMMITMENTS *(continued)*

None of the fair values of the assets shown above include any of the Federation's own financial instruments or any property occupied by, or other assets used by, the Federation.

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 the scheme assets in the year was a gain of £1,092k (2012: gain £309k).

	2013 £000	2012 £000
Current service cost	1,177	723
Interest cost	556	410
Expected return on scheme assets	(408)	(309)
Past service cost	-	-
Curtailments	22	-
	<u>1,347</u>	<u>824</u>
Total expenditure recognised within the Federation's educational operations in the SOFA		

Net (loss)/gain recognised in the Statement of Financial Activities (SOFA)

	2013 £000	2012 £000
Actuarial gains/losses arising from business combinations	(1,660)	(525)
Actuarial gains/losses on scheme assets	684	150
Actuarial gains/losses on scheme liabilities	-	(795)
	<u>(976)</u>	<u>(1,170)</u>
Total amount recognised in SOFA		

Movements arising from business combinations relate to staff from Bristol City Council who transferred into the Federation scheme on 1 September 2012, on the opening of Begbrook Primary Academy, Minerva Primary Academy, Frome Vale Academy and Summerhill Academy. On the same date, staff from Bath and North East Somerset Council transferred into the Federation scheme on the opening of Bath Community Academy.

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a loss of £3,400,000 (2012: loss of £2,424,000).

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 August 2013 is £911,000.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

25 PENSION COMMITMENTS *(continued)*

Movement in deficit during the year

	2013 £000	2012 £000
Deficit brought forward	(3,331)	(1,897)
Past service cost		
- Employer service cost (net of employee contributions)	(1,177)	(723)
- Employer contributions	826	560
- Past service cost	-	-
- Net interest / return on assets	(148)	(101)
- Business combinations	(1,660)	(525)
- Curtailments	(22)	-
- Actuarial gain or loss	684	(645)
Deficit carried forward	<u>(4,828)</u>	<u>(3,331)</u>

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

25 PENSION COMMITMENTS *(continued)*

Reconciliation of opening and closing balances of the present value of the Federation's share of scheme liabilities

	2013 £000	2012 £000
Scheme obligations brought forward	(9,446)	(6,170)
Current service cost	(1,177)	(723)
Past service cost	-	-
Interest cost	(556)	(410)
Contributions by scheme participants	(379)	(273)
Actuarial losses (gains)	-	(795)
Curtailments	(22)	-
Business combinations	(2,361)	(1,075)
Benefits paid	101	-
Scheme obligations carried forward	<u>(13,840)</u>	<u>(9,446)</u>

Movements arising from business combinations in the current year relate to staff from Bristol City Council who transferred into the Federation Scheme on 1 September 2012, on the opening of Begbrook Primary Academy, Minerva Primary Academy, Frome Vale Academy and Summerhill Academy. On the same date, staff transferred from Bath and North East Somerset Council into the Federation scheme on the opening of Bath Community Academy. Movements arising from business combinations in the prior year relate to staff from South Gloucestershire Council who transferred into the Federation Scheme on 1 September 2012, on the opening of King's Oak Academy.

Reconciliation of opening and closing balances of the fair value of the Federation's share of the scheme assets

	2013 £000	2012 £000
Fair value of scheme assets at 1 September	6,115	4,273
Expected return on scheme assets	408	309
Actuarial gains (losses)	684	150
Contributions by employer	826	560
Contributions by scheme participants	379	273
Business combinations	745	550
Benefits paid	(145)	-
Fair value of scheme assets at 31 August	<u>9,012</u>	<u>6,115</u>

The five year history of experience adjustments is as follows:

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Fair value of assets	9,012	6,115	4,273	3,257	864
Present value of scheme obligations	(13,840)	(9,446)	(6,170)	(4,182)	(1,202)
Deficit in scheme	(4,828)	(3,331)	(1,897)	(925)	(338)
Experience adjustment on scheme assets	684	150	(292)	110	(70)
Experience adjustment on scheme obligations	-	(795)	601	-	-

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 August 2013

27 ANALYSIS OF CHANGES IN NET GROUP FUNDS

	At 1 September 2012	Cash flows £000	At 31 August 2013
Cash in hand and at bank	3,813	4,792	8,605
Current asset investments	4,493	603	5,096
	<u>8,306</u>	<u>5,395</u>	<u>13,701</u>

28 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.

29 RELATED PARTY TRANSACTIONS

Owing to the nature of the Federation's operations and the composition of the board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Directors may have 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:

Rolls Royce - The Federation is sponsored by Rolls Royce PLC and during the period, received income of £60,000 (2012: £60,000) in the form of sponsorship.

University of the West of England - The Federation is also sponsored by the University of the West of England and received total income of £34,000 (2012: £45,000) of which £20,000 (2012: £nil) related to funding in respect of Post 16, with the remainder relating to teacher trainee placements within the academies. The Federation incurred expenditure of £2,000 (2012: £16,000) with the University of the West of England, in respect of room hire, staff training and study fees.

Veale Wasbrough Vizards – Con Alexander is a partner with Veale Wasbrough Vizards. As one of the Federation's legal advisers, £56,000 (2012: £70,000) was incurred in respect of various legal matters across the Federation.

Avon and Somerset Police – Andy Bennett is employed by Avon and Somerset Police. The Federation incurred £7,000 in respect of school police officers at two of the academies within the Federation.

Willmott Dixon Group – Janie Chesterton is employed by Willmott Dixon Group. Following a tendering process overseen by an external project management company, Willmott Dixon was appointed to construct the new Hans Price Academy building. Costs incurred during 2012-13 total £4,346,000.

Transform Training and Consultancy – Isobel Clark is a Director at Transform Training and Consultancy. During the period, £4,000 (2012: £5,000) was incurred in respect of training courses provided by Transform Training and Consultancy across a number of our Academies.

Weston College - Peggy Tovey is employed by Weston College. During the period, the Federation received income of £3,000 (2012: £12,000) in respect of a Careers Convention and a contribution to a staff member's time. The Federation incurred £37,000 (2012: £25,000) in respect of various educational courses undertaken through Hans Price Academy.

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS (*continued*) for the year ended 31 August 2013

29 RELATED PARTY TRANSACTIONS (*continued*)

South Gloucestershire Council & Bristol City Council - Susannah Hill and both Airlie Fife and Peter Franklin are employed by South Gloucestershire Council and Bristol City Council respectively. As a number of our Academies were previously under these local authorities, prior to the transfer into the Federation, there are numerous transactions in terms of both income and expenditure between the parties, which the appointments of these two Directors has not changed.

Claire Carter, who is employed by the Federation as the Head of the CLF Teaching School is married to the Executive Principal, Sir David Carter and is therefore a related party. During the year, Claire received remuneration of £55,000 (2012: £45,000) and the Federation made pension contributions of £8,000 (2012: £6,000).

The Directors of the Federation did not receive any payment from the Federation for their role as Directors. Sir David Carter who is a Director and Executive Principal, and as such an employee of the Federation received payment in relation to services provided to the Federation in his professional capacity (Note 9).

30 CONVERSION TO AN ACADEMY TRUST

On 1 September 2012, Begbrook Primary School, Hillfields School, Oldbury Court Primary School and Summerhill Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cabot Learning Federation from Bristol City Council for £nil consideration.

On 1 September 2012, Culverhay School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cabot Learning Federation from Bath and North East Somerset Council for £nil consideration.

The transfer has 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 income in the Statement of Financial Activities as voluntary income.

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

Begbrook Primary School (renamed Begbrook Primary Academy)	Voluntary income analysis				
		Unrestricted	Restricted	Restricted	Restricted
	TOTAL	Fund	General	Fixed	Pension
	£000	£000	Fund	Asset	Fund
			£000	Fund	£000
Tangible fixed assets:					
Leasehold land and buildings	6,006	-	-	6,006	-
Furniture and equipment	54	-	-	54	-
Computer equipment and software	56	-	-	56	-
Surplus from Bristol City Council	294	-	196	98	-
LGPS pension deficit	(451)	-	-	-	(451)
Net assets	5,959	-	196	6,214	(451)

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

30 CONVERSION TO AN ACADEMY TRUST *(continued)*

Hillfields Primary School (renamed Minerva Primary Academy)

	TOTAL £000	Unrestricted Fund £000	Voluntary income analysis		
			Restricted General Fund £000	Restricted Fixed Asset Fund £000	Restricted Pension Fund £000
Tangible fixed assets:					
Leasehold land and buildings	1,647	-	-	1,647	-
Furniture and equipment	116	-	-	116	-
Computer equipment and software	45	-	-	45	-
Surplus from Bristol City Council	125	-	100	25	-
LGPS pension deficit	(309)	-	-	-	(309)
Net assets	<u>1,624</u>	<u>-</u>	<u>100</u>	<u>1,833</u>	<u>(309)</u>

Oldbury Court Primary School (renamed Frome Vale Academy)

	TOTAL £000	Unrestricted Fund £000	Voluntary income analysis		
			Restricted General Fund £000	Restricted Fixed Asset Fund £000	Restricted Pension Fund £000
Tangible fixed assets:					
Leasehold land and buildings	6,050	-	-	6,050	-
Furniture and equipment	56	-	-	56	-
Computer equipment and software	37	-	-	37	-
Surplus from Bristol City Council	110	-	101	9	-
LGPS pension deficit	(290)	-	-	-	(290)
Net assets	<u>5,963</u>	<u>-</u>	<u>101</u>	<u>6,152</u>	<u>(290)</u>

Cabot Learning Federation

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2013

30 CONVERSION TO AN ACADEMY TRUST *(continued)*

Summerhill Junior School
(renamed Summerhill Academy)

Voluntary income analysis

			Restricted	Fixed	Restricted
		Unrestricted	General	Asset	Pension
	TOTAL	Fund	Fund	Fund	Fund
	£000	£000	£000	£000	£000
Tangible fixed assets:					
Leasehold land and buildings	2,007	-	-	2,007	-
Furniture and equipment	64	-	-	64	-
Computer equipment and software	44	-	-	44	-
Surplus from Bristol City Council	87	-	75	12	-
LGPS pension deficit	(227)	-	-	-	(227)
Net assets	<u>1,975</u>	<u>-</u>	<u>75</u>	<u>2,127</u>	<u>(227)</u>

Culverhay School
(renamed Bath Community Academy)

Voluntary income analysis

			Restricted	Fixed	Restricted
		Unrestricted	General	Asset	Pension
	TOTAL	Fund	Fund	Fund	Fund
	£000	£000	£000	£000	£000
Tangible fixed assets:					
Leasehold land and buildings	14,038	-	-	14,038	-
Furniture and equipment	201	-	-	201	-
Computer equipment and software	119	-	-	119	-
LGPS pension deficit	(383)	-	-	-	(383)
Net assets	<u>13,975</u>	<u>-</u>	<u>-</u>	<u>14,358</u>	<u>(383)</u>

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CABOT LEARNING FEDERATION AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 August 2011 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cabot Learning Federation during the period 1 September 2012 to 31 August 2013 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 and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cabot Learning Federation and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Cabot Learning Federation and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Cabot Learning Federation's funding agreement with the Secretary of State for Education dated 1 September 2009 and the Academies Financial Handbook extant from 1 September 2012, 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 2013. 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 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baker Tilly UK audit LLP

BAKER TILLY UK AUDIT LLP

Chartered Accountants

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23 December 2013