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**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 2014

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## Reference and Administrative Details

### Members

Ron Richie (Chair)  
Guy Keith-Miller  
Peter Price

### Trustees

Ron Ritchie (Chair)  
Con Alexander  
Sir David Carter (resigned 31.08.14)  
Peter Price  
Guy Keith-Miller  
Airlie Fife  
Isobel Clark (resigned 03.10.13)  
Nicky McAllister  
Janie Chesterton  
Rob Stroud  
Jon Gould  
Peggy Tovey (resigned 19.06.14)  
Susannah Hill  
Peter Franklin  
Marcus Holder (appointed 01.09.14)

### Company secretary

Sujata McNab

### Senior Management team:

Chief Executive Officer  
Chief Operating Officer  
Executive Principal  
Executive Principal  
Principal  
Principal  
Principal  
Principal  
Principal  
Principal  
Principal  
Principal  
Principal  
Principal  
Principal

Sir David Carter (resigned 31.08.14)  
Sujata McNab (Interim CEO from 01.09.14)  
Stephen Taylor (appointed 01.09.13)\*  
Mandy Milsom (appointed 01.09.13)\*  
Armando Di-Finizio (resigned 31.05.14)  
Ian Frost  
Jon Angell  
Sally Apps  
Dan Nicholls  
Adam Williams  
Duncan Cruickshank  
Gemma Jackson  
Susie Weaver  
Tony Searle (appointed 01.06.14)  
Ros Farrell (resigned 31.12.13)

\*Previously Principals

### Principal and registered office

Woodside Road, Bristol, BS15 8BD

### Company registration number

06207590 (England and Wales)

### Independent auditor

KPMG LLP, 100 Temple Street, Bristol, BS1 6AG

## Reference and Administrative Details

### Bankers

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

### Solicitors

VWV LLP  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

### Auditors

KPMG LLP  
100 Temple Street  
Bristol  
BS1 6AG

## **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 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, strategic report and directors' report under company law.

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

#### **Constitution**

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

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

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

#### **Members' Liability**

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

#### **Trustees Indemnities**

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

#### **Principal activities**

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

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

The Articles of Association states that the members of the Trust should comprise; one person nominated by Rolls Royce, one person nominated by the University of the West of England, one person appointed by the Secretary of State and the chair of the Board of Trustees.

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

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

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

#### **Organisational Structure**

The governance structure of the Federation is on two levels: the Board of Trustees (and its subcommittees) and the Academy Councils. The Board of Trustees is responsible for the strategic decision making of the Federation. The

## Trustees' Report *(continued)*

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 Executive Principal.
- To receive reports from the Academy Principals on the effectiveness of their provision for the students in their care.
- To ensure that the vision for enabling the Academies to be autonomous organisations is maintained.
- To directly support the Federation and Academies through the Executive Principal when a case for need is made.
- To ensure financial accountability to the Department for Education and within the Academies is secure.

At the Academy level, each school has its own Academy Council. Each Council has 13 members, 7 appointed by the Board and 6 who represent the Academy community. The councillor roles are:

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

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

The leadership of the Federation in the year ended 31 August 2014 has been overseen by Sir David Carter, the Chief Executive Officer and the Strategic Leadership Team which consists of Executive Principals, Academy Principals and the Chief Operating Officer. The Principals of the academies are listed on page 1. The Strategic Leadership Team controls the Federation at an executive level, implementing policies and reporting to Trustees. 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.

### **Risk Management**

The Board of Trustees has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The key areas of focus are:

## **Trustees' Report** *(continued)*

### **Governance and legal**

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

### **Strategic**

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

### **Financial**

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

### **Human Resources**

Key risks relate to recruitment and retention of key employees, consistency of HR practice and policy implementation. There is a regular review of recruitment strategy and a HR Director was appointed into the Executive Team from 1 September 2014.

### **Disabled Employees**

The Federation gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Federations' policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Employee Involvement**

During the year, the policy of providing employees with information about the Federation has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### **Health and Safety**

The key risk in this area is non-compliance with statutory reporting. In mitigation, a group wide Health and Safety policy is in place. External advisors complete regular health and safety audits and also provide a training schedule to each academy which ensures that key issues are identified and resolved.

### **Other Legal and Operational**

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

### **Policy and practice on payment of creditors**

The Federation remains committed to agreeing and notifying payment terms with its suppliers and handling disputes in a fair and transparent manner. The Federation plans its terms of business to allow agreements on supplier payment terms to be confirmed or changed in specific situations. The Federation has, and will continue to generate, a positive cash flow from its operations and this cash flow is planned to ensure suppliers are paid on time as agreed.

### **Educational**

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

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

## Trustees' Report *(continued)*

### **Connected Organisations, including Related Party Relationships**

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

The Federation owns 100% of the issued ordinary shares of John Cabot Ventures Ltd, a Company registered in England and Wales (no. 03057532). This company operates the commercial affairs of the Federation. For the year to 31 August 2014, the subsidiary will donate the whole of its taxable profits to the Federation. The consolidated financial statements include the results for John Cabot Ventures Ltd to 31 August 2014.

### **Objectives and Activities**

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

The vision, aims and objectives of the Federation during the year ended 31 August 2014 are summarised below.

### **Collaboration for Outstanding Achievement**

Together we can achieve more, and by working together we can achieve our goal of every one of our academies being judged to be on the road to "good" and "outstanding" by 2016 quicker than by working individually.

We want to create a distinctive partnership, built around leadership & learning that results in the Cabot Learning Federation being recognised as the most successful and innovative partnership of its type in the UK. Students come first and the Federation should be judged on how well we support and educate both our most vulnerable students, so that they achieve more than they or their parents and carers first thought possible, alongside those who are gifted and talented who also perform above expectation. Many of our students will be the first in their family to attend University, a responsibility we take seriously, and by placing learning and leadership at the heart of all we do, we believe we can create the culture of success and lifelong learning for all our students, as they move into adulthood and employment, whilst playing a role in the communities in which they live.

We must not lose sight of our core moral purpose.

- The academies purpose is to provide an outstanding education for the students they teach and who attend their school wearing their unique uniform.
- The Federation purpose is to bring the best practice, best practitioners and best learning together so that more students can benefit from the sharing of ideas and expertise that produces outstanding learning.

This does not imply that our academies are clones of one another. We value and embrace the uniqueness of our schools and the communities they serve, whilst celebrating and sharing the strategies that work in one context that could have the potential to benefit students more widely across the Federation.

If we achieve this vision, we can be more confident than ever that the next generation of parents who will send their children to a Federation Academy from 2030 onwards, will believe even more strongly that education is the solution to their children's lifelong success, prosperity and fulfilment, as a result of their positive experience as a student in one of the Federation's Academies.



## Trustees' Report *(continued)*

### Six Federation (CLF) Strategic Priorities & Planned Outcomes "Shifting Gears"

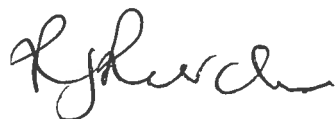
For the period 2013 – 2016, the Federation will focus on six strategic priorities that have been developed from our core vision and aims.

- CLF Priority 1  
Achievement in our academies will build on the previous personal best with year on year improved progress for students of all abilities across the Federation
- CLF Priority 2  
The CLF post 16 model of organisation, leadership, learning and student support will be outstanding in every respect
- CLF Priority 3  
Recruitment, training and development of our workforce of leaders teachers, support staff and administrators will result in delivery of an outstanding provision to all of our students
- CLF Priority 4  
Leadership & governance across the Federation will be outstanding and succession planning effective in securing leaders of high calibre across the Federation
- CLF Priority 5  
The learning journey for all students from the age of 3 to 19 across the Federation will be outstanding
- CLF Priority 6  
A sustainable educational and business plan will be in place that supports the academies to meet their core objective of delivering outstanding education for every child

### 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 4 December 2014 and signed on its behalf by:



**Prof Ron Richie**

Chair

## Strategic Report

### Achievements and Performance

#### Key achievements for 2013/14

- Opening of Wallscourt Farm Academy on 1 September 2013 – a brand new primary academy.
- Three ‘Good’ Ofsted inspections – Frome Vale Academy, Minerva Primary Academy and Summerhill Academy.
- Sustained and improved performance of students across the Federation at GCSE level.
- Improved results for primary students obtaining a level 4 in Reading, Writing and Maths.
- Improved performance of students across the Federation at A Level.
- Continued delivery of high quality development opportunities for teachers and staff.

#### Key performance indicators

#### How did our Academies perform in 2013/14?

##### Primary Performance:

In 2014, the Federation’s primary academies secured a 4% increase in the percentage of students achieving at least level 4 in Reading, Writing and Maths. All Federation’s primary academies are now above the floor standard. Areas for improvement in 2014/2015 include; increasing the number of students achieving level 5 in Reading, Writing and Maths, achieving greater consistency across the Federation in progress from Key Stage 1 to Key Stage 2, sustaining improvement for those students entering year 6 already at a high level 4 or 5 and closing the gap with regard to disadvantaged students.

##### Secondary Performance:

In 2014, the Federation’s secondary academies secured an increase of 3.7% in the percentage of students achieving 5 A\*-C GCSE grades (hereafter 5ACEM) including English and Maths taking the overall percentage to 51.1%. This percentage improvement represents the second highest improvement of any sponsor in the country – the Federation was one of only seven of the 27 ‘large sponsors’ to improve on the previous year’s 5ACEM outcomes. The gap between the performance of disadvantaged and other students narrowed, both in terms of attainment and progress across the. On the 5ACEM measure, the Federation, which previously had a gap of 31% which was greater than the national average (27%), has reduced this to 21%.

##### Federation Performance at Post 16

The Federation’s performance at A Level was the most successful of the past three years. The Federation has closed the gap on national figures, improving from 4% behind the national pass rate in 2011 to 2013 to less than 1% behind. This set of results represents the last set achieved under the old structure of ‘four sites working in partnership’. From 1 September 2014, the Federation’s post 16 has been re-organised under the concept of ‘one centre across five sites’.

##### Going Concern

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

## Strategic Report *(continued)*

### Financial Review

#### Financial report for the year

The Federation's accounting period is from 1 September 2013 to 31 August 2014.

Most of the Federation's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). Grants are made to each of the individual academies within the Federation and are restricted to fund the activities of the academy to which they are granted.

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

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

During the period ended 31 August 2014, total expenditure of £43,564,000 (excluding the pension fund) was met by recurrent grant funding from the EFA, other incoming resources, and funding carried forward from the previous year. The excess of income over expenditure for the year was £3,244,000 (£468,000 excluding the pension fund and the restricted fixed asset fund).

At 31 August 2014 the net book value of fixed assets excluding investment properties was £68,318,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies within the Federation.

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

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

Existing staff of the Federation were joined by staff transferring from Bristol City Council on the opening of Begbrook Primary Academy, Minerva Primary Academy, Frome Vale Academy and Summerhill Academy. Staff transferred from Bath and North East Somerset Council on the opening of Bath Community Academy. All five academies opened as part of the Federation on 1 September 2012. In the course of the 2013/14 the academies have continued to refine the staffing structures required to deliver their objectives within the funding available. The Federation continues to offer central finance, HR, IT and project management functions, which provide back office services as well as professional support to the Academies.

#### Buildings and assets

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

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

## **Strategic Report** *(continued)*

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

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

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

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

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

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

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

The contract also provides for Facilities Management (FM), including cleaning and caretaking, and catering. The academies make a contribution to the Local Authority to meet the costs of delivering this part of the contract. This contribution is calculated as a percentage of the funding that would have been available to the Academy had it remained as a maintained school, and therefore varies depending on student numbers. The contribution for the year ending 31 August 2014 was £888,000.

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

### **Reserves Policy**

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

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

## Strategic Report *(continued)*

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

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

### Investment Policy

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

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

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

### Principal Financial Risks and Uncertainties

#### Financial and risk management objectives and policies

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

#### *Liquidity risk*

The Cabot Learning Federation manages its cash resources, including appropriate working capital balances, so that all operating needs are met within the requirement of short term borrowings. Surplus cash is invested in line with the Investment policy noted on page 27 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*

In the absence of borrowings and with low prevailing interest rates, the Federation is not exposed to significant interest rate risk.

#### *Other risks*

The Federation is exposed to price risks, but it funded by government on the same basis as other academies and manages budgets accordingly. The majority of funding comes from government therefore credit risk is considered to be negligible.

### Plans for Future Periods

On the 1 September 2014, Hanham Woods Academy joined the Federation as a converter academy. 1 September 2015 will see the opening of a primary phase within King's Oak Academy and the opening of a Studio School. We continue to work closely in partnership with Fishponds Church of England Academy.

After seven years as Executive Principal and subsequently CEO, Sir David Carter stepped down from his role within the Federation to take on a national educational role within government. Following his departure, an interim CEO has been in post pending appointment of a permanent CEO from 1 January 2015.

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

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

## **Strategic Report** *(continued)*

### **Auditor**

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 4 December 2014 and signed on the board's behalf by:



**Prof Ron Richie**

**Chair**

## Governance Statement

### Scope of Responsibility

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

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

### Governance

The information as governance included were supplements that described the Trustees' Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 5 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
Ron Ritchie (Chair)	5	5
Con Alexander	5	5
Sir David Carter	5	5
Janie Chesterton	3	3
Isobel Clark	1	1
Airlie Fife	5	5
Peter Franklin	5	5
Jon Gould	5	5
Susannah Hill	5	5
Guy Keith-Miller	2	5
Nicky McAllister	3	5
Peter Price	0	5
Rob Stroud	5	5
Peggy Tovey	1	4

The Audit Committee is also 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
Airlie Fife	4	4
Guy Keith-Miller	4	4
Sir David Carter	4	4
Marcus Holder	1	3

## **Governance Statement** *(continued)*

### **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 2014 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint BDO as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a half yearly basis, the auditor's 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 latest report dated April 2014 provides moderate assurance over both the design and effectiveness of the controls in place.

### **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.



**Governance Statement** *(continued)*

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 4 December 2014 and signed on its behalf by:



**Prof Ron Richie**

**Chair**



**Sujata McNab**

**Accounting Officer**

## Statement on Regularity, Propriety and Compliance

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

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

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



**Sujata McNab**  
Accounting Officer

## Statement of Trustees Responsibilities

The Trustees (who act as governors of Cabot Learning Federation and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with the Annual Accounts Requirements published by the Education 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 Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 4 December 2014 and signed on its behalf by:



**Prof Ron Richie**

**Chair**



## KPMG LLP

100 Temple Street  
Bristol  
BS1 6AG  
United Kingdom

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

We have audited the financial statements of Cabot Learning Federation for the year ended 31 August 2014 set out on pages 22 to 52. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2013 to 2014 and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency ('EFA') on terms that have been agreed. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditors' report and, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2013 to 2014 issued by the EFA, those matters that we have agreed to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the Directors and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees (who act as Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Charitable Company's affairs at 31 August 2014, and of the Group and charitable company's incoming resources and application of resources, including the Group and Charitable Company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006;
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

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



**Victoria Sewell (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

Date: 9 December 2014



## KPMG LLP

100 Temple Street  
Bristol  
BS1 6AG  
United Kingdom

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

In accordance with the terms of our engagement letter dated 23 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion included:

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

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Chief Executive Officer on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the not for profit principles set out in the relevant provisions of the Academies Financial Handbook 2013;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 10.4 of the Academies Accounts Direction 2013 to 2014.

### **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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Victoria Sewell**  
Reporting Accountant  
for and on behalf of KPMG LLP,  
*Chartered Accountants*

Date: 9 December 2014

**Statement of Financial Activities for the year ended 31 August 2014**  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2014 £000	Total 2013 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	15	67	-	82	91
Voluntary income – transfer from local authority on conversion		-	-	-	-	29,495
Activities for generating funds	4	1,083	30	-	1,113	879
Investment Income	5	75	-	-	75	80
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy trust's educational operations	6	191	38,636	7,203	46,030	44,140
<b>Total incoming resources</b>		<u>1,364</u>	<u>38,733</u>	<u>7,203</u>	<u>47,300</u>	<u>74,685</u>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	7	336	8	3	347	204
<i>Charitable activities:</i>						
Academy's educational operations	8	750	38,660	4,223	43,633	42,694
Governance Costs	9	14	62	-	76	75
<b>Total resources expended</b>	7	<u>1,100</u>	<u>38,730</u>	<u>4,226</u>	<u>44,056</u>	<u>42,973</u>
<b>Net incoming/(outgoing) resources before transfers</b>		264	3	2,977	3,244	31,712
Gross transfers between funds	21	-	(291)	291	-	-
<b>Net income / (expenditure) for the year</b>		264	(288)	3,268	3,244	31,712
<b>Other recognised gains and losses</b>		264	(288)	3,268	3,244	31,712
Actuarial (losses) / gains on defined benefit pension schemes	21,31	-	(972)	-	(972)	684
<b>Net movement in funds</b>		<u>264</u>	<u>(1,260)</u>	<u>3,268</u>	<u>2,272</u>	<u>32,396</u>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2013	21	2,516	1,183	68,333	72,032	39,636
<b>Total funds carried forward at 31 August 2014</b>	21	<u>2,780</u>	<u>(77)</u>	<u>71,601</u>	<u>74,304</u>	<u>72,032</u>


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



## Balance sheet as at 31 August 2014

	Note	Group		Company	
		2014 £000	2013 £000	2014 £000	2013 £000
<b>Fixed assets</b>					
Tangible assets	14	68,318	63,547	68,318	63,547
Investment properties	12	2,690	2,690	2,690	2,690
Investment in subsidiary	15	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Current assets</b>		71,008	66,237	71,008	66,237
Stocks	16	24	28	24	28
Debtors	17	1,888	1,352	1,987	1,481
Investments	18	6,137	5,096	6,137	5,096
Cash at bank and in hand		5,854	8,605	5,737	8,456
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	19	13,903	15,081	13,885	15,061
Provisions	20	(4,071)	(3,985)	(4,055)	(3,967)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net current assets</b>		9,588	10,623	9,586	10,621
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets less current liabilities</b>		80,596	76,860	80,594	76,858
Pension scheme liability	31	(6,292)	(4,828)	(6,292)	(4,828)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets including pension liability</b>		74,304	72,032	74,302	72,030
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	21	71,601	68,333	71,601	68,333
General fund	21	6,215	6,011	6,215	6,011
Pension reserve	21	(6,292)	(4,828)	(6,292)	(4,828)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total restricted funds</b>		71,524	69,516	71,524	69,516
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Unrestricted income funds</b>					
General fund	21	2,780	2,516	2,778	2,514
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>		74,304	72,032	74,302	72,030
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 4 December 2014 and are signed on their behalf by:



Prof Ron Richie  
Chair

Company number: 06207560

## Cash flow statement for the year ended 31 August 2014

	<i>Note</i>	<b>2014</b>	2013
		<b>£000</b>	£000
Net cash inflow from operating activities	26	(334)	2,800
Returns on investments and servicing of finance	27	81	116
Capital expenditure and financial investment	28	(1,457)	1,863
Management of liquid resources and financing: Transfers to fixed term deposit account		(1,041)	(603)
<b>(Decrease) / Increase in cash</b>	<b>29</b>	<b>(2,751)</b>	<b>4,176</b>

### Reconciliation of net cash flow to movement in net funds

(Decrease) / Increase in cash		(2,751)	4,176
Cash used to increase liquid resources		1,041	603
Change in net funds		(1,710)	4,779
Cash transferred to CLF on transfer of Academy		-	616
Net funds at beginning of year		13,701	8,306
<b>Net funds at end of year</b>	<b>29</b>	<b>11,991</b>	<b>13,701</b>

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

## Notes

*(Forming part of financial Statements)*

### 1 Statement of Accounting Policies

#### *Basis of Preparation*

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

These financial statements consolidated the results of the Federation and its wholly owned subsidiary, John Cabot Ventures Limited, on a line by line basis. A separate Statement of Financial Activities and income and expenditure account are not presented for the Federation itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The Federation's surplus for the year was £2,272,000 (2013: £32,396,000).

#### *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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The financial statements have been prepared on the assumption that the going concern basis of preparation is appropriate

#### *Incoming Resources*

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

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

## Notes (continued)

### Statement of Accounting Policies (continued)

- **Donated Services and gifts in kind**

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

### Resources Expended

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

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

**Notes** *(continued)*

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

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

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

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

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

***Leased Assets***

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

***Investments***

The Academy’s share holding in the wholly owned subsidiary, John Cabot Ventures, is included in the Balance Sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

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

***Stock***

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

***Taxation***

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

***Pensions Benefits***

Retirement benefits to employees of the Academy Trust are provided by the Teachers’ Pension Scheme (‘TPS’) and the Local Government Pension Scheme (‘LGPS’). These are defined benefit schemes, and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees’ working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 31, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

## Notes (continued)

### Statement of Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### Fund Accounting

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

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

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

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from the year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has exceeded these limits during the year ended 31 August 2014 at King's Oak Academy. The Education Funding Agency was advised of the need to carry this forward and approval to do so was provided on 14 November 2014. All other academies within the trust that were subject to limits did not exceed them.

### 3 Voluntary income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Private sponsorship	15	-	15	60
University of West of England grant	-	-	-	20
Miscellaneous donations	-	67	67	11
	<u>15</u>	<u>67</u>	<u>82</u>	<u>91</u>

## Notes (continued)

### 4 Activities for generating funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Salary recharges	-	15	15	15
Funding from the Grange School	109	-	109	-
John Cabot Ventures Limited	218	-	218	253
Letting of facilities	203	-	203	194
Music tuition fees	48	-	48	48
Student teacher training	-	15	15	37
Profit on sale of fixed assets	9	-	9	-
Sale of uniform	13	-	13	22
NPQH/NPQSL/NPQ course income	48	-	48	23
NLE bursary	7	-	7	6
Catering	139	-	139	104
Insurance claim	-	-	-	25
Other sundry income	289	-	289	152
	<u>1,083</u>	<u>30</u>	<u>1,113</u>	<u>879</u>

### 5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2014 £000	Total 2013 £000
Bank interest	75	-	75	80
	<u>75</u>	<u>-</u>	<u>75</u>	<u>80</u>

## Notes (continued)

### 6 Funding for the Academy Trust's educational operations

	Unrestricted £000	Restricted £000	2014 £000	2013 £000
Department for Education capital grant				
- Capital grants	-	6,831	6,831	6,327
- Environmental improvement grant (capital)	-	-	-	130
	<hr/>	<hr/>	<hr/>	<hr/>
	-	6,831	6,831	6,457
	<hr/>	<hr/>	<hr/>	<hr/>
Department for Education revenue grant				
- General Annual Grant (GAG)	-	32,727	32,727	32,297
- Bursary contribution - admin costs	3	-	3	3
- Start up funding	-	872	872	1,409
- Earmarked Annual Grant	-	-	-	16
- Phonics and Moderation Grant	-	3	3	-
- Affordability Gap payment	-	-	-	153
- PE Teachers Grant	-	-	-	44
- Summer School funding	-	31	31	113
- Primary and PE Sport Premium funding	-	37	37	-
- Hanham Woods Academy grants	80	-	80	-
- Pupil Premium funding	-	2,053	2,053	1,410
- Care 2 Learn	-	-	-	1
- March 2013 pilot accounts exercise	-	-	-	30
- 16-19 bursary funding	-	62	62	72
- FRS17 funding	-	-	-	3
- Year 7 catch-up funding	-	100	100	106
- ICT funding for new building	-	417	417	165
- Sponsor Capacity funding	-	56	56	-
- Funding for statutory redundancy costs	-	3	3	-
- School Direct salaried funding	-	17	17	-
- Academies maintenance funding	-	-	-	108
- Environmental improvement grant (revenue)	-	-	-	8
- Bath Community Academy grants	-	-	-	10
- Primary Academy grants	-	-	-	105
	<hr/>	<hr/>	<hr/>	<hr/>
	83	36,378	36,461	36,053
	<hr/>	<hr/>	<hr/>	<hr/>
Other government grants				
- AST funding	-	6	6	13
- Special Educational Needs funding	-	918	918	775
- Golden Hello funding	-	5	5	28
- Teaching School grants	99	218	317	313
- Pupil premium – looked after children	-	32	32	28
- School Games organiser funding	-	24	24	24
- Funding from British Council	-	20	20	-
- Healthy Schools grant	-	-	-	1
- English Heritage grant	-	7	7	17



## Notes (continued)

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

- Nursery funding from Bristol City Council	-	184	184	215
- Funding from Bristol City Council 2012/13 contingency	-	263	263	-
- Funding from Bristol City Council	-	176	176	-
- Infant Class Size grant				
- Vb6 -Funding from Bristol City Council – ICT funding	-	69	69	-
- Funding from Bristol City Council – capital funding	-	372	372	-
- Other Bristol City Council grants	-	1	1	45
- Funding from Bath and North East Somerset Council	-	73	73	43
- Graduate teacher training	-	-	-	44
- Funding from South Gloucestershire Council – Grange School	9	84	93	-
- Funding from South Gloucestershire Council – ICT funding	-	67	67	-
- Funding from South Gloucestershire Council – new school subsidy	-	50	50	-
- Funding from South Gloucestershire Council – Community funding	-	10	10	-
- Funding from South Gloucestershire Council – one-off funding re: class size	-	32	32	-
- Funding from South Gloucestershire Council – Teachers Pay grant	-	6	6	-
- Funding from South Gloucestershire Council – Other	-	-	-	84
- Funding from North Somerset Council	-	2	2	-
- Derbyshire County Council recharge	-	1	1	-
	<u>108</u>	<u>2,620</u>	<u>2,728</u>	<u>1,630</u>
Other income				
- Troops to Teacher funding	-	10	10	-
	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
	<u>191</u>	<u>45,839</u>	<u>46,030</u>	<u>44,140</u>

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

#### Unrestricted funds

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

## Notes (continued)

### 7 Resources expended

	Staff costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2014 £000	Total 2013 £000
Costs of generating voluntary income	-	-	-	-	-
Fundraising trading	-	-	-	-	-
Costs of activities for generating funds	124	-	223	347	204
<b>Academy Trust's educational operations</b>					
- Direct costs	26,019	3,508	2,804	32,331	31,883
- Allocated support costs	4,761	2,882	3,659	11,302	10,811
	<u>30,780</u>	<u>6,390</u>	<u>6,463</u>	<u>43,633</u>	<u>42,694</u>
Governance costs including allocated support costs	16	-	60	76	75
	<u>30,920</u>	<u>6,390</u>	<u>6,746</u>	<u>44,056</u>	<u>42,973</u>
				<b>2014</b>	<b>2013</b>
				<b>£000</b>	<b>£000</b>
<b>Incoming/outgoing resources for the year include:</b>					
<i>Operating leases</i>					
Plant and machinery				105	103
Other leases				-	-
				<u>105</u>	<u>103</u>

**Notes** *(continued)*

**7 Resources expended** *(continued)*

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

	<b>Total</b>	<b>Individual items over £5,000</b>	
	<b>£</b>	<b>Amount £</b>	<b>Reason</b>
Ex-gratia/compensation payments	£79,226	£19,000	Employee's employment with the Federation terminated by mutual agreement.
		£15,000	As above
		£15,226	As above
		£30,000	As above
Gifts made by the trust	£nil	£nil	£nil
Fixed asset losses	£23,000	£23,000	Disposal of existing broadband kit and installation costs following the completion of the new Hans Price Academy building
Stock losses	£nil		
Unrecoverable debts	£nil		
Cash losses	£nil		

## Notes (continued)

### 8 Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
<b>Direct costs – educational operations</b>				
Teaching and educational support staff costs	257	25,762	26,019	24,961
Depreciation	-	3,900	3,900	4,627
Technology costs	-	74	74	88
Educational supplies	28	537	565	558
Examination fees	-	424	424	496
Staff development	-	110	110	83
Educational consultancy	27	862	889	767
Other direct costs	16	334	350	303
	<u>328</u>	<u>32,003</u>	<u>32,331</u>	<u>31,883</u>
<b>Support costs – educational operations</b>				
Support staff costs	167	4,102	4,269	3,818
Additional pension cost	-	492	492	521
Depreciation	-	323	323	794
Repairs and maintenance	24	639	663	600
BSF buildings and facilities management	-	888	888	875
Furniture and equipment	-	121	121	77
Utilities	13	490	503	597
Cleaning	1	278	279	281
Other occupancy costs	1	206	207	120
Catering	144	526	670	614
Uniform	1	3	4	45
Communication	-	106	106	104
Printing	-	244	244	205
Professional fees	51	211	262	264
Marketing	4	19	23	33
Recruitment	-	125	125	101
Other employment costs	-	80	80	52
Rates	-	252	252	177
Insurance	-	192	192	188
Technology costs	12	1,137	1,149	909
Staff development	-	11	11	13
Other support costs	4	435	439	423
	<u>422</u>	<u>10,880</u>	<u>11,302</u>	<u>10,811</u>
	<u>750</u>	<u>42,883</u>	<u>43,633</u>	<u>42,694</u>

## Notes (continued)

### 9 Governance costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Staff costs	11	5	16	14
External auditor's remuneration				
- Audit of financial statements	3	51	54	57
Internal auditor's remuneration	-	6	6	4
	14	62	76	75
	14	62	76	75

The fees to external auditors in 2013 related to amounts payable to Baker Tilly LLP. In 2014 external fees are amounts payable to KPMG LLP.

### 10 Staff

#### a. Staff costs

Staff costs during the period were:	2014 £000	2013 £000
Wages and salaries	24,682	23,689
Social security costs	1,638	1,553
Pension costs	3,653	3,476
	29,973	28,718
Supply teacher costs	868	673
Staff restructuring payments	79	-
	30,920	29,391
	30,920	29,391

#### b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £79,226 (2013: £nil). Four of the non-statutory/non-contractual payments exceeded £5,000 individually and are disclosed in note 7.

#### c. Staff numbers

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

	2014 No.	2013 No.
Teachers	388.0	371.8
Administration and support	311.6	293.2
Management	69.7	65.4
	769.3	730.4
	769.3	730.4

## Notes (continued)

### 10 Staff (continued)

#### d. Higher paid staff

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

	2014 No.	2013 No.
£60,001 - £70,000	8	8
£70,001 - £80,000	2	2
£80,001 - £90,000	3	5
£90,001 - £100,000	2	2
£100,001 - £110,000	1	1
£140,001 - £150,000	1	1
£150,001 - £160,000	1	1
	18	19

17 (2013: 18) of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme, and one (2013: one) in the Local Government Pension Scheme. During the year ended 31 August 2014, the Federation's pension contributions for these staff amounted to £193,794 (2013: £183,327).

### 11 Central Services

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

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

The underlying charge for Central Services was based on 3.75% (2013: 2.8%) of each academies' income. Additional charges for a Central educational provision at Federation Studio were based upon previous usage of the facility by each academy.

The actual amounts charged during the year were:

	2014 £000
John Cabot Academy	287
Bristol Brunel Academy	322
Bristol Metropolitan Academy	270
Hans Price Academy	189
King's Oak Academy	205
Bath Community Academy	145
Begbrook Primary Academy	95
Minerva Primary Academy	73
Frome Vale Academy	68
Summerhill Academy	64
Wallscourt Farm Academy	17
	1,735

## Notes (continued)

### 12 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. The value of trustees’ remuneration was as follows:

Executive Principal     £140k - £145k

Other related party transactions involving the trustees are set out on note 32.

### 13 Trustees and officers’ insurance

In accordance with normal commercial practice the Federation has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Federation business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2014 was £3,874 (2013: £4,278).

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

### 14 Tangible Fixed assets

<b>Group and Company</b>	<b>Investment Properties</b>	<b>Leasehold land &amp; buildings</b>	<b>Furniture and equipment</b>	<b>Computer Equipmen t &amp; software</b>	<b>Assets under constructi on</b>	<b>Motor vehicles</b>	<b>Total</b>
	£000	£000	£000	£000	£000	£000	£000
<i>Cost or valuation</i>							
At 1 September 2013	2,690	68,053	4,818	3,221	4,583	7	83,372
Additions	-	1,154	491	237	7,138	-	9,020
Transfers	-	8,181	-	-	(11,341)	-	(3,160)
Disposals	-	(4,680)	(204)	(213)	-	-	(5,097)
<b>At 31 August 2014</b>	<b>2,690</b>	<b>72,708</b>	<b>5,105</b>	<b>3,245</b>	<b>380</b>	<b>7</b>	<b>84,135</b>
<i>Depreciation</i>							
At 1 September 2013	-	10,203	3,899	3,026	-	7	17,135
Charged in year	-	3,598	459	169	-	-	4,226
Transfers	-	(3,160)	-	-	-	-	(3,160)
Disposals	-	(4,680)	(204)	(190)	-	-	(5,074)
<b>At 31 August 2014</b>	<b>-</b>	<b>5,961</b>	<b>4,154</b>	<b>3,005</b>	<b>-</b>	<b>7</b>	<b>13,127</b>
<i>Net book value</i>							
<b>At 31 August 2014</b>	<b>2,690</b>	<b>66,747</b>	<b>951</b>	<b>240</b>	<b>380</b>	<b>-</b>	<b>71,008</b>
<i>At 1 September 2013</i>	<i>2,690</i>	<i>57,850</i>	<i>919</i>	<i>195</i>	<i>4,583</i>	<i>-</i>	<i>66,237</i>

## Notes (continued)

### 14 Tangible Fixed assets (continued)

	Investment Properties £000	Leasehold land and buildings £000	Furniture & equipment £000	Computer equipment & software £000	Assets under construct- ion £000	Motor vehicle £000	Total £000
Educational provision	-	63,529	422	130	260	-	64,341
Support services	-	3,218	529	110	120	-	3,977
Generating funds	2,690	-	-	-	-	-	2,690
	<u>2,690</u>	<u>66,747</u>	<u>951</u>	<u>240</u>	<u>380</u>	<u>-</u>	<u>71,008</u>

During the year, a transfer of £3,160k took place between cost and accumulated depreciation. This referred to the value of accumulated depreciation in place when the assets and liabilities of John Cabot Academy transferred into the Federation on 1 September 2009.

### 15 Investment in Subsidiary - company

	2014 £	2013 £
Shares at cost (100% holding)	<u>1</u>	<u>1</u>

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

	2014 £	2013 £
John Cabot Ventures Limited - Profit and Loss account		
Turnover	217,571	253,030
Expenditure	(78,480)	(81,503)
Interest receivable	75	64
Profit on ordinary activities before Gift Aid payment	<u>139,166</u>	<u>171,591</u>
Gift Aid payment to Cabot Learning Federation	(139,166)	(171,591)
	<u>-</u>	<u>-</u>
Retained profits brought forward	<u>2,000</u>	<u>2,000</u>
Retained profits carried forward	<u>2,000</u>	<u>2,000</u>
	<u>2,001</u>	<u>2,001</u>
John Cabot Ventures Limited Balance sheet		
Current assets	157,072	191,243
Current liabilities	(155,071)	(189,242)
	<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 £12,220 (2013: £11,336) was received in the Federation from John Cabot Ventures Limited in respect of a licence agreement over certain property held by the Federation.



## Notes (continued)

### 16 Stock

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Sundry stock items	24	28	24	28
	<u>24</u>	<u>28</u>	<u>24</u>	<u>28</u>

Obsolete Bristol Metropolitan Academy student uniform with a value of £15,000 was written off during 2013.

### 17 Debtors

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Trade debtors	107	106	68	66
Prepayments	514	440	514	440
Amounts due from subsidiary	-	-	139	171
Accrued income	899	532	899	532
Other debtors	368	274	367	272
	<u>1,888</u>	<u>1,352</u>	<u>1,987</u>	<u>1,481</u>

### 18 Investments

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

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Balance at 1 September 2013	5,096	4,493	5,096	4,493
Additions	1,041	603	1,041	603
	<u>6,137</u>	<u>5,096</u>	<u>6,137</u>	<u>5,096</u>

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

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Trade creditors	1,158	804	1,158	804
Taxation and social security	549	526	549	526
Sundry creditors	507	432	491	414
Accruals and deferred income	1,857	2,223	1,857	2,223
	<u>4,071</u>	<u>3,985</u>	<u>4,055</u>	<u>3,967</u>

At the Balance Sheet date the Academy Trust held deferred income of £437,000 (2013: £740,000). This represents a number of receipts that were received in 2013-14 but related to the 2014-15 academic year. These included devolved formula capital funding, Wallscourt Farm ICT funding, funding for the new primary school at King's Oak Academy, teaching school grants, funding for free infant school meals and sports centre funding.

**Notes** *(continued)*

**20 Provisions for liabilities**

Group and Company	2014 £000	2013 £000
Provisions at 1 September 2013	473	113
Utilised during the period	(123)	-
Released during the period	(290)	(53)
Additions during the period	184	413
Provisions at 31 August 2014	<u>244</u>	<u>473</u>

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

Provisions made during 2013-2014 relate to anticipated General Annual Grant clawbacks at Hans Price Academy and Wallscourt Farm Academy, a repayment of School Direct funding at Frome Vale Academy where the trainee left earlier in the year, plus the repayment of a Salix interest-free loan at King's Oak Academy where the funds were paid to the academy despite opting out of the scheme.

## 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 2013 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2014 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,444	32,727	(32,257)	(264)	3,650
Other restricted funds transferred for JCA	524	-	(70)	-	454
Start Up grants	709	872	(1,007)	-	574
Phonics and Moderation Grant	-	3	(3)	-	-
Pupil premium	7	2,053	(1,959)	-	101
Sponsor Capacity funding	-	56	(52)	-	4
Primary and PE Sport Premium funding	-	37	(27)	-	10
School Direct salaried funding	-	17	(17)	-	-
16-19 bursary funding	17	62	(45)	-	34
Funding for statutory redundancy costs	-	3	(3)	-	-
Summer School funding	62	31	(49)	-	44
Year 7 catch-up funding	-	100	(100)	-	-
ICT funding for new building	88	417	(505)	-	-
School Games organiser funding	-	24	(24)	-	-
School Sports Co-ordinator funding	-	-	-	-	-
Advanced Skills Teacher (AST) funding	-	6	(6)	-	-
SEN grants	213	918	(971)	-	160
Funding from South Gloucestershire Council - other	150	-	-	-	150
Funding from SGC – Teachers Pay Grant	-	6	(6)	-	-
Funding from SGC – Grange School	-	84	(84)	-	-
Funding from SGC – new school subsidy	-	50	(50)	-	-
Funding from SGC – ICT	-	67	(39)	(4)	24
Funding from SGC – Community funding	-	10	(3)	-	7
Funding from SGC – class size funding	-	32	(32)	-	-
Next Practice grant	16	-	-	-	16
Golden Hellos	-	5	-	-	5
Funding from the British Council	-	20	(8)	-	12
Pupil premium – looked after children	13	32	(41)	1	5
Teaching School grant	53	218	(253)	-	18
Derbyshire County Council recharge	-	1	(1)	-	-
English Heritage grant	7	7	(2)	-	12
Extended schools funding	22	-	-	-	22
Discretionary ICT funding	5	-	-	-	5
Nursery funding	-	184	(184)	-	-
Funding from BANES	5	73	(76)	-	2
Primary academy revenue surplus transferred	472	-	-	-	472
Bristol City Council 2012/13 contingency	-	263	(90)	-	173
Bristol City Council IT funding	-	69	-	(23)	46
Bristol City Council Infant Class size funding	-	176	(147)	-	29
Bristol City Council discretionary grants	68	1	(6)	(1)	62
Other grants	13	2	(11)	-	4
Other income	43	27	(27)	-	43
Voluntary income	77	67	(67)	-	77
Activities for generating funds	3	13	(16)	-	-
	<u>6,011</u>	<u>38,733</u>	<u>(38,238)</u>	<u>(291)</u>	<u>6,215</u>

## Notes (continued)

21 Funds (continued)	Balance at 1 September 2013 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2014 £000
<b>Restricted pension fund</b>					
Pension reserve	(4,828)	-	(492)	(972)	(6,292)
	<u>(4,828)</u>	<u>-</u>	<u>(492)</u>	<u>(972)</u>	<u>(6,292)</u>
<b>Restricted fixed asset funds</b>					
DfE capital grants	22,725	6,831	(1,150)	76	28,482
BSF ICT assets	1	-	-	-	1
BCC ICT funding	-	372	-	-	372
Primary academy capital surplus transferred	141	-	(3)	-	138
Capital expenditure from Restricted Funds	495	-	(68)	215	642
Capital expenditure from Unrestricted Funds	9	-	(3)	-	6
Recognition of transfer of assets – HPA	4,093	-	(1,938)	-	2,155
Recognition of transfer of assets – KOA	9,786	-	(353)	-	9,433
Recognition of transfer of assets – BCA	13,844	-	(311)	-	13,533
Recognition of transfer of assets – BPA	5,920	-	(108)	-	5,812
Recognition of transfer of assets – MPA	1,608	-	(50)	-	1,558
Recognition of transfer of assets – FVA	5,987	-	(110)	-	5,877
Recognition of transfer of assets – SA	1,957	-	(67)	-	1,890
Transfer from JCA - private sector sponsorship	1,767	-	(65)	-	1,702
	<u>68,333</u>	<u>7,203</u>	<u>(4,226)</u>	<u>291</u>	<u>71,601</u>
<b>Unrestricted funds</b>					
Unrestricted funds	2,516	1,364	(1,100)	-	2,780
	<u>2,516</u>	<u>1,364</u>	<u>(1,100)</u>	<u>-</u>	<u>2,780</u>
<b>Total funds</b>	<u>72,032</u>	<u>47,300</u>	<u>(44,056)</u>	<u>-</u>	<u>74,304</u>

The explanations below have only been provided for significant funds:

### Restricted general funds

General annual grant (GAG) is the main grant receivable from the Education Funding Agency (EFA) and is used for each Academy's normal running costs. Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

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

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

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

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

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

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

## **Notes** *(continued)*

### **21 Funds** *(continued)*

Hanham Woods Academy grant represents the pre-opening grant received for the conversion of Hanham Woods Academy on 1 September 2014.

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.

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

School's Direct salaried funding is received to cover trainee teacher salaries.

Sponsor capacity funding is a one off grant received from the DfE to support central team capacity.

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

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

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

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

Troops to Teachers funding supports non-graduate entry for armed forces personnel to enter the teaching profession.

#### **Restricted pension fund**

For details of restricted pension funds, please see Note 31 Pension Commitments.

#### **Restricted fixed asset funds**

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

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

## Notes (continued)

### 21 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £000
John Cabot Academy	3,001
Bristol Brunel Academy	1,113
Bristol Metropolitan Academy	796
Hans Price Academy	678
King's Oak Academy	1,045
Bath Community Academy	287
Begbrook Primary Academy	780
Minerva Primary Academy	396
Frome Vale Academy	156
Summerhill Academy	349
Wallscourt Farm Academy	43
Cabot Learning Federation Central	349
John Cabot Ventures Limited	2
	8,995
Restricted fixed asset fund	71,601
Pension reserve	(6,292)
	74,304
	74,304

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other costs (excluding Depreciation) £000	Total £000
John Cabot Academy	4,901	885	410	839	7,035
Bristol Brunel Academy	4,817	564	458	1,066	6,905
Bristol Metropolitan Academy	3,448	486	361	814	5,109
Hans Price Academy	3,071	701	311	1,075	5,158
King's Oak Academy	3,124	589	280	523	4,516
Bath Community Academy	1,872	513	215	518	3,118
Begbrook Primary Academy	1,451	237	91	244	2,023
Minerva Primary Academy	1,001	191	59	269	1,520
Frome Vale Academy	846	190	68	328	1,432
Summerhill Academy	991	180	84	259	1,514
Wallscourt Farm Academy	199	50	51	209	509
Cabot Learning Federation Central	427	186	24	275	912
John Cabot Ventures Limited	-	-	-	79	79
	26,148	4,772	2,412	6,498	39,830

## Notes (continued)

### 22 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	71,008	71,008
Current assets	3,112	10,177	614	13,903
Current liabilities and provisions	(332)	(3,962)	(21)	(4,315)
Pension scheme liability	-	(6,292)	-	(6,292)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total net assets</b>	<b>2,780</b>	<b>(77)</b>	<b>71,601</b>	<b>74,304</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 23 Capital Commitments

At 31 August 2014 the Federation and Group had capital commitments as follows:

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	769	9,355
	<hr/>	<hr/>
Authorised by governors, but not yet contracted	-	507
	<hr/> <hr/>	<hr/> <hr/>

### 24 Financial commitments

#### Operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £000	2013 £000
<b>Land and buildings</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
<b>Other</b>		
Expiring within one year	12	25
Expiring within two and five years inclusive	97	63
Expiring in over five years	-	-
	<hr/>	<hr/>
	<b>109</b>	<b>88</b>
	<hr/> <hr/>	<hr/> <hr/>

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

## 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 Reconciliation of net income to net cash inflow from operating activities

	2014 £000	2013 £000
Net income	3,244	31,712
Depreciation (note 14)	4,226	5,424
Capital grants from DfE and other capital income	(7,203)	(6,457)
Profit on sale of fixed assets	(9)	-
Interest receivable (note 5)	(75)	(80)
Fixed assets purchased from recurrent funding	(291)	(516)
FRS 17 pension cost less contributions payable (note 31)	387	373
FRS 17 pension finance income (note 31)	105	148
Decrease in stocks	4	2
(Increase)/Decrease in debtors	(359)	(170)
(Decrease)/increase in creditors	(134)	1,500
(Decrease)/increase in provisions	(229)	360
(Decrease) in accruals and deferred income	-	(29,496)
<b>Net cash inflow from operating activities</b>	<b>(334)</b>	<b>2,800</b>

### 27 Returns on investments and servicing of finance

	2014 £000	2013 £000
Interest received	81	116
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>81</b>	<b>116</b>



## Notes (continued)

### 28 Capital expenditure and financial investment:

	2014 £000	2013 £000
Purchase of tangible fixed assets	(8,951)	(5,131)
Capital grants from DfE/EFA	7,203	6,478
Capital funding received from sponsors and others	-	-
Fixed assets from recurrent funding	291	516
Receipts from sale of tangible fixed assets	-	-
	(1,457)	1,863
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(1,457)</b>	<b>1,863</b>

### 29 Analysis of changes in net funds

	At 1 September 2013 £000	Cash flows £000	At 31 August 2014 £000
Cash in hand and at bank	8,605	(2,751)	5,854
Current asset investments	5,096	1,041	6,137
	13,701	(1,710)	11,991
	13,701	(1,710)	11,991

### 30 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.

### 31 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; the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Avon Pension Fund. Both are defined-benefit schemes.

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

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

## Notes (continued)

### 31 Pension and similar obligations (continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### Valuation Of The Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS will be implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

## Notes (continued)

### 31 Pension and similar obligations (continued)

#### Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015.

The pension costs paid to TPS in the year amounted to £2,177,000 (2013: £2,102,000).

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £1,380,000, of which employer's contributions totalled £955,000 and employees' contributions totalled £425,000. The agreed contribution rates for future years vary according to the Academy that the member works in.

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

#### Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.7%	3.9%
Rate of increase for pensions in payment/inflation	2.2%	2.4%
Discount rate for scheme liabilities	4.0%	4.6%
Inflation assumption (CPI)	2.2%	2.4%

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 2014	At 31 August 2013
<i>Retiring today</i>		
Males	23.3	22.9
Females	25.8	25.9
<i>Retiring in 20 years</i>		
Males	25.7	25.2
Females	28.7	28.2

## Notes (continued)

### 31 Pension and similar obligations (continued)

	Expected Return at 31 August 2014	Fair value at 31 August 2014 £000	Expected Return at 31 August 2013	Fair value at 31 August 2013 £000
Equities	7.0%	6,329	7.0%	5,812
Government Bonds	2.9%	990	3.4%	965
Other Bonds	3.8%	1,231	4.4%	793
Property	6.2%	876	5.7%	640
Cash/Liquidity	0.5%	379	0.5%	162
Other	7.0%	1,692	7.0%	640
<b>Total market value of assets</b>		11,497		9,012
Present value of scheme liabilities – Funded		(17,789)		(13,840)
<b>Deficit in the scheme</b>		(6,292)		(4,828)

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 £568,000 (2013: £408,000)

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

	2014 £000	2013 £000
Current service cost (net of employee contributions)	1,342	1,177
Past service cost	-	-
Curtailments	-	22
<b>Total operating charge</b>	1,342	1,199
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	(568)	(408)
Interest on pension liabilities	673	556
<b>Pension finance income/(costs)</b>	105	148

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £4,372,000 loss (2013: £3,400,000 loss).

## Notes (continued)

### 31 Pension and similar obligations (continued)

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

	2014 £000	2013 £000
<b>At 1 September</b>	<b>(13,840)</b>	<b>(9,446)</b>
Current service cost	(1,342)	(1,177)
Interest cost	(673)	(556)
Employee contributions	(425)	(379)
Actuarial (gain)/loss	(1,601)	-
Benefits paid	92	101
Past service cost	-	-
Curtailements and settlements	-	(22)
Business combinations	-	(2,361)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>(17,789)</b>	<b>(13,840)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2014 £000	2013 £000
<b>At 1 September</b>	<b>9,012</b>	<b>6,115</b>
Expected return on assets	568	408
Actuarial gain/ (loss)	629	684
Employer contributions	955	826
Employee contributions	425	379
Benefits paid	(92)	(145)
Business combinations	-	745
	<hr/>	<hr/>
<b>At 31 August</b>	<b>11,497</b>	<b>9,012</b>
	<hr/> <hr/>	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £1,294,000.

The five-year history of experience adjustments is as follows:

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
<b>Present value of defined benefit obligations</b>	<b>(17,789)</b>	<b>(13,840)</b>	<b>(9,446)</b>	<b>(6,170)</b>	<b>(4,182)</b>
Fair value of share of scheme assets	11,497	9,012	6,115	4,273	3,257
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Deficit in the scheme</b>	<b>(6,292)</b>	<b>(4,828)</b>	<b>(3,331)</b>	<b>(1,897)</b>	<b>(925)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Experience adjustments on share of scheme assets</b>					
Amount £'000*	629	684	150	(292)	110
<b>Experience adjustments on scheme liabilities:</b>					
Amount £'000*	(1,601)	-	(795)	601	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 32 Related Party Transactions

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

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

Rolls Royce - The Federation is sponsored by Rolls Royce PLC and during the period, received income of £15,000 (2013: £60,000) in the form of sponsorship.

University of the West of England - The Federation is also sponsored by the University of the West of England and received total income of £74,000 (2013: £34,000) of which £71,000 was in respect of teaching school grants (2013: £nil) and £nil (2013: £20,000) related to funding in respect of Post 16, with the remainder relating to teacher trainee placements within the academies. The Federation incurred expenditure of £24,000 (2013: £2,000) with the University of the West of England, in respect of room hire, staff training and study fees. The majority of the 2014 costs were in respect of the Federation's conference held in November 2013.

Veale Wasbrough Vizards – Con Alexander is a partner with Veale Wasbrough Vizards. As one of the Federation's legal advisers, £80,000 (2013: £56,000) was incurred in respect of various legal matters across the Federation.

Willmott Dixon Group – Janie Chesterton is employed by Willmott Dixon Group. Following a tendering process overseen by an external project management company, Willmott Dixon was appointed to construct the new Hans Price Academy building. Costs incurred during the year were £7,647,000 (2013: £4,346,000). Some utility costs incurred by Hans Price Academy during the construction of the new building were recharged to Willmott Dixon during the year. These amounted to £28,000 (2013: £nil).

Transform Training and Consultancy – Isobel Clark is a Director at Transform Training and Consultancy. Isobel resigned as a Director of the Federation during the year and up to the date of resignation, costs incurred were less than £1k. During the whole year, £7,000 (2013: £4,000) was incurred in respect of training courses provided by Transform Training and Consultancy across a number of our academies.

Weston College - Peggy Tovey is employed by Weston College. During the period, the Federation received income of £nil (2013: £3,000) in respect of a Careers Convention and a contribution to a staff member's time. The Federation incurred £36,000 (2013: £37,000) in respect of various educational courses undertaken through Hans Price Academy.

Orchard School – Jon Gould is employed by Orchard School. During the period, the Federation received income of £1k (2013: £nil) in respect of a training course run by the Federation's Teaching School, open to all educational establishments.

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

Claire Carter, who is employed by the Federation as the Head of the Federation's Teaching School is married to the Executive Principal, Sir David Carter and is therefore a related party. During the year, Claire received remuneration of £57,000 (2013: £55,000) and the Federation made pension contributions of £8,000 (2013: £8,000).

The Trustees of the Federation did not receive any payment from the Federation for their role as Directors. Sir David Carter who was a Director and Executive Principal until his resignation on 31 August 2014, and as such an employee of the Federation, received payment in relation to services provided to the Federation in his professional capacity (Note 12).