

**Cabot
Learning
Federation**

Cabot Learning Federation
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Registered number 06207590 (England and Wales)
for the year ended 31 August 2019

Contents

Reference and Administrative Details	1
Trustees' Report	3
Strategic Report	9
Governance Statement	18
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees Responsibilities	22
Independent auditor's report to the members of Cabot Learning Federation	23
Independent Reporting Accountant's Assurance Report on Regularity to Cabot Learning Federation and the Education and Skills Funding Agency	26
Statement of Financial Activities	28
Balance sheet as at 31 August 2019	29
Consolidated cash flow statement for the year ended 31 August 2019	30
Notes	31

Reference and Administrative Details

Members

Jane Harrington
Gareth Jones (appointed 01.08.19)
Guy Keith-Miller
Peter Price

Trustees

Airlie Fife (Interim Chair)
Nusrat Arshad (appointed 13.12.18)
Debbie Attack (appointed 02.10.19)
Suzanne Carrie (appointed 01.09.19)
Anthony Cherry
Adrian Coleman
Susan Coombes
Pete Franklin (resigned 08.06.19)
Jane Harrington (resigned 08.11.19)
Rhodri James (resigned 31.08.19)
Guy Keith-Miller
William Liew
Nicky McAllister
Bethan Owen (appointed 25.04.19)

Company Secretary

Bryony Green

Senior Executive leadership team:

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

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

Company Name

Cabot Learning Federation

Principal and registered office

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

Company registration number

06207590 (England and Wales)

Independent auditor

Bishop Fleming LLP, 16 Queen Square, Bristol, BS1
4NT

Reference and Administrative Details *(continued)*

Bankers

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

Solicitors

VWV LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Auditors

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Academies

Begbrook Primary Academy (BPA)
Bristol Brunel Academy (BBA)
Bristol Futures Academy (BFA)
Bristol Metropolitan Academy (BMA)
Broadoak Academy (BOA)
City Academy Bristol (CAB)
Digitech Studio School (DSSB)
Evergreen Primary Academy (EPA)
Frome Vale Academy (FVA)
Hanham Woods Academy (HWA)
Hans Price Academy (HPA)
Haywood Village Academy (HVA)
Herons' Moor Academy (HMA)
John Cabot Academy (JCA)
King's Oak Academy (KOA)
Minerva Primary Academy (MPA)
Summerhill Academy (SA)
Wallscourt Farm Academy (WFA)
Winterstoke Hundred Academy (WHA)

Trustees' Report

The Trustees of Cabot Learning Federation who are also directors under company law, present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, strategic report and directors' report under company law.

The Trust operates 19 academies (9 secondary, 8 primary, 1 studio school and 1 all-through) in Bristol, South Gloucestershire and North Somerset. Its academies have a combined pupil capacity of 11,765 and had a roll of 10,924 in the school census during October 2019.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice Accounting and Reporting by Charities issued in July 2014 (SORP 2015), the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA) and the Companies Act 2006.

Structure, Governance and Management

Constitution

The Trust is a company incorporated in England, limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cabot Learning Federation. Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees Indemnities

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

Principal activities

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

Method of Recruitment and Appointment or Election of members

The Articles of Association states that the members of the Trust should comprise; two persons nominated by Rolls Royce and two persons nominated by the University of the West of England. Additional members can be appointed by the members or the Secretary of State. All members may agree unanimously in writing to appoint additional members as they think fit and are entitled to remove any additional members.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

The Board's responsibilities are:

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

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

The councillor roles are:

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

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

The leadership of the Federation in the year ended 31 August 2019 has been overseen by Stephen Taylor, the Chief Executive Officer and the Executive Team which consists of the Executive Director of Education, 3 Executive Principals, the Finance Director, HR Director, Director of Corporate Services, Director of CLF Institute, and Head of IT. Each Academy also has a Senior Leadership Team, responsible for the strategic and operational decision making at academy level, with responsibility for implementing the individual academies' annual improvement plans, and organising teaching and learning, facilities, and student support frameworks.

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
12	7.9

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time (£)	17,417
Total pay bill (£)	44,919,000
The percentage of the total pay bill spent on facility time (total cost of facility time / total pay bill x 100)	0.04%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours (total hours spent on trade union activities by relevant union official during the period / total paid facility time hours) x 100	0%
---	----

Arrangement for setting pay and remuneration of Key Management Personnel

The Key Management Personnel of the Federation comprise the Trustees and the Executive Leadership team listed in the Reference and Administrative details on page 1. No Trustees are remunerated for their services as a Trustee. Salaries for senior posts are determined through benchmarking against external similar roles. The Board and/or Remuneration Committee review and authorise salaries for the most senior roles – Executive Team and Senior Leadership Teams.

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

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

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

Related Parties and other Connected Charities and Organisations

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

The Federation owns 100% of the issued ordinary shares of John Cabot Ventures Ltd, a Company registered in England and Wales (no. 03057532). This company operates the commercial affairs of the Federation. For the year to 31 August 2019, the subsidiary will donate the whole of its taxable profits to the Federation. The consolidated financial statements include the results for John Cabot Ventures Ltd for the year to 31 August 2019.

The Federation owns 100% of the issued ordinary shares of City Academy Bristol Trading Limited, a Company registered in England and Wales (no. 05342913). The company owns and manages a building used by the Federation. The consolidated financial statements include the results for City Academy Bristol Trading Limited for the year to 31 August 2019.

Objectives and Activities

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

Vision, Core Purpose and Strategy

Our core purpose is at the HEART of what we do:



Our mission is:

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

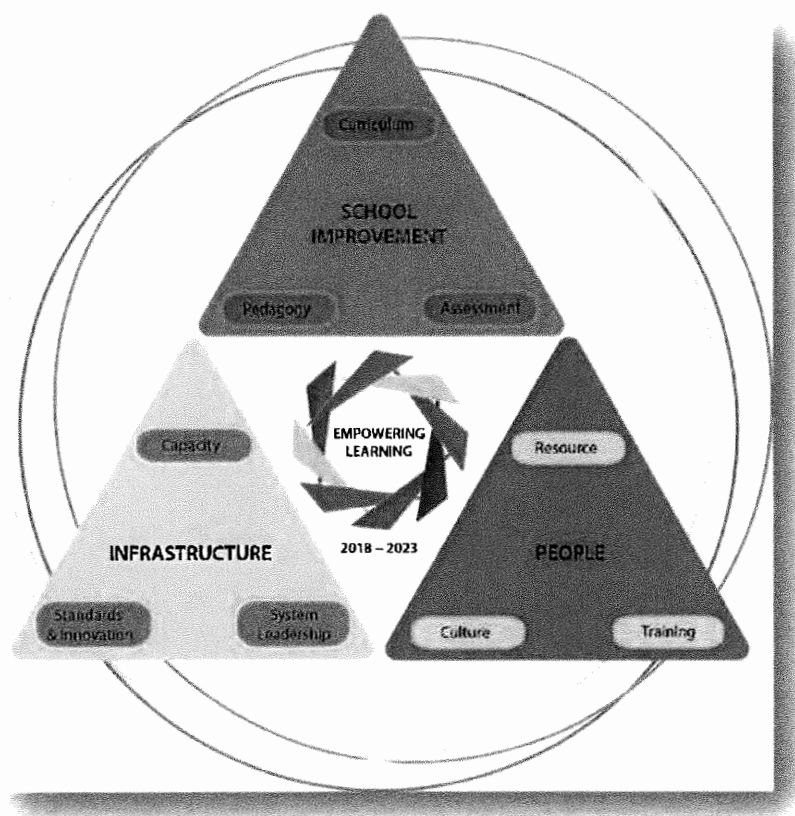
Our vision:

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

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

Our strategic plan:

The 5 year '**Empowering Learning**' strategy was launched successfully during 2018-19. The strategic plan has three areas with three following sub-themes:



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

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

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

Employee Involvement and Disabled Persons

Cabot Learning Federation is an Equal Opportunities Employer, and works in conjunction with the Equality Act 2010 and supports disabled people – including those with long term health conditions, learning disabilities and so called “hidden” disabilities such as dyslexia. If an applicant confirms that they have a disability we can make reasonable adjustments to ensure that any selection processes, including the interview, are fair and equitable.

Cabot Learning Federation also supports disabled employees through good engagement with staff and where appropriate applying bespoke solutions to support employees with a disability. This approach includes working with Occupational Health in order to support all disabilities with internal training programmes and career development.

Public Benefit

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

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on its behalf by:



Airlie Fife
Interim Chair

Cabot Learning Federation
Brook Road
Kingswood
Bristol
BS15 4JT

Strategic Report

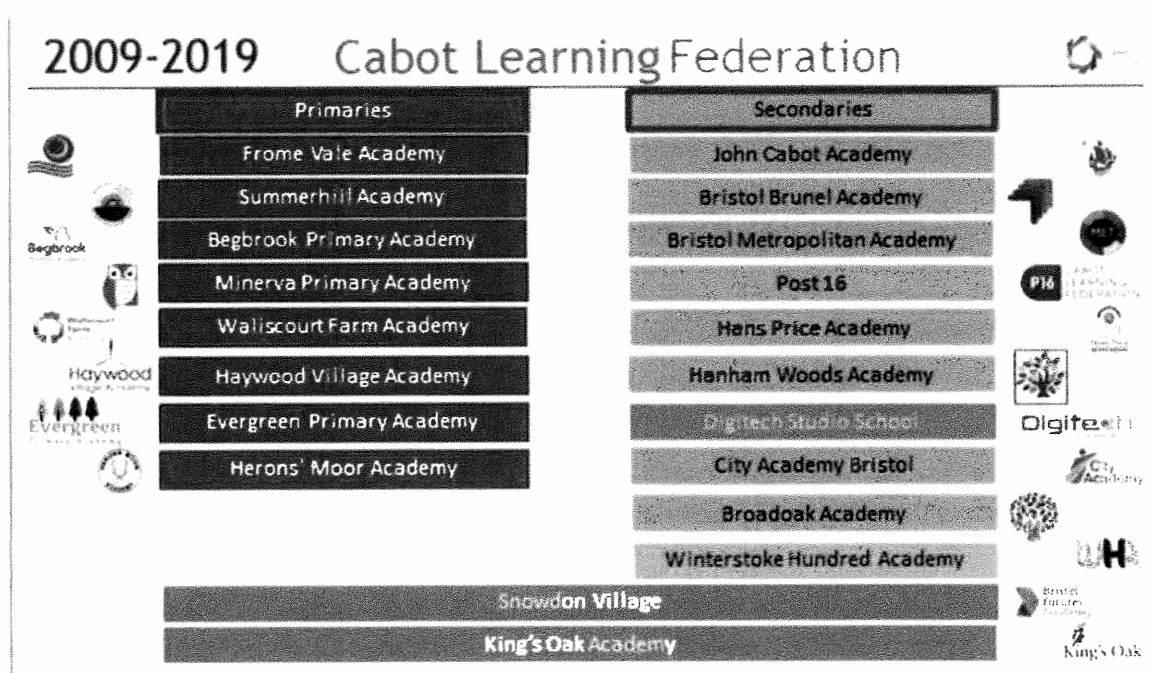
Achievements and Performance

During the course of its tenth year as a multi-academy trust in 2018-19, the CLF further consolidated its position with regard to securing strong governance, developing leadership capacity, achieving tangible evidence of school improvement with improved outcomes at all key stages, and defining its scale of operations ahead of September 2019.



The Trust celebrated its 10-Year Anniversary throughout the period between its summer conference in July and its autumn conference in October. Many staff (largely those who had been working at John Cabot, Bristol Brunel and Bristol Metropolitan Academies) simultaneously celebrated their 10-Year Work Anniversary and were recognised for their efforts.

The CLF remains a trust defined in part by the geographical proximity of all 25 of its 'entities'. These include:



- 8 primary academies
- 8 secondary academies
- all-through academy
- 14-19 Studio School
- CLF Post 16 provision
- 1 suite of alternative provisions – Snowdon Village
- Teaching School
- School Centred Initial Teacher Training
- Boolean Maths Hub

Curriculum

Throughout 2018-19 the CLF made significant progress in building a Trust-wide 3-19 curriculum, developed by curriculum curators and exploited by teachers as a foundation for teachers to enact the curriculum, so that it secures learning and long term learning for our children. This is seen as a key driver for securing greater equity in provision across the Trust.

The curriculum intentionally builds up from the early key stages into Key Stage 3, rather than being led by the assessment objectives set out in the first public exams at Key Stage 4. The CLF has determined that its curriculum will be 'Joy-Filled'. The aims of the curriculum are that it should enable children to have self-agency, now and in adulthood, because of a developed sense of self and an awareness of their place in the world. This is the result of children seeking meaning and making connections as they build understanding from a foundation of knowledge and skills.

The CLF has described its 'Curriculum Intent' thus:

The curriculum enables all children to build and strengthen self-agency, as a result of a developed sense of self and an awareness of their place in the world. This is the result of children seeking meaning and making connections as they build understanding from a foundation of knowledge and skills

There are two elements to the Curriculum Intent:

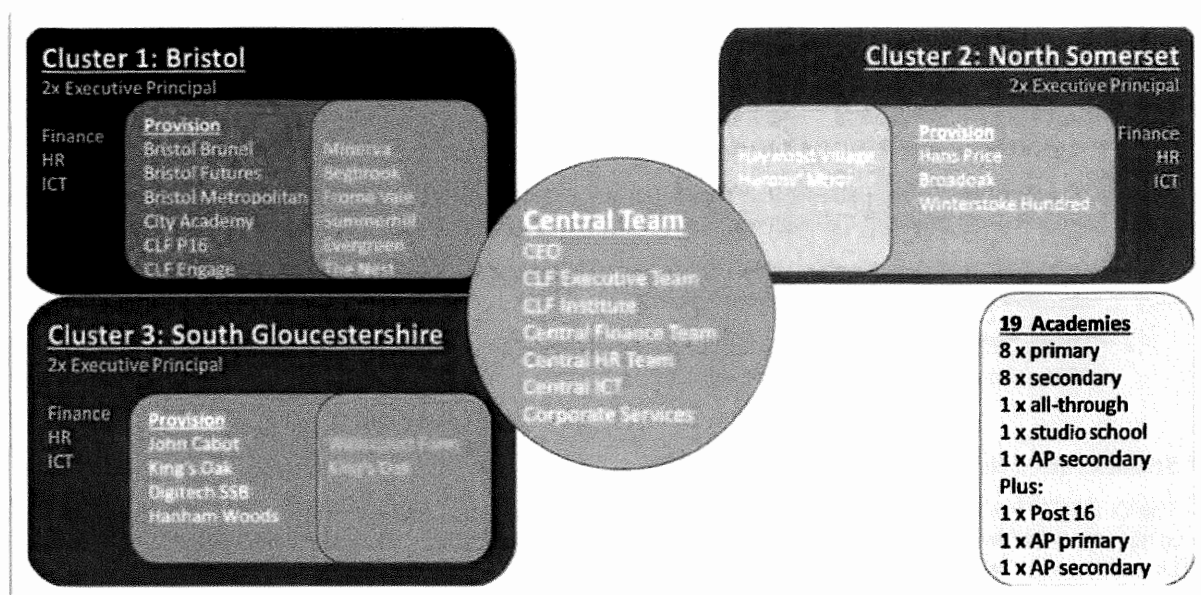
1. **The promise of the curriculum:** All children across the Trust should learn key areas of knowledge and skills and build expertise in these areas to provide the foundation for deeper understanding. As a consequence of this foundation all children are supported to seek inter and intra-disciplinary connections to broaden their understanding so that they seek and build meaning for themselves so that they explore the loftier goals of the curriculum...
2. **The loftier goals of the curriculum:** All children will be supported to use their strong foundation of knowledge, skills, understanding and meaning to develop an ever-greater sense of self and a stronger understanding of their place in the world so that all children to build and strengthen self-agency (their ability to influence and make decisions about their own lives) now and in the future.

In the context of the overarching five-year strategy (2018-2023) the ambition is that by the end of this period children thrive at and beyond school because of the 3-19 CLF Curriculum that is curated by experts across the Trust and secured by Guardians of the curriculum for all children. The curriculum will sequence knowledge and skills (expertise) through concepts, to progressively build the understanding required to seek meaning. As a result, children build a sense of self and place so that they have self-agency now and in their future. It will be joy-filled, supporting children to feel the pleasure of learning; it will provoke and demand opinions. The curriculum will build self-esteem and self-confidence, so that children make good choices now and, in the future, and are physically and mentally healthy. Colleagues will play with pedagogy and use accurate assessment to realise the promise of the curriculum and its loftier goals.

The focus on the curriculum, together with the anticipated changes in the Ofsted Inspection Framework for 2019, greatly influenced the manner in which CLF academies were tracked, monitored and supported. The promotion of the shared curriculum across the Trust sought to increase equity for children and secure greater social justice and mobility across the Trust.

Structure

In the course of 2018-19, the Trust successfully completed its project to re-structure itself around the three geographical 'clusters' in Bristol, North Somerset and South Gloucestershire. This model has allowed the Trust to both deliver consistent performance more efficiently and make best use of domain expertise steered by the centre. The cluster model now looks like this:



Growth and Leadership

In January 2019 the CLF Board approved an increase in the capacity of central educational support by increasing the number of Executive Principals from two to three. This recognised the higher need for more capacity to meet the growing need, particularly in the Primary phase with the addition of Evergreen Primary Academy in September 2018 and Herons' Moor Academy in January 2019.

The current structure of the Executive Team is as follows:

• CEO	Steve Taylor	• Director of Education (Deputy CEO)	Dr Dan Nicholls
• Finance Director	Sarah Lovell	• Executive Principal	Sally Apps
• Director of HR	Ian Payne	• Executive Principal	Susie Weaver
• Director of Corporate Services	Bryony Green	• Executive Principal	Kate Richardson
• Head of IT	Andy Ling	• Director of CLF Institute	Alison Fletcher

The clusters continue to be supported by identified Senior Principals, leaders with a track record of successful school leadership who, as well as leading their own schools, will also provide executive leadership capacity. The number was increased in September 2019 from 4 to 6 with a focus on increasing primary specialism. Tony Searle, Jon Angell, Jon Jones and Pete Hallam have been joined in their Senior Principal roles by Craig Jones and Laurie Munro, which added additional School Improvement capacity across the trust.

Once again, turnover in senior leadership roles across the Trust was extremely low. As staff numbers overall grew to 1,900, only 5 senior leaders (across all education and professional services) left ahead of September 2019.

The table below provides an overview of the scope and school improvement resources available in the CLF:

RESOURCE						
Teaching School Capacity				Ofsted Insp.	Maths Hub	SCITT
TSA	NLE	LLE	SLE			
1	1	3	40	3	1	1

Academy Inspection Outcomes

The following inspections were carried out by Ofsted in 2018-19:

- John Cabot Academy was inspected in November 2018 and judged to be good. The academy is also home to the CLF Post 16 provision, which is shared between the sites of John Cabot and Bristol Brunel Academies and serves the East Bristol and Kingswood areas. The CLF Post 16 provision was also judged to be good.
- City Academy Bristol had its first inspection since joining the CLF in 2016. The inspection took place in April 2019 and judged the academy to be good, having been in special measures at the time of transfer.
- Bristol Futures Academy was inspected for the first time in May 2019, 33 days after joining the Trust. The academy was judged to require improvement.
- Haywood Village Academy was inspected for the first time in June 2019, after opening as a new school in 2016. The school was judged to be outstanding.

School-Centred Initial Teacher Training (SCITT)

The CLF SCITT went through its first inspection in 2018 and was judged to be good. There are 75 trainees enrolled in the 2019-20 cohort, into a programme delivered in partnership with Researchers in Schools (RiS), South Gloucestershire Teaching School Alliance, Bristol Early Years Teaching School and Lighting up Learning. From September 2020 the partnership will also include the North Avon Teaching School Alliance.

The CLF SCITT is already making strides in its aim to recruit more BAME trainees into the profession.

Boolean Maths Hub

The Maths Hub has continued to grow in strength and potency and currently serves over 900 schools in an area that covers Somerset across to Wiltshire. Boolean is working closely with the NCETM to incubate a new Maths Hub that will launch in the east of the current footprint, hopefully in September 2020.

Growth

During the course of 2018-19, the CLF expanded by 4 academies to 19. Pupil numbers have grown overall by 25.6% and at each phase (primary: 31%, secondary: 21.8%, Post 16: 49%). Staff headcount overall has increased by 20%, with the increase in teaching staff at 11%. The expansion has occurred as a result of the increased number of academies, but also the degree to which academies have recruited to, and beyond, pupil admissions capacity. Provision has developed thus:

- Wallscourt Farm Academy progressed its provision into Year 5
- Haywood Village Academy progressed its provision into Year 3
- King's Oak Academy progressed its provision into Year 3
- Millpond Community Primary Academy closed and, via a directive academy order, joined the CLF as Evergreen Primary Academy on September 1. In its first year the headline results at Key Stage 2 rose from 12% Combined Age-related Expectations in 2018 to 73% in 2019, making the school one of the most improved in the country.
- The re-build of Minerva Primary Academy was brought to completion, and was officially opened in November 2018. Minerva is now full in reception.
- Herons' Moor Academy, a two-form-entry primary school in Weston-Super-Mare joined in January 2019 following a re-brokerage from another local trust.
- Bristol Futures Academy, a 14-16 Alternative Provision in Bristol joined in March 2019 following a re-brokerage from another local trust.
- North Somerset Enterprise and Technology College, a 14-19 specialist provision in Weston-Super-Mare joined in July 2019 following a re-brokerage from another local trust. The academy will re-open as Winterstoke Hundred Academy in September 2020, offering mainstream 11-19 provision.

- Broadoak Mathematics and Computing College, an 11-16 mainstream Single Academy Trust in Weston-Super-Mare joined in July 2019, becoming Broadoak Academy in September 2019.
- The CLF was successful in its bid for a new Primary Academy in Wave 13 of Free School applications, Tower Road Academy, which is currently scheduled to open in Warmley, South Gloucestershire in 2022.

Results / Outcomes for 2018-19

The following is a brief narrative relating to the unvalidated outcomes from summer 2019 at the following key stages:

• Early Years Foundation Stage

Good Level of Development (GLD) increased in five of the seven CLF Academies, with significant high performance against national benchmarks. This included a significant increase at Evergreen Primary Academy of 21 percentage points.

Across the CLF 78% of pupils achieved GLD. This is significantly above the 2018 national average (72%) and the best year of GLD outcomes for the CLF. This also represents a 2 percentage point increase from the 76% achieved last year and continues a trend of year on year improvement (every year for the past four years).

The CLF also performed well in key groups, notably Pupil Premium Students where 65% achieved GLD (significantly above 57%, which was the 2018 national average).

• Phonics

Phonics (% achieving expected standard) saw an increase overall of three percentage points compared to the 2018 outcomes and increases in five CLF academies, including a large increase of 16 percentage points at Minerva Primary Academy. Results for the Trust show that in the CLF 82% achieved the expected standard in Phonics. Further analysis demonstrates that outcomes overall and for key pupil groups, including disadvantaged, are all in line with 2018 national average, as they have broadly been for the past five years.

• Key Stage 1

Key Stage 1 has seen a number of improvements on 2018 performance, with four academies posting improved outcomes in reading, five in writing and four in maths. There were significant improvements at Evergreen Primary Academy, where results almost doubled up to 70% across the board in 2019.

Results for the trust show that the CLF overall is below the 2018 national average in reading by two percentage points and above in writing (by 3 percentage points) and maths (by 3 percentage points).

• Key Stage 2

Key Stage 2 saw improvements in four academies, with two declining. Notable performances included Evergreen Primary Academy with a hugely significant improvement from 12% combined ARE in 2018 to 73% in 2019, and Frome Vale, which further extended its excellent outcomes in 2018 to 79% combined ARE in 2019. Across the CLF, overall key stage two attainment was slightly under national averages.

Reading across Key Stage 2 fell in four academies and rose in one. This follows a national trend (reading 2019 73%, down from 75% 2018). The percentage of pupils achieving expected standards in writing increased in five academies, whereas in maths there were several improved performances, with notable jumps at Evergreen Primary, Frome Vale and Herons' Moor Academies

• Key Stage 4

In 2019 Progress 8 improved slightly for the CLF, which means the Trust has stayed in line with national benchmarks. The attainment across the Trust is in-line with attainment achieved in 2018. There is strong improvement in attainment at Bristol Metropolitan Academy and Hans Price Academy. Four academies have progress outcomes considered in

line with national averages (City Academy Bristol, Bristol Brunel, Hans Price and John Cabot Academies. Two were below (Hanham Woods and King's Oak Academies, whilst one is significantly above: Bristol Metropolitan Academy achieved a large improvement of 0.47 to have a provisional progress 8 of 0.51. Overall five academies improved on the year before and overall the CLF continued a three-year trend of improved outcomes.

Progress has improved marginally across the Trust for key groups. Disadvantage progress, for example, has improved to -0.18 and Low attaining (LAP) and middle attaining pupils (MAP) on entry make positive progress. Girls make more progress than boys, but the gap has closed slightly from 2018.

- **Post 16**

2019 saw a significant improvement in the performance of students at Post-16 in the Trust. The Value Added score jumped significantly, with students performing on average half a grade better per subject compared to 2018 outcomes. In addition to these outcomes, the performance at Digitech at Post-16 is also strong with the average grade of the diplomas being a distinction and academic outcomes are also showing positive progress.

CLF Post 16 has seen a year on year improvement.

Working with a smaller cohort with a higher starting point the Value Added (VA) has increased from -0.12 to 0.44 (over half a grade increase). This is also reflected in academic and applied breakdowns with a year on year increase of 0.35 and 0.91 respectively. Attainment also follows the trend with a significant increase in academic APE (27.76 to 31.45 giving an increase of 3.69). The pass rate has increased (U grades down to 1.2%) with A*-C and A*-D grades seeing an increase of over 5 percentage points year on year.

Going Concern

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

Financial Review

Financial report for the year

The Federation's accounting period is from 1 September 2018 to 31 August 2019.

Most of the Federation's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). Grants are made to each of the individual academies within the Federation and are restricted to fund the activities of the academy to which they are granted.

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

During the period ended 31 August 2019, total expenditure of £70,264,000 (excluding FRS102 pension fund adjustments) was met by recurrent grant funding from the ESFA, other incoming resources, and funding carried forward from the previous year. The excess of income over expenditure for the year was £35,303,000 (surplus of £565,000 excluding the FRS102 pension fund adjustments and the restricted fixed asset fund). The £565,000 surplus reflects the results of all academies and will include the 1% surplus target included within annual budgets in order to allow ongoing investment in future years. The total amount of unspent unrestricted and restricted general reserves (excluding pension reserve) are £5,532,000.

At 31 August 2019 the net book value of fixed assets excluding investment properties was £162m 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 £3,494,000. These are houses held for rental through the Federation's subsidiary company, John Cabot Ventures Ltd.

Expenditure in the year has supported the key objectives of the Federation, with budgets being set in line with operational requirements which supported these. Budget targets for the 2019-20 financial year are set at a 1% surplus of income to ensure maximisation of funding being spent in year on current students and also ensure reserves are replenished to provide capacity for long term investments in line with the reserves policy agreed in February 2018.

Reserves Policy

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

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

The main uses of reserves will be as follows:

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

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

This revised policy was approved by the Board during 2017-18. At 31 August 2019, the Federation has unrestricted reserves of £2.9m and restricted general reserves (excluding pension reserves) of £2.6m, together totalling £5.5m which is consistent with the levels prescribed in the policy above.

Investment Policy

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

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

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

Principal Risks and Uncertainties

Risk Management

The Trust has an established risk management policy. The Board of Trustees has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and the Audit Committee. The Trust utilises the use of an independent internal auditor to

perform a suite of internal audits based around a rolling programme of generic risk (financial controls) and topical risks.

The key areas of focus are:

Governance and legal

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

Strategic

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

Educational

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

Human Resources

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

Health and Safety

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

Other Legal and Operational

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

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

Financial

Liquidity risk

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

Interest rate risk

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

Financial Sustainability risk

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

Other risks

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

Fundraising

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

Plans for Future Periods

During the course of 2018-19, the CLF expanded by 4 academies, pupil numbers grew by 25.6% and staff headcount overall increased by 20%. The Trust continues to pursue growth within its 3 clusters but are also entering a period of consolidation whilst new joiners are inducted and supported. The Snowdon Village concept will be further developed through extending the age range from 4 to 19 and exploring new sites to support the alternative provision offer across Bristol, South Gloucestershire and North Somerset.

The Trust will be targeting its resources to school improvement, more specifically within the South Gloucestershire secondaries. The CLF curriculum will be launched during the year by subject and the cluster structure for professional services will continue to embed and develop. Opportunities to increase revenue to invest back into schools will be delivered as the CLF Leisure and Lettings vision is rolled out across the Trust.

Funds held as Custodian Trustee on behalf of others

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

Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 12 December 2019 and signed on the board's behalf by:



Airlie Fife
Interim Chair

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Federation and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendees during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
Nusrat Arshad	5	6
Anthony Cherry	7	7
Adrian Coleman	7	7
Susan Coombes	6	7
Airlie Fife	7	7
Peter Franklin	4	5
Jane Harrington	7	7
Rhodri James	0	7
Guy Keith-Miller	7	7
William Liew	7	7
Nicky McAllister	6	7
Bethan Owen	4	4

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

Attendance at meetings in the year was as follows:

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

Review of Value for Money

The CLF is committed to delivering value for money in all areas to provide consistently excellent educational experiences for all our students.

The Accounting Officer and Chief Finance Officer (Finance Director) considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

- Introducing a new cluster structure to provide effective and efficient professional services capacity across the trust;
- Delivering improved academic results in the majority of the Trust's academies when compared with 2018;
- Deploying central school improvement resource to areas most in need of support;
- Continuing to procure pan-Federation contracts and services delivered through economies of scale, led by the CLF Procurement Officer;
- Ensuring the strong internal control financial framework is robust and continues to be delivered in all areas;
- Continuing to monitor investments to ensure the optimum interest yield is obtained while balancing the risk profile;
- Carrying out effective regular monthly management accounts monitoring and budget setting;
- Ensuring considered and effective deployment of ring-fenced funding to target support for vulnerable student groups;
- Utilising reserves to invest in improving the educational outcomes for our students;
- Continued to install energy efficient measures at a number of sites which will see reduced energy bills in the future;
- Ensuring the Trust's estate is well maintained balanced between short term repairs and longer term capital investments;

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cabot Learning Federation for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees considered the need for a specific internal audit function and BDO have continued to provide these services since 2013-14. They were re-appointed during 2017-18.

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

The Internal Auditor has delivered their schedule of work as planned. The Annual Report dated November 2019 concludes:

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

During 2018-19, the Internal Auditor reviewed and evaluated the Federation's internal control arrangements in relation to financial controls, attendance, governance at Academy councils, compliance with the Academies Financial Handbook, HR and workforce management.

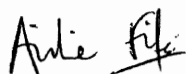
Review of Effectiveness

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

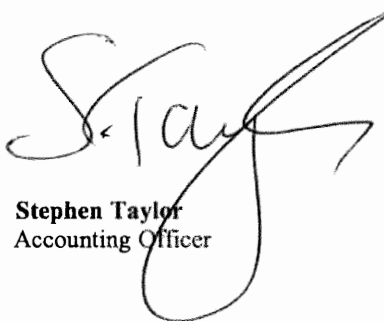
- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 12 December 2019 and signed on its behalf by:



Airlie Fife
Interim Chair



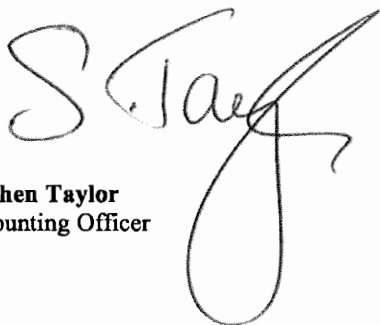
Stephen Taylor
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Cabot Learning Federation I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Stephen Taylor
Accounting Officer

Statement of Trustees Responsibilities

The Trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2018 to 2019;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on its behalf by:



Airlie Fife
Interim Chair

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

Opinion

We have audited the financial statements of Cabot Learning Federation Limited (the 'parent academy trust') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy trust's affairs as at 31 August 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of Trustees

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
16 Queen Square
Bristol
BS1 4NT

Date: 16/12/2019

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

In accordance with the terms of our engagement letter dated 26 March 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cabot Learning Federation and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cabot Learning Federation and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Cabot Learning Federation's funding agreement with the Secretary of State for Education dated 2 July 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison (FCA) Reporting Accountant
Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date: 16/12/2019

Consolidated Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2018/19 £000	Total 2017/18 £000
Income and endowments from:						
Donations and capital grants	2	-	447	7,968	8,415	1,242
Transfer from local authority / academy trust	30	699	(4,845)	38,710	34,564	(4,974)
Charitable activities:						
Funding for the Academy Trust's educational operations	3	1,316	59,573	-	60,889	52,408
Teaching schools	32	415	2,162	-	2,577	1,622
Other trading activities	4	1,974	26	-	2,000	1,859
Investment Income	5	72	-	-	72	56
Total		4,476	57,363	46,678	108,517	52,213
Expenditure on:						
Raising funds	6	1,846	26	-	1,872	1,496
Charitable activities:						
Academy Trust's educational operations	7	1,597	64,004	4,126	69,727	61,061
Teaching schools		415	2,004	-	2,419	1,640
Total	6	3,858	66,034	4,126	74,018	64,197
Net gains / (losses) on investments	13	-	-	804	804	-
Net income and expenditure		618	(8,671)	43,356	35,303	(11,984)
Transfers between funds	21	(220)	(110)	330	-	-
Net income / (expenditure) for the year		398	(8,781)	43,686	35,303	(11,984)
Other recognised gains and losses:						
Actuarial gains on defined benefit pension schemes	21,27	-	(13,597)	-	(13,597)	5,169
Net movement in funds		398	(22,378)	43,686	21,706	(6,815)
Reconciliation of funds						
Total funds brought forward at 1 September 2018	21	2,551	(15,539)	121,434	108,446	115,261
Total funds carried forward at 31 August 2019	21	2,949	(37,917)	165,120	130,152	108,446

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

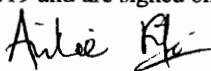
The accompanying notes on pages 31 to 72 form part of these financial statements.

Balance Sheet as at 31 August 2019

		Group		Company	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Fixed assets					
Intangible assets	12	1	2	1	2
Tangible assets	13	161,866	119,136	161,517	118,779
Investment properties	13	3,494	2,690	3,494	2,690
Investment in subsidiaries	14	-	-	-	-
		165,361	121,828	165,012	121,471
Current assets					
Stocks	15	12	14	12	14
Debtors	16	4,509	2,508	4,637	2,670
Investments	17	1,074	2,774	1,074	2,774
Cash at bank and in hand		8,223	6,455	8,115	6,307
		13,818	11,751	13,838	11,765
Creditors: Amounts falling due within one year	18	(8,102)	(6,597)	(8,038)	(6,536)
Provisions	19	(44)	(29)	(44)	(29)
Net current assets		5,672	5,125	5,756	5,200
Total assets less current liabilities		171,033	126,953	170,768	126,671
Creditors: Amounts falling due after one year	20	(475)	(715)	(422)	(619)
Net assets excluding pension liability		170,558	126,238	170,346	126,052
Pension scheme liability	27	(40,406)	(17,792)	(40,406)	(17,792)
Net assets including pension liability		130,152	108,446	129,940	108,260
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	21	165,120	121,434	165,120	121,434
General fund	21	2,583	2,510	2,583	2,510
Pension reserve	21	(40,500)	(18,049)	(40,500)	(18,049)
Total restricted funds		127,203	105,895	127,203	105,895
Unrestricted income funds					
General fund	21	2,949	2,551	2,737	2,365
Total funds		130,152	108,446	129,940	108,260

The accompanying notes on pages 31 to 72 form part of these financial statements.

The financial statements on pages 31 to 72 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf by:


Airlie Fife
Interim Chair

Company number: 06207590

Consolidated Statement of Cash Flows for the year ended 31 August 2019

	2018/19 £000	2017/18 £000
Cash flows from operating activities		
Result for the year	35,303	(11,984)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	4,134	5,056
Profit on sale of fixed assets	(12)	-
Capital grants from DfE and other capital income	(1,108)	(1,087)
Revaluation of land and buildings	(804)	-
Defined benefit pension scheme obligation inherited	5,263	-
Defined benefit pension scheme cost less contributions payable	3,241	1,936
Defined benefit pension scheme finance cost	513	476
Interest receivable and similar income	(72)	(56)
Interest payable and similar expenses	7	9
Transfer of assets relating to Minerva Primary Academy	(6,860)	-
Transfer of assets relating to Evergreen Primary Academy	(4,235)	-
Transfer of assets relating to Herons' Moor Academy	(395)	-
Transfer of assets relating to Bristol Futures Academy	(2,488)	-
Transfer of assets relating to Winterstoke Hundred Academy	(17,926)	-
Transfer of assets relating to Broadoak Academy	(14,783)	-
Transfer of assets relating to Bath Community Academy	-	12,444
Transfer of assets relating to Haywood Village Academy	-	(7,470)
	(222)	(676)
(Increase)/decrease in trade and other debtors	(1,429)	762
(Increase)/decrease in stocks	2	(1)
Increase/(decrease) in trade and other creditors	506	(752)
Increase/(decrease) in provisions and employee benefits	15	26
	(1,128)	(641)
Tax paid	(6)	(20)
Net cash from operating activities	(1,134)	(661)
Cash flows from investing activities		
Dividends, interest and rents from investments	68	51
Sale / (purchase) of investments	1,700	1,977
Proceeds from sale of tangible fixed assets	13	-
Purchase of tangible fixed assets	(1,017)	(1,996)
Capital grants from DfE / ESFA	769	753
Net cash from investing activities	1,533	785
Cash flows from financing activities		
Interest paid	(7)	(9)
Repayment of borrowings	(39)	(39)
Net cash from financing activities	(46)	(48)
Net increase/(decrease) in cash and cash equivalents	353	76
Cash and cash equivalents at 1 September 2018	6,455	6,379
Cash transferred in during 2018-19	1,415	-
Cash and cash equivalents at 31 August 2019	8,223	6,455

The accompanying notes on pages 31 to 72 form part of these financial statements.

Notes

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

These financial statements consolidated the results of the Federation and its wholly owned subsidiaries, John Cabot Ventures Limited (company number: 03057532) and City Academy Bristol Trading Limited (company number: 05342913), on a line by line basis. A separate Statement of Financial Activities and income and expenditure account are not presented for the Federation itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The Federation's surplus for the year was £21,706,000 (2018: deficit of £6,815,000).

Going Concern

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

The Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Notes (continued)

1 Statement of Accounting Policies (continued)

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **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. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. 'The assets and liabilities transferred on conversion from Evergreen Primary Academy to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 30.'

- **Transfer from an existing Academy trust**

During the year Herons' Moor Academy, Bristol Futures Academy and Winterstoke Hundred Academy, which were all part of Inspirational Futures Trust transferred to join Cabot Learning Federation. Broadoak Academy also transferred as a single academy trust to join Cabot Learning Federation. The transfers have been treated on the same basis as a conversion from a local authority school.

Further details of the transaction are set out in note 30.

- **Donated fixed assets (excluding Transfers on conversion / into the academy trust)**

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Notes (continued)

1 Statement of Accounting Policies (continued)

Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds deposited.

Intangible Fixed Assets

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

Purchased computer software

Over the life of the licence

Tangible Fixed Assets

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

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

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

Notes (continued)

1 Statement of Accounting Policies (continued)

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

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

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

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

Liabilities

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

Provisions

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

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term. Private Finance Initiative (PFI) future commitments are included in Note 24 on the basis of projected revenue payments for future years.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

Notes (continued)

1 Statement of Accounting Policies (continued)

Investments

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

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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

Debtors

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

Cash at bank and in hand

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of

Notes *(continued)***1 Statement of Accounting Policies** *(continued)*

quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 13 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

Critical areas of judgement

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

Notes (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
DfE / ESFA capital grants	-	1,108	1,108	755
Other capital grants	-	-	-	332
Donated asset	-	6,860	6,860	-
Trip income	-	241	241	-
Miscellaneous donations	-	206	206	155
	-	8,415	8,415	1,242

All funds in 2018/19 were restricted in nature.

Minerva Primary Academy was rebuilt and the new building opened in November 2018. The building was subsequently valued and brought into the 2018-19 accounts as a donated asset from the local authority.

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Department for Education revenue grant				
- General Annual Grant (GAG)	-	50,551	50,551	44,287
- Rates funding	-	360	360	339
- Bursary contribution - admin costs	3	-	3	4
- Start up funding	-	28	28	74
- Phonics and Moderation Grant	-	-	-	2
- Infant Free School Meals funding	-	326	326	299
- Primary PE Sport Premium funding	-	153	153	125
- New academy funding	-	159	159	47
- Pupil Premium funding	-	3,015	3,015	2,868
- Digitech ICT revenue funding	-	45	45	24
- Priority School building programme (revenue)	-	33	33	-
- Year 7 catch-up funding	-	153	153	139
- School Direct salaried funding	-	84	84	95
- School Condition Allowance (revenue)	-	831	831	521
- Other funding	-	531	531	72
	3	56,269	56,272	48,896

Notes (continued)

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Other government grants				
- Special Educational Needs funding	-	1,045	1,045	1,438
- Pupil premium – looked after children	-	157	157	156
- School Games organiser funding	-	24	24	38
- Erasmus funding	-	-	-	-
- Nursery funding from Bristol City Council	-	478	478	322
- Funding from Bristol City Council - Other	14	547	561	200
- Funding from Bristol City Council – capacity / new school	-	-	-	98
- Bristol City Council – sale of CLF Nest places	154	-	154	150
- Funding from South Gloucestershire Council – Resource Base	-	209	209	209
- Funding from South Gloucestershire Council – ICT funding (revenue)	-	7	7	11
- Funding from South Gloucestershire Council – new school / capacity	-	333	333	102
- Funding from South Gloucestershire Council – Other	-	80	80	50
- Funding from North Somerset Council – Haywood Village furniture funding	-	-	-	178
- Funding from North Somerset Council - Other	-	139	139	-
	168	3,019	3,187	2,952
Other income				
- Researchers in Schools	-	93	93	104
- Future Quest	-	82	82	92
- Teachfirst	-	-	-	14
- Catering income	278	-	278	263
- Trip income	770	-	770	-
- Music tuition fees	64	-	64	48
- Other	33	110	143	39
	1,145	285	1,430	560
	1,316	59,573	60,889	52,408

In 2017-18, funding from unrestricted sources was £476,000.

Notes (continued)

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018/19 £000	Total 2017/18 £000
Salary recharges	14	-	14	2
Fishponds Academy support	-	-	-	3
John Cabot Ventures Limited	207	-	207	201
City Academy Bristol Trading Limited	58	-	58	58
Letting of facilities	609	-	609	700
Student teacher training	-	22	22	30
Education projects	72	-	72	87
Sale of uniform	43	-	43	6
NLE bursary	6	-	6	6
Training income	17	-	17	28
Sale of CLF Engage / Nest places	54	-	54	40
Other sundry income	894	4	898	698
	<u>1,974</u>	<u>26</u>	<u>2,000</u>	<u>1,859</u>

In 2017/18, funding from unrestricted sources was £1,829,000.

5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2018/19 £000	Total 2017/18 £000
Bank interest	72	-	72	56
	<u>72</u>	<u>-</u>	<u>72</u>	<u>56</u>

In 2017/18, all investment income was unrestricted in nature.

6 Expenditure

	Staff costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2018/19 £000	Total 2017/18 £000
Expenditure on raising funds					
- Direct costs	256	-	241	497	617
- Allocated support costs	677	375	323	1,375	879
Academy Trust's educational operations					
- Direct costs	36,899	2,166	5,782	44,847	41,940
- Allocated support costs	11,609	7,207	6,064	24,880	19,121
Teaching Schools	947	-	1,472	2,419	1,640
	<u>50,388</u>	<u>9,748</u>	<u>13,882</u>	<u>74,018</u>	<u>64,197</u>
2017-18	<u>45,916</u>	<u>7,838</u>	<u>10,443</u>	<u>64,197</u>	

Notes (continued)

6 Expenditure (continued)

	2018/19 £000	2017/18 £000
Net income / (expenditure) for the period includes:		
Operating lease rentals	147	185
Depreciation	4,133	5,053
Amortisation of intangible fixed assets	1	3
(Gain) / loss on disposal of fixed assets	(12)	-
Fees payable to auditor for:		
- audit	44	55
- other services	15	20

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

	Total £	Individual items over £5,000 Amount £	Reason
Ex-gratia/compensation payments	54,345	24,851	Employee's employment with the Federation terminated by mutual agreement.
		12,438	As above
		7,829	As above
		5,224	As above

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2018, being delegated authority or approval from the Education and Skills Funding Agency.

Notes (continued)

7 Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000
Direct costs – educational operations			
Teaching and educational support staff costs	460	36,439	36,899
Depreciation	-	2,901	2,901
Technology costs	-	173	173
Educational supplies	-	594	594
Examination fees	23	450	473
Staff development	-	99	99
Educational consultancy	49	2,421	2,470
Other direct costs	699	539	1,238
	<hr/> 1,231	<hr/> 43,616	<hr/> 44,847
Support costs – educational operations			
Support staff costs	73	11,536	11,609
Depreciation	8	1,224	1,232
Amortisation	-	1	1
Technology costs	-	928	928
Premises	-	7,203	7,203
Other support costs	285	3,571	3,856
Governance costs	-	51	51
	<hr/> 366	<hr/> 24,514	<hr/> 24,880
	<hr/> 1,597	<hr/> 68,130	<hr/> 69,727

Notes (continued)

7 Charitable activities (continued)

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

Notes (continued)

8 Staff

a. Staff costs

Staff costs during the period were:	2018/19	2017/18
	£000	£000
Wages and salaries	35,493	33,410
Social security costs	3,162	3,038
Pension costs	9,557	7,701
	<hr/>	<hr/>
	48,212	44,149
Supply teacher costs	1,878	1,406
Staff restructuring payments	298	361
	<hr/>	<hr/>
	50,388	45,916
	<hr/>	<hr/>
Staff restructuring costs comprise:		
Redundancy payments	244	267
Severance payments	54	94
	<hr/>	<hr/>
	298	361
	<hr/>	<hr/>

Notes (continued)

8 Staff costs (continued)

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £54,345 (2018: £93,694). Individually, the payments were £1,446, £2,557, £5,224, £7,829, £12,438 and £24,851.

c. Staff numbers

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

	2018/19 No.	2017/18 No.
Teachers	592	567
Administration and support	928	860
Management	83	102
	<hr/> 1,603	<hr/> 1,529

d. Higher paid staff

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

	2018/19 No.	2017/18 No.
£60,001 - £70,000	15	10
£70,001 - £80,000	6	7
£80,001 - £90,000	4	4
£90,001 - £100,000	4	4
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
	<hr/> 32	<hr/> 28

28 (2018: 26) of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme, and 4 (2018: 2) in the Local Government Pension Scheme. During the year ended 31 August 2019, the Federation's pension contributions for these staff amounted to £409,067 (2018: £347,471).

e. Key management personnel

The key management personnel of the Federation comprise the Trustees and the Senior Executive leadership team listed on page 1. No Trustees are remunerated for their services as a Trustee. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Federation was £1,131,000 (2018: £1,034,000).

Notes (continued)

9 Central Services

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

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

The underlying charge for Central Services was based on 5% (2018: 5%) of each academies' General Annual Grant (GAG) income. Additional contributions were made for a centrally run alternative provision at CLF Engage / Nest.

The actual amounts charged during the year were:

	2019 £000	2018 £000
John Cabot Academy	253	243
Bristol Brunel Academy	345	320
Bristol Metropolitan Academy	325	308
Hans Price Academy	227	185
King's Oak Academy	314	284
Bath Community Academy	-	68
Hanham Woods Academy	255	241
Digitech Studio School	49	39
City Academy	293	253
CLF Post 16 / CLF Institute	91	114
Begbrook Primary Academy	129	120
Minerva Primary Academy	82	81
Frome Vale Academy	60	59
Summerhill Academy	86	84
Wallscourt Farm Academy	74	61
Haywood Village Academy	46	33
Evergreen Primary Academy	73	-
Hérons' Moor Academy	49	-
Bristol Futures Academy	13	-
Winterstoke Hundred Academy	90	-
Broadoak Academy	-	-
	<u>2,854</u>	<u>2,493</u>

10 Related party transactions – Trustees' remuneration and expenses

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

Other related party transactions involving the Trustees are set out on note 29.

11 Trustees and officers' insurance

In accordance with normal commercial practice the Federation has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Federation business. The insurance provides cover up to £5m on any one claim and the cost for the period ended 31 August 2019 was £4,485 (2018: £4,284).

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

Notes (continued)

12 Intangible Fixed Assets

Group and Company	Computer software	Total
	£000	£000
<i>Cost</i>		
At 1 September 2018	25	25
Additions	-	-
Disposals	(20)	(20)
At 31 August 2019	5	5
<i>Amortisation</i>		
At 1 September 2018	23	23
Charged in year	1	1
Disposals	(20)	(20)
At 31 August 2019	4	4
<i>Net book value</i>		
At 31 August 2019	1	1
<i>At 1 September 2018</i>	<i>2</i>	<i>2</i>

Notes (continued)

13 Tangible Fixed assets

Group	Investment Properties	Leasehold land & buildings	Leasehold improvements	Furniture and equipment	Computer Equipment	Assets under construction	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 September 2018	2,690	131,365	-	12,058	3,474	-	15	149,602
Donated asset (Note 2)	-	6,860	-	-	-	-	-	6,860
Transfer of assets (Note 30)	-	40,204	-	585	1,235	-	12	42,036
Additions	-	-	49	929	291	31	-	1,300
Revaluation of land and buildings	804	-	-	-	-	-	-	804
Transfers	-	-	2,667	(2,667)	-	-	-	-
Disposals	-	(393)	-	(100)	(138)	-	-	(631)
At 31 August 2019	3,494	178,036	2,716	10,805	4,862	31	27	199,971
Depreciation								
At 1 September 2018	-	16,534	-	7,909	3,318	-	15	27,776
Transfer of assets (see Note 30)	-	2,147	-	462	718	-	5	3,332
Charged in year	-	2,298	357	856	621	-	1	4,133
Transfers	-	-	406	(406)	-	-	-	-
Disposals	-	(393)	-	(99)	(138)	-	-	(630)
At 31 August 2019	-	20,586	763	8,722	4,519	-	21	34,611
Net book value								
At 31 August 2019	3,494	157,450	1,953	2,083	343	31	6	165,360
At 1 September 2018	2,690	114,831	-	4,149	156	-	-	121,826

Notes (continued)

13 Tangible Fixed assets (continued)

	Investment Properties	Leasehold land & buildings	Leasehold improvements	Furniture and equipment	Computer Equipment & software	Assets under construct ion	Motor vehicles	Total
Company	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 September 2018	2,690	130,940	-	12,058	3,474	-	15	149,177
Donated asset (Note 2)	-	6,860	-	-	-	-	-	6,860
Transfer of assets (Note 30)	-	40,204	-	585	1,235	-	12	42,036
Additions	-	-	49	929	291	31	-	1,300
Revaluation of land and buildings	804	-	-	-	-	-	-	804
Transfers	-	-	2,667	(2,667)	-	-	-	-
Disposals	-	(393)	-	(100)	(138)	-	-	(631)
At 31 August 2019	3,494	177,611	2,716	10,805	4,862	31	27	199,546
Depreciation								
At 1 September 2018	-	16,466	-	7,909	3,318	-	15	27,708
Transfer of assets (see Note 30)	-	2,147	-	462	718	-	5	3,332
Charged in year	-	2,290	357	856	621	-	1	4,125
Transfers	-	-	406	(406)	-	-	-	-
Disposals	-	(393)	-	(99)	(138)	-	-	(630)
At 31 August 2018	-	20,510	763	8,722	4,519	-	21	34,535
Net book value								
At 31 August 2019	3,494	157,101	1,953	2,083	343	31	6	165,011
At 1 September 2018	2,690	114,474	-	4,149	156	-	-	121,469

Investment properties were revalued at market value, as a desktop exercise, in accordance with RICS Valuation – Global Standards 2017 by an external valuer.

Notes (continued)

14 Investment in Subsidiaries - company

	2019	2018
	£	£
Shares at cost (100% holding)	<u>2</u>	<u>2</u>

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

	2018/19	2017/18
	£	£
John Cabot Ventures Limited - Profit and Loss account		
Turnover	206,839	201,112
Expenditure	(115,971)	(68,453)
Interest receivable	528	354
Profit before Gift Aid payment	91,396	133,013
Gift Aid payment to Cabot Learning Federation	(91,396)	(133,013)
	<u>-</u>	<u>-</u>
Retained profits brought forward	2,000	2,000
Retained profits carried forward	<u>2,000</u>	<u>2,000</u>
John Cabot Ventures Limited Balance sheet	2019	2018
	£	£
Current assets	105,250	148,182
Current liabilities	(103,249)	(146,181)
	<u>2,001</u>	<u>2,001</u>
Called up share capital	1	1
Profit and loss account	<u>2,000</u>	<u>2,000</u>
Shareholder's funds	<u>2,001</u>	<u>2,001</u>

Income of £9,700 (2018: £10,700) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.

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

Notes (continued)

14 Investment in Subsidiaries – company (continued)

A summary of the results of City Academy Bristol Trading Limited for the year ended 31 August and the Balance Sheet position at 31 August is shown below:

	2019 £	2018 £
City Academy Bristol Trading Limited - Profit and Loss account		
Turnover	58,145	58,145
Expenditure	(24,153)	(32,329)
Interest receivable	-	-
Profit before taxation	33,992	25,816
Taxation	(8,079)	(6,544)
	25,913	19,272
Retained profits brought forward	183,686	164,414
Retained profits carried forward	209,599	183,686

	2019 £	2018 £
City Academy Bristol Trading Limited Balance sheet		
Fixed assets	348,500	357,000
Current assets	4,582	4,200
Current liabilities	(90,741)	(81,025)
Non-current liabilities	(52,742)	(96,489)
	209,599	183,686
Called up share capital	1	1
Profit and loss account	209,598	183,685
Shareholder's funds	209,599	183,686

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

Notes (continued)

15 Stock

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Sundry stock items	12	14	12	14
	<u>12</u>	<u>14</u>	<u>12</u>	<u>14</u>

16 Debtors

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Trade debtors	90	148	88	144
VAT recoverable	602	449	602	449
Prepayments	1,453	945	1,453	945
Amounts due from subsidiary	-	-	130	166
Accrued income	2,350	957	2,350	957
Other debtors	14	9	14	9
	<u>4,509</u>	<u>2,508</u>	<u>4,637</u>	<u>2,670</u>

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

17 Investments

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

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Balance at 1 September (Disposals) / additions	2,774 (1,700)	4,751 (1,977)	2,774 (1,700)	4,751 (1,977)
Balance at 31 August	<u>1,074</u>	<u>2,774</u>	<u>1,074</u>	<u>2,774</u>

Notes (continued)

18 Creditors: amounts falling due within one year

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Trade creditors	1,929	1,299	1,929	1,299
Taxation and social security	910	786	910	786
Sundry creditors	551	792	487	731
Accruals and deferred income	4,712	3,720	4,712	3,720
	<u>8,102</u>	<u>6,597</u>	<u>8,038</u>	<u>6,536</u>

At the Balance Sheet date the Academy Trust held deferred income of £1,442,000 (2018: £1,977,000). This represents a number of receipts that were received in 2018-19 but related to the 2019-20 academic year. These included devolved formula capital funding, rates funding, School Condition Allowance funding, maintenance and IT funding for Wallscourt Farm Academy, various teaching school grants and funding for infant free school meals.

19 Provisions for liabilities

Group	2019 £000	2018 £000
Provisions at 1 September	29	3
Utilised during the period	(4)	(1)
Released during the period	(11)	(2)
Additions during the period	30	29
	<u>44</u>	<u>29</u>
Company	2019 £000	2018 £000
Provisions at 1 September	29	2
Utilised during the period	(4)	-
Released during the period	(11)	(2)
Additions during the period	30	29
	<u>44</u>	<u>29</u>

The closing balance of £44k reflects provisions for teaching school grants of £35k (£5k remaining from 2017-18) and £9k for funds paid to Frome Vale Academy (carried forward from 2017-18) where we anticipate funds will need to be repaid.

Notes (continued)

20 Creditors: amounts falling due after one year

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Sundry creditors	475	715	422	619
	<u>475</u>	<u>715</u>	<u>422</u>	<u>619</u>

The balance within the Company represents an amount of £122k due to the Education and Skills Funding Agency by City Academy and £300k in respect of Salix interest free loans. A repayment plan for the amount due to the Education and Skills Funding Agency was agreed during 2015-16.

The additional £53k at Group level relates to a bank loan held by City Academy Bristol Trading Limited.

Notes (continued)

21 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 2018 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	1,531	50,948	(50,096)	(100)	2,283
Rates funding	-	360	(360)	-	-
Start Up grants	58	28	(86)	-	-
Pupil premium	81	3,015	(3,096)	-	-
Primary PE Sport Premium funding	29	153	(182)	-	-
Infant Free School Meals funding	-	326	(326)	-	-
School Direct salaried funding	-	84	(84)	-	-
Year 7 catch-up funding	-	153	(153)	-	-
Digitech ICT revenue funding	-	45	(45)	-	-
Priority School Building programme revenue funding	-	33	(33)	-	-
School Condition Allowance (revenue)	86	831	(917)	-	-
Other ESFA funding	-	531	(531)	-	-
ESFA new school funding	-	159	(155)	(4)	-
School Games organiser funding	-	24	(24)	-	-
SEN grants	2	1,045	(1,047)	-	-
Funding from South Gloucestershire Council - other	-	80	(80)	-	-
Funding from SGC – Resource Base	-	209	(209)	-	-
Funding from SGC – new school subsidy	-	333	(333)	-	-
Funding from SGC – ICT	-	7	(12)	5	-
Funding from SGC – Community funding	2	-	-	-	2
Funding from NSC – Haywood Village furniture	50	-	(30)	(5)	15
Funding from NSC – Other	-	139	(139)	-	-
Next Practice grant	16	-	(16)	-	-
Pupil premium – looked after children	-	157	(157)	-	-
Teaching School grants	85	2,162	(2,004)	-	243
English Heritage grant	9	-	(7)	-	2
Extended schools funding	22	-	(22)	-	-
Nursery funding	-	478	(478)	-	-
Primary academy revenue surplus transferred	397	-	(397)	-	-
Bristol City Council 2012/13 contingency	1	-	(1)	-	-
Bristol City Council Resource Base funding	-	131	(131)	-	-
Bristol City Council discretionary grants	62	437	(477)	-	22
Other grants	1	6	(7)	-	-
Other income	2	546	(547)	-	1
Voluntary income	76	206	(261)	(6)	15
	<u>2,510</u>	<u>62,626</u>	<u>(62,443)</u>	<u>(110)</u>	<u>2,583</u>

Notes (continued)

21 Funds (continued)

	Balance at 1 September 2018 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted pension fund					
Pension reserve	(18,049)	(5,263)	(3,591)	(13,597)	(40,500)
	<u>(18,049)</u>	<u>(5,263)</u>	<u>(3,591)</u>	<u>(13,597)</u>	<u>(40,500)</u>
Restricted fixed asset funds					
DfE capital grants	31,498	1,108	(1,450)	54	31,210
BCC ICT funding	336	-	(11)	-	325
NSC furniture funding	49	-	(24)	5	30
Lottery funding / other capital grants	303	-	(35)	-	268
Revaluation of land and buildings	824	-	(8)	804	1,620
Primary academy capital surplus transferred	111	-	(13)	-	98
Capital expenditure from Restricted Funds	1,681	-	(427)	201	1,455
Capital expenditure from Unrestricted Funds	330	-	(148)	64	246
Recognition of transfer of assets	84,849	45,570	(1,947)	-	128,472
Donations	-	-	(1)	6	5
Transfer from JCA - private sector sponsorship	1,453	-	(62)	-	1,391
	<u>121,434</u>	<u>46,678</u>	<u>(4,126)</u>	<u>1,134</u>	<u>165,120</u>
Unrestricted funds					
Unrestricted funds	2,551	4,476	(3,858)	(220)	2,949
	<u>2,551</u>	<u>4,476</u>	<u>(3,858)</u>	<u>(220)</u>	<u>2,949</u>
Total funds	<u>108,446</u>	<u>108,517</u>	<u>(74,018)</u>	<u>(12,793)</u>	<u>130,152</u>

The explanations below have only been provided for significant funds:

Restricted general funds

Under the funding agreement with the Secretary of State, the academy trust is not subject to limits on the amount of GAG that it could carry forward at 31 August 2019.

Rates funding represents funding reclaimed from the ESFA to match rates expenditure from the local authority.

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

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

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

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

Notes (continued)

21 Funds (continued)

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

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

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

Priority School Building programme funding was provided to Minerva Primary Academy in order to purchase IT equipment for the new school building.

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

The Federation received other ESFA funding such as teachers pay grants and funding to support the opening or transfer of new schools.

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

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

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

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

Cabot Learning Federation was awarded Teaching School status with effect from 1 September 2011 and was the CLF Teaching School was subsequently renamed CLF Institute on 1 September 2015. The Federation receives a number of funds under this heading including Maths Hub, School Centred Initial Teacher Training, as well as the core Teaching School grant.

Nursery funding is provided by the local authority and is restricted to nursery provision at Begbrook Primary Academy, Evergreen Primary Academy, Haywood Village Academy, Herons' Moor Academy and Minerva Primary Academy.

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

Restricted pension fund

For details of restricted pension funds, please see Note 27 Pension and similar obligations.

The Federation has a difference of £94k between the fund balance and the accounting deficit reported in Note 27 as an advance pension deficit payment for two academies has not been recognised in the fund balance.

Notes (continued)

21 Funds (continued)

Restricted fixed asset funds

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

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

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

	Balance at 1 September 2017 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	2,159	44,287	(44,507)	(408)	1,531
Rates funding	-	339	(339)	-	-
Other restricted funds transferred	22	-	(22)	-	-
Start Up grants	163	74	(179)	-	58
Pupil premium	136	2,868	(2,923)	-	81
Primary PE Sport Premium funding	16	125	(112)	-	29
Infant Free School Meals funding	-	299	(299)	-	-
School Direct salaried funding	-	95	(95)	-	-
Year 7 catch-up funding	-	139	(139)	-	-
Digitech ICT revenue funding	-	24	(22)	(2)	-
Digitech specialist equipment revenue funding	10	-	-	(10)	-
School Condition Allowance (revenue)	74	521	(509)	-	86
Phonics and Moderation Grant	-	2	(2)	-	-
Other ESFA funding	-	72	(94)	22	-
Millpond / Evergreen Primary funding	-	47	(43)	(4)	-
City Academy re-brokerage funding	165	-	(37)	(128)	-
School Games organiser funding	-	38	(38)	-	-
SEN grants	45	1,438	(1,481)	-	2
Funding from South Gloucestershire Council - other	-	50	(50)	-	-
Funding from SGC – Resource Base	-	209	(209)	-	-
Funding from SGC – new school subsidy	-	102	(102)	-	-
Funding from SGC – ICT	-	11	(9)	(2)	-
Funding from SGC – Community funding	2	-	-	-	2
Funding from NSC – Haywood Village furniture	117	-	(32)	(35)	50
Funding from NSC – Other	4	178	(179)	(3)	-
Next Practice grant	16	-	-	-	16
Pupil premium – looked after children	-	156	(156)	-	-
Teaching School grants	103	1,303	(1,321)	-	85
English Heritage grant	12	-	(3)	-	9
Extended schools funding	22	-	-	-	22
Nursery funding	-	322	(322)	-	-
Primary academy revenue surplus transferred	397	-	-	-	397
Bristol City Council 2012/13 contingency	1	-	-	-	1
Bristol City Council IT funding	15	-	(15)	-	-
Bristol City Council Infant Class size funding	-	98	(98)	-	-
Bristol City Council Resource Base funding	-	101	(101)	-	-
Bristol City Council discretionary grants	62	99	(99)	-	62
Other grants	1	1	(1)	-	1
Other income	25	266	(289)	-	2
Voluntary income	76	156	(156)	-	76
	<u>3,643</u>	<u>53,420</u>	<u>(53,983)</u>	<u>(570)</u>	<u>2,510</u>

Notes (continued)

21 Funds (continued)

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

Notes (continued)

21 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows:

	2019	2018
	Total	Total
	£000	£000
Bristol Brunel Academy / Bristol Metropolitan Academy restricted funds (PFI schools)	1,172	1,220
City Academy	(362)	(602)
Digitech Studio School	(396)	(163)
Centrally held reserves	4,906	4,420
John Cabot Ventures Limited	2	2
City Academy Bristol Trading Limited	210	184
	<hr/>	<hr/>
	5,532	5,061
	<hr/>	<hr/>
Restricted fixed asset fund	165,120	121,434
Pension reserve	(40,500)	(18,049)
	<hr/>	<hr/>
Total	130,152	108,446
	<hr/>	<hr/>

City Academy is carrying a net deficit of £362k that represents an amount due to the Education and Skills Funding Agency (ESFA) that existed when the academy joined the Federation on 1 June 2016. This amount continues to be repaid in accordance with an agreed payment plan and will be fully repaid during 2020-21.

Digitech Studio School is carrying a net deficit of £396k following an agreed investment by the CLF Board. Digitech was opened in 2014 as our first Studio school and initial student recruitment was below capacity for the first few years of operation. Recruitment for 2019-20 has been much more successful and Digitech admitted above its Pupil Admission Number (PAN) in Year 10 and Year 12. The investment has greatly reduced and the financial position continues to be monitored on a monthly basis.

Notes (continued)

21 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 2019 £000	Total 2018 £000
John Cabot Academy	3,520	1,078	491	635	5,724	5,813
Bristol Brunel Academy	4,398	992	622	2,427	8,439	6,727
Bristol Metropolitan Academy	4,036	890	510	1,931	7,367	6,148
Hans Price Academy	3,315	1,039	261	868	5,483	4,678
King's Oak Academy	3,875	1,105	538	890	6,408	5,740
Bath Community Academy	-	-	-	-	-	2,136
Hanham Woods Academy	3,336	1,058	391	867	5,652	5,301
Digitech Studio School	946	225	871	160	2,202	1,732
City Academy	3,614	1,623	310	1,168	6,715	6,166
Begbrook Primary Academy	1,774	520	164	449	2,907	2,881
Minerva Primary Academy	1,108	392	95	299	1,894	1,761
Frome Vale Academy	603	208	67	179	1,057	1,036
Summerhill Academy	1,056	400	143	491	2,090	1,965
Wallscourt Farm Academy	1,021	289	96	309	1,715	1,321
Haywood Village Academy	793	238	71	220	1,322	1,104
Evergreen Primary Academy	725	290	95	308	1,418	-
Hérons' Moor Academy	892	298	87	359	1,636	-
Bristol Futures Academy	287	69	53	92	501	-
Winterstoke Hundred Academy	26	64	5	38	133	-
Broad oak Academy	578	167	27	130	902	-
Cabot Learning Federation Central	2,083	1,457	1,364	1,275	6,179	4,534
John Cabot Ventures Limited	-	-	-	116	116	68
City Academy Bristol Trading Limited	-	-	-	24	24	30
	37,986	12,402	6,261	13,235	69,884	59,141

22 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Intangible fixed assets	-	-	1	1
Tangible fixed assets	349	-	165,011	165,360
Current assets	2,717	10,787	314	13,818
Current liabilities and provisions	(64)	(8,060)	(22)	(8,146)
Non-current liabilities	(53)	(238)	(184)	(475)
Pension scheme liability	-	(40,406)	-	(40,406)
Total net assets	2,949	(37,917)	165,120	130,152

Notes (continued)

22 Analysis of net assets between funds (continued)

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

Fund balances at 31 August 2018 are represented by:

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

23 Capital commitments

At 31 August 2019 the Federation and Group had capital commitments as follows:

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	293	228
Authorised by governors, but not yet contracted	-	-

24 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Amounts due within one year	1,085	1,013
Amounts due between one and five years	4,060	3,619
Amounts due after five years	7,814	7,974
	12,959	12,606

Bristol Brunel Academy and Bristol Metropolitan Academy occupy buildings that are subject to a PFI agreement. The amount included in operating lease commitments above is the projected revenue payment for future years.

Notes (continued)

25 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.

26 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.

27 Pension and similar obligations

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

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

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

Notes (continued)

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £3,665,000 (2018: £3,453,000).

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

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Notes (continued)

27 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £2,849,000 (2018: £2,495,000), of which employer's contributions totalled £2,156,000 (2018: £1,848,000) and employees' contributions totalled £693,000 (2018: £647,000). The agreed contribution rates for future years vary according to the Academy that the member works in.

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

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

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal Actuarial Assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions in payment/inflation	2.1%	2.2%
Discount rate for scheme liabilities	1.8%	2.8%
Inflation assumption (CPI)	2.0%	2.1%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	23.7	23.6
Females	26.2	26.1
<i>Retiring in 20 years</i>		
Males	26.3	26.2
Females	29.0	28.8

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	1,925	1,161
Discount rate -0.1%	(1,925)	(1,161)
Mortality assumption – 1 year increase	(1,429)	(878)
Mortality assumption – 1 year decrease	1,429	878
CPI rate +0.1%	(1,921)	(1,155)
CPI rate -0.1%	1,921	1,155

Notes (continued)

27 Pension and similar obligations (continued)

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	19,130	12,495
Government Bonds	-	3,699
Other Bonds	4,456	3,922
Property	2,249	2,964
Cash/Liquidity	492	1,212
Other	14,554	7,587
Total market value of assets	40,881	31,879
Present value of scheme liabilities – Funded	(81,287)	(49,671)
Deficit in the scheme	(40,406)	(17,792)

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

The actual return on scheme assets was £964,000 (2018: £730,000).

Amounts recognised in the Statement of Financial Activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	3,467	3,637
Past service cost	1,669	-
Administration expenses	57	53
Benefits paid / gain/(loss) on curtailment and gain/(loss) on settlement	204	94
Total operating charge	5,397	3,784
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(964)	(730)
Interest on pension liabilities	1,477	1,206
Pension finance cost / (income)	513	476

Notes (continued)

27 Pension and similar obligations (continued)

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

	2019 £000	2018 £000
At 1 September	(49,671)	(49,146)
Current service cost	(3,467)	(3,637)
Interest cost	(1,477)	(1,206)
Employee contributions	(693)	(647)
Actuarial gain / (loss)	(15,112)	4,507
Benefits paid	599	552
Past service cost	(1,669)	-
Curtailments and settlements	(204)	(94)
Business combinations	(9,593)	-
At 31 August	(81,287)	(49,671)

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

	2019 £000	2018 £000
At 1 September	31,879	28,597
Expected return on assets	964	730
Actuarial gain	1,515	662
Employer contributions	2,156	1,848
Employee contributions	693	647
Benefits paid	(599)	(552)
Administration expenses	(57)	(53)
Business combinations	4,330	-
At 31 August	40,881	31,879

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

28 Financial Instruments

	2019 £000	2018 £000
Financial assets measured at fair value through income and expenditure	8,223	6,455
Financial assets measured at amortised cost	2,440	1,114
	10,663	7,569
Financial liabilities measured at amortised cost	5,915	3,955

Financial assets measured at fair value through income and expenditure comprise of cash. Financial assets measured at amortised cost comprise of accrued income and debtors. Financial liabilities measured at amortised cost comprise trade creditors, accruals and amounts due to ESFA / Salix.

Notes (continued)

29 Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Federation has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Federation's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

Expenditure Related Party Transactions

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

- The Federation incurred expenditure of £86,791 (2018: £64,711) during the year. Expenditure was incurred in respect of fees for PGCE students of £76,500 (2018: £52,500), conference facility hire / events of £10,291 (2018: £12,042) and reimbursement of travel costs £nil for Federation business (2018: £169). There were no amounts outstanding at 31 August 2019 (2018: £nil).
- In entering into the transaction the Federation has complied with the requirements of the Academies Financial Handbook 2018.
- The element above £2,500 has been provided 'at no more than cost' and UWE has provided a statement of assurance confirming this.

Queen Street Group – a company that represents a formal group of Multi-Academy Trust CEOs, of whom Steve Taylor (CEO and Accounting Officer) is a director:

- The Federation incurred expenditure of £950 (2018: £nil) during the year. This represented the 2018-19 subscription fee. There were no amounts outstanding at 31 August 2019 (2018: £nil).
- In entering into the transaction the Federation has complied with the requirements of the Academies Financial Handbook 2018.

Income Related Party Transactions

- UWE provided total funding of £66,799 (2018: £105,708). Income was received in respect of Future Quest funding of £62,774 (2018: £103,200), student placement funding of £3,515 (2018: £2,508) and other education funding of £510 (2018: £nil). At 31 August 2019, £278 was due to the Federation (2018: £550).

Subsidiary Companies

John Cabot Ventures Limited is a 100% owned subsidiary. The results for 2018-19 are shown on page 49.

- Income of £9,700 (2018: £10,700) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.
- The profits of John Cabot Ventures Limited totalling £91,396 (2018: £133,013) are due to be gift-aided to the Federation following the audit of the financial statements. The amount due to the Federation is shown as a debtor in the company accounts.

Notes (continued)

29 Related Party Transactions (continued)

City Academy Bristol Trading Limited is a 100% owned subsidiary. The results for 2018-19 are shown on page 50.

- The Federation has provided funding of £38,514 (2018: £32,764) in order to enable City Academy Bristol Trading Limited to meet past corporation tax liabilities.
- The amount due to the Federation is shown as a debtor in the company accounts.

30 Transfer from Local Authority / Academy Trust

Millpond Primary School, which was renamed Evergreen Primary Academy, joined Cabot Learning Federation on 1 September 2018 from Bristol City Council.

Herons' Moor Academy transferred to Cabot Learning Federation on 1 January 2019 from Inspirational Futures Trust.

Bristol Futures Academy transferred to Cabot Learning Federation on 1 March 2019 from Inspirational Futures Trust.

North Somerset Enterprise and Technology College transferred to Cabot Learning Federation on 1 July 2019 from Inspirational Futures Trust. The college was renamed as Winterstoke Hundred Academy and will reopen on 1 September 2020 for years 7 and 12.

Broad oak Mathematics and Computing College was a single academy trust and transferred to Cabot Learning Federation on 1 July 2019. The college was subsequently renamed Broad oak Academy.

Consolidated position

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2019
	£000	£000	£000	£000
Tangible fixed assets				
Leasehold land and buildings	-	-	38,057	38,057
Furniture and equipment	-	-	122	122
Computer equipment	-	-	518	518
Motor vehicles	-	-	7	7
Unspent capital funds	-	-	6	6
Non-current assets				
Debtors due in less than one year	-	401	-	401
Cash at bank and in hand	699	716	-	1,415
Liabilities				
Creditors due in less than one year	-	(699)	-	(699)
Pensions				
Pension scheme deficit	-	(5,263)	-	(5,263)
Net assets total	699	(4,845)	38,710	34,564

30 Transfer from Local Authority / Academy Trust (continued)

Evergreen Primary Academy

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2019
	£000	£000	£000	£000
Tangible fixed assets				
Leasehold land and buildings	-	-	4,170	4,170
Furniture and equipment	-	-	24	24
Computer equipment	-	-	20	20
Non-current assets				
Cash at bank and in hand	-	21	-	21
Liabilities				
Creditors due in less than one year	-	-	-	-
Pensions				
Pension scheme deficit	-	(604)	-	(604)
Net assets total	-	(583)	4,214	3,631

Hérons Moor Academy

	Value reported by transferring trust £000	Fair value adjustments £000	Total transferred 2019 £000
Tangible fixed assets			
Leasehold land and buildings	4,726	(4,726)	-
Furniture and equipment	7	(1)	6
Computer equipment	15	(5)	10
Non-current assets			
Debtors due in less than one year	44	-	44
Cash at bank and in hand	343	-	343
Liabilities			
Creditors due in less than one year	(8)	-	(8)
Pensions			
Pension scheme deficit	(850)	-	(850)
Net assets total	4,277	(4,732)	(455)

A fair value adjustment was made to reflect that the leasehold of the Herons' Moor site is on a shared basis and is not assigned to the Federation. Other assets were adjusted to reflect compliance with the Federation's capitalisation policy.

30 Transfer from Local Authority / Academy Trust *(continued)*

Bristol Futures Academy

	Value reported by transferring trust £000	Fair value adjustments £000	Total transferred 2019 £000
Tangible fixed assets			
Leasehold land and buildings	2,534	(114)	2,420
Furniture and equipment	35	(35)	-
Computer equipment	83	(23)	60
Motor vehicles	7	-	7
Unspent capital funds	6	-	6
Non-current assets			
Debtors due in less than one year	15	-	15
Cash at bank and in hand	5	-	5
Unspent capital funds	(6)	-	(6)
Liabilities			
Creditors due in less than one year	(19)	-	(19)
Pensions			
Pension scheme deficit	(121)	-	(121)
Net assets total	2,539	(172)	2,367

A fair value adjustment was made to reflect a revaluation of the land and buildings on transfer from Inspirational Futures Trust. Other fixed assets were adjusted to reflect compliance with the Federation's capitalisation policy.

Winterstoke Hundred Academy

	Value reported by transferring trust £000	Fair value adjustments £000	Total transferred 2019 £000
Tangible fixed assets			
Leasehold land and buildings	11,134	6,566	17,700
Furniture and equipment	175	(163)	12
Computer equipment	418	(7)	411
Non-current assets			
Debtors due in less than one year	101	-	101
Liabilities			
Creditors due in less than one year	(298)	-	(298)
Pensions			
Pension scheme deficit	(127)	-	(127)
Net assets total	11,403	6,396	17,799

A fair value adjustment was to reflect a revaluation of the land and buildings on transfer from Inspirational Futures Trust. Other fixed assets were revalued and adjusted to reflect compliance with the Federation's capitalisation policy.

30 Transfer from Local Authority / Academy Trust *(continued)*

Broadoak Academy

	Value reported by transferring trust £000	Fair value adjustments £000	Total transferred 2019 £000
Tangible fixed assets			
Leasehold land and buildings	13,767	-	13,767
Furniture and equipment	80	-	80
Computer equipment	179	(162)	17
Non-current assets			
Debtors due in less than one year	247	-	247
Cash at bank and in hand	1,046	-	1,046
Liabilities			
Creditors due in less than one year	(374)	-	(374)
Pensions			
Pension scheme deficit	(3,561)	-	(3,561)
Net assets total	11,384	(162)	11,222

Other fixed assets were adjusted to reflect compliance with the Federation's capitalisation policy.

31 Agency arrangements

	2019 £000	2018 £000
16-19 bursary funding received 2018-19	83	79
16-19 bursary funding disbursed 2018-19	(99)	(97)
Balance in year	(16)	(18)
Amount included in other creditors in relation to 16-19 bursary	36	52

Notes (continued)

32 Teaching school trading account

	2018/19 £000	2018/19 £000	2018/19 £000	2017/18 £000	2017/18 £000	2017/18 £000
Income						
Direct Income						
Other income		2,413			1,547	
Other Income						
Fundraising and other trading activities		164			75	
Total Income			2,577			1,622
Expenditure						
Direct costs						
Direct staff costs	830			715		
Educational supplies	42			12		
Staff development	5			24		
Educational consultancy	497			272		
Other direct costs	548			360		
Total direct costs		1,922			1,383	
Other costs						
Support staff costs	116			135		
Depreciation	-			-		
Technology costs	-			2		
Premises costs	-			-		
Other support costs	380			120		
Share of governance costs	1			-		
Total other costs		497			257	
Total Expenditure			(2,419)			(1,640)
Transfer between funds			-			-
Surplus/(deficit) from all sources			158			(18)
Balances at 1 September 2018			85			103
Balances at 31 August 2019			243			85