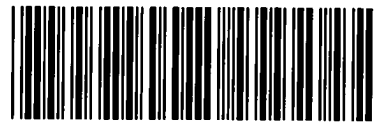


Registered number: 07208598

**DOVER CHRIST CHURCH ACADEMY**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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# **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

## **REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES, GOVERNORS, MEMBERS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Members**

Dr John Moss  
Janice Shiner (resigned 31 August 2018)  
David Leah  
Albert Victor Ashdown

### **Trustees**

Dr John Moss, Chair of Trust  
David Leah (resigned 23 February 2018)  
Kevin Arman (resigned 31 August 2018)  
Graham Birrell  
Dr Peter Gregory  
Stewart Haywood  
Rebecca Jones  
Douglas Little (resigned 2 March 2018)  
Sue Parkin  
Jamie Maclean, Principal (appointed 7 November 2017)

### **Governors**

Dr John Moss, Chair of Governors  
Kevin Arman (resigned 31 August 2018)  
Graham Birrell  
Dr Peter Gregory  
Stewart Haywood  
Emma Hopkins, Parent Governor (Resigned 31 August 2018)  
Rebecca Jones  
Natasha Lewis, Staff Governor  
Douglas Little (resigned 2 March 2018)  
Sue Parkin  
Jamie Maclean, Principal (appointed 1 September 2017)

### **Company registered number**

07208598

### **Company name**

Dover Christ Church Academy

# **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

## **REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Advisers (continued)**

#### **Registered office**

Rochester House  
St Georges Place  
Canterbury  
Kent  
CT1 1UT

#### **Principal operating office**

Melbourne Avenue  
Whitfield  
Dover  
Kent  
CT16 2EG

#### **Company secretary**

Alison Sear

#### **Principal**

Jamie Maclean (appointed 1 September 2017)

#### **Senior management team**

Jamie Maclean, Principal (appointed 1 September 2017)  
Natalie Christie, Vice Principal Teaching, Learning and Curriculum (resigned 29 March 2018)  
Gary May, Vice Principal Student Wellbeing and Standards  
David Hunt, Assistant Vice Principal SEND & PPI  
Marcia Muir Assistant Vice Principal Student Well-being and Transition (appointed September 2017)  
Peter Rigby Assistant Vice Principal Teaching and Learning (appointed September 2016)  
Stefanie Zinter-Warner, Leader of Aspen 2  
Iain Smith, Director of Finance and Operations

#### **Independent auditors**

haysmacintyre  
Statutory Auditors  
10 Queen Street Place  
London  
EC4R 1AG

#### **Bankers**

Lloyds  
PO Box 1000  
Sandgate Branch  
BX1 1LT

# **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Dover Christ Church Academy (the Academy) for the year ended 31 August 2018. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The trust operates an Academy for pupils aged 11 to 19 serving a catchment area in the district of Dover Kent. It has a pupil capacity of 990 and had a roll of 737 in the summer 2018 school census.

### **Structure, governance and management**

#### **Constitution**

The Academy is sponsored by Canterbury Christ Church University. The Academy is a charitable company limited by guarantee and was constituted by a Memorandum of Association on 30 March 2010. This was subsequently reviewed and amended in 2015 in order to ensure sponsorship was appropriate to the changing needs of the Academy and its aspiration to become a small Multi-Academy Trust.

Details of the trustees who served during the year 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**

Employees and Trustees are covered by professional indemnity insurance for failings arising from the performance of their duties that may lead to civil liability. There are no other specific third party indemnities beyond this which require reporting in the context of section 236 of the Companies Act 2006.

#### **Method of recruitment and appointment or election of Trustees**

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The Articles state that at least one Trustee must be a representative of the Principal Sponsor and up to nine additional trustees can be appointed by the Principal Sponsor. In addition further Trustees can be appointed by unanimous agreement of all other Trustees as they think fit.

#### **Policies and procedures adopted for the induction and training of Trustees**

Trustees are appointed on the basis of the skills and experience that they are able to contribute to the leadership and management of the trust. Furthermore all Trustees are given access to a full induction programme provided by the Academy via the Kent Trust website and other professional training courses.

#### **Organisational structure**

The Trustees the majority of whom are also governors fulfil their responsibilities under the Companies Act 2006 and Charities SORP 2015 and delegate day to day operational management of the Academy to the Senior Leadership Team. The Senior Leadership Team consists of the Principal, Leader of Aspen 2, Vice Principals, Assistant Vice Principals and the Director of Finance and Operations. They control the Academy at an executive level and implement the policies set by the Trustees and report back to them. The organisational structure of the trust is reviewed at least annually in order to most effectively meet the needs of the Academy.

## **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Arrangements for setting pay and remuneration of key management personnel**

The senior leadership team consists of the Principal, Vice Principals, Assistant Vice Principals, Leader of Aspen 2 and Director of Finance and Operations. All members of the Senior Leadership Team are paid according to the nationally published School Leadership Group Pay Range. Annual increases in pay are based on the achievement of performance goals which are approved by the governing body's pay committee. The Principal's performance review is further moderated by an independent advisor appointed by the sponsor. No remuneration is awarded to the Academy trustees or governors other than staff governors and the Principal.

#### **Trade union facility time**

Dover Christ Church Academy had no employees who were relevant trade union officials during the year, and therefore incurred no costs in relation to paid facility time.

#### **Related Parties**

A number of the Trustees are staff of the sponsor, Canterbury Christ Church University. The sponsor also provides professional support for the Academy's teacher training and development programme.

#### **Objectives and Activities**

##### **Objects and aims**

The principal object of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum to students between the age of 11 and 19 serving a catchment area in the district of Dover in Kent.

##### **Mission Statement**

Canterbury Christ Church University is proud to be part of the unique community of Dover Christ Church Academy where everyone is valued, supported and challenged to achieve their very best. Through our partnership with the University, we all work hard to provide the highest quality education. We are committed to excellence, inspiring teaching in outstanding buildings, where students enjoy learning and make excellent progress. We believe that anything is possible and through our high aspirations and everyone's hard work, students will achieve their goals and go on to live full and meaningful lives.

In order to support the Mission Statement the Academy has identified core Values:-

- The development of the whole person, respecting and nurturing the inherent dignity and potential of each individual
- The development and delivery of excellent teaching and learning
- The power of education and long life learning to transform individuals, communities and nations
- Our friendly, inclusive and professional community of students, staff and families preparing individuals to contribute to a just and sustainable future

##### **Objectives, strategies and activities**

The Academy's key attainment target for 2017/18 was to achieve appropriate outcomes for its KS4 students in line with their target information. Attainment of 5 GCSE including Eng/Maths fell from 45% to 32%, this figure includes 9 Aspen students', for whom GCSE qualifications are not appropriate. The Academy's P8 figure also fell from minus 0.44 to 0.68 which is below the floor standard set by DfE. This figure also contains Aspen students for whom GCSE qualifications are not appropriate. However, a drop in performance is recognised and it is attributed to issues with the recruitment and retention of qualified subject specialist teachers which have now been addressed.

##### **Public Benefit**

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charitable company.

## **STRATEGIC REPORT**

### **Achievements and performance**

Examination results in 2018 saw the Academy outcomes fall below DfE floor standards in the progress 8 measures. Although progress 8 scores fell from minus 0.44 to 0.68 (including Aspen 2 students) the drop in performance was expected due to teacher shortages in previous academic years. Measures that the Academy put in place to improve results with the 2017/18 cohort were recognised by Ofsted as part of their monitoring visit in March 2018.

Academic and vocational performance at KS5 remains strong with an average grade of a D- at A level and a Pass + in vocational qualifications.

An Ofsted inspection of the Academy took place in October 2016, the outcome of which was 'Requires Improvement' for overall effectiveness. However, the effectiveness of leadership and management; personal development, behaviour and welfare; and 16 to 19 study programmes were all rated Good and the continuing progress of the Academy was reported, including that: 'much has been achieved in terms of raising pupils' aspirations, developing a more academic curriculum and generating overall improvements in progress.' The Academy has developed a robust improvement plan in response to the report, in particular, to secure further rapid progress in ensuring that the quality of teaching, learning and assessment and outcomes for pupils become as good as soon as possible. Recruitment and training programmes have proved successful with fourteen staff members training in the academy last academic year and being recruited as newly qualified teachers to the academy staffing body. The Academy is now fully staffed with subject specialists. The Academy had a further monitoring visit from Ofsted in March 2018 and whilst this report does not change the grading of 'requires improvement' it confirmed that the academy was making rapid improvement in student learning that would gradually improve student outcomes. Furthermore it described the academy leadership as 'inspirational'.

### **Key performance indicators**

The Finance Committee regularly reviews key performance indicators with a particular focus on cost management and liquidity in order to ensure that the Academy's educational provision is soundly underpinned by a robust financial position.

Key performance indicators for the year ended 31 August 2018, were as follows:

	<b>2018</b>	<b>2017</b>
Staff Cost as a % of total cost	76.1%	74.8%
Liquidity – Current ratio	1.20:1	1.06:1

The Finance Committee is satisfied that these indicators were in line with expectations and will continue to review appropriate financial performance measures as the strategic plan for the Academy evolves in line with the national agenda for curriculum development.

### **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy 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 Accounting Policies.

# **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Financial review**

The Academy's income for the period amounted to £5.6m (2017 £5.0m) virtually all of which is restricted funds. Income consisted largely of the General Annual Grant (GAG) of £4.5m (2017 £4.2m). Expenditure before defined benefit pension scheme adjustments was £5.6m (2017 £5.3m).

The Academy had pension liabilities relating to staff who are part of the Kent County Council Defined Benefits pension scheme of £2.2m; a decrease of £0.4m from the prior year. Further details are included in the Statement of Financial Activities.

As a result of the pension fund liability, the Academy had negative reserves of £1.6m (2017 £2.0m) at the end of the year. The operating reserve held at the year-end before adjustment for pension reserves was £0.7m (2017 £0.6m).

### **Reserves policy**

Where possible the Trustees wish to increase unrestricted general funds going forward to support the educational priorities of the Academy and to meet unforeseen expenditures as they arise.

As at 31 August 2018, the Academy held general reserves of £83k (2017: £44k), restricted income funds (excluding pensions reserves) of £135k (2017: £42k) and restricted fixed asset funds of £351k (2017: £465k). The pensions reserve was (£2,151k) (2017: (£2,577k)) and total reserves were (£1,582k) (2017: (£2,026k)). Free reserves at 31 August 2018, being undesignated, unrestricted funds not held in fixed assets, were £83k (2017: £44k).

### **Investment Policy**

The Academy operates an investment policy that minimises risk whilst maintaining access to funds by earning interest on its bank deposits.

### **Principal Risks and Uncertainties**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The principal risks and uncertainties facing the Academy are as follows:

- **Failure to exceed DfE floor standards.**

With KS4 results falling below National floor standards the Academy must improve academic results in order to secure a better Ofsted judgement in the future and to ensure that our students are performing in line with national averages. Risks are being mitigated through a regular 6-week assessment process with planned intervention including Saturday school and after school sessions. Additional coaching support has been put in place for year 11 students. Further targeted intervention has been put in place based on year 11 current progress against targets and all intervention is targeted based on student need. A whole school strategy is in place to improve students' literacy through a school wide literacy programme and there is a new academy wide focus on the quality and quantity of student work. In addition, members of the governing body are linked to members of the SLT to monitor impact and to triangulate evidence provided by the Academy. Furthermore, a programme of recruiting experienced subject leaders has been successfully supported by the sponsor Canterbury Christ Church University meaning that the Academy is fully staffed by subject specialists.

- **Inability to maintain a balanced budget in the long term**

Following the establishment of the Academy in 2010 student numbers fell sharply and despite a number of cost saving initiatives deficit results were experienced over several years which consequently eroded reserves. Since 2016 student numbers have strengthened and forward projections reflect a continuation of this positive trend. Whilst overall reserves remain positive the pressure on government funding at a national level together with the challenge of achieving a balanced cost base remains a key area of risk. This risk is being mitigated by regular monitoring of the Academy's financial position and continued dialogue with the funding agencies.



## **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Fundraising**

The Academy is located in an area of high deprivation with almost 48% of students in receipt of pupil premium funding. The Academy does not undertake fundraising campaigns to members of the public, nor does it use the services of third party fundraisers. The Academy considers the origin of unsolicited donations and legacies. The total donations income received in the 2018 financial year was £347. The school did not receive any complaints about its fundraising practices during the year.

#### **Plans for future periods**

In order to achieve its strategic aims and objectives the Academy must ensure that lessons maintain a high academic standard at all times. With a significant cohort of newly qualified teachers, it is essential that a rigorous programme of evaluation and training is maintained. The Academy focus will continue on the development of departmental processes that support good learning throughout all key stages. A programme of departmental review and improvement will ensure that new models designed to accelerate student learning are working effectively.

With an identified need for additional places within Aspen 2, the dedicated unit within the Academy supporting students with profound and multiple needs, the Academy Trust is considering expansion of this provision and the development of a specialist learning environment. The Academy is actively seeking ways to fund the expansion of Aspen2 to accommodate c.150 students.

With significantly improved educational outcomes over time and further improvements in teaching and learning standards together with the recently redeveloped facilities the Academy will deliver a high quality learning experience for the local community.

The Academy intends to build on improving educational outcomes and, with the continued support of its sponsor Canterbury Christ Church University, make further improvements in teaching and learning standards in order to deliver a high quality learning experience for all its students and thereby become the automatic first choice non-selective school in the area. The Academy is also utilising Christ Church students to actively support learning in the Academy and offer guidance to DCCA students in academic performance and higher education.

Following the completion of the major new build and refurbishment project the Academy is continuing to develop links with a wide range of clubs and societies in order to meet the broader needs of the local community.

#### **Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Trustee Body on 13 December 2018 and signed on its behalf by:



**Dr John Moss**  
**Chair of Trustees**

## DOVER CHRIST CHURCH ACADEMY

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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#### Scope of Responsibility

As the Board of Trustees and Governing Body, we acknowledge we have overall responsibility for ensuring that Dover Christ Church Academy 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 Trustees have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Dover Christ Church Academy and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees and Governors have formally met 5 times during the year. Attendance during the year at meetings of the Trustees and Governors was as follows:

Trustee / Governor	Meetings attended	Out of a possible
Dr John Moss, Chair of Trust	5	5
David Leah (resigned 23 February 2018)	0	2
Kevin Arman (resigned 31 August 2018)	4	5
Graham Birrell	4	5
Dr Peter Gregory	3	5
Stewart Haywood	3	5
Douglas Little (resigned 2 March 2018)	0	2
Sue Parkin	4	5
Jamie Maclean, Principal	5	5
Rebecca Jones	2	5
Natasha Lewis, Staff Governor	4	5
Emma Hopkins, Parent Governor (resigned 31 August 2018)	1	5

#### Governance review

During the year the Chair of Trust Dr John Moss resigned as the Dean of the Faculty of Education at Canterbury Christ Church University, after many successful years in post. Dr Moss retains an informal link with the University and with support of three other trustees who are also senior members of the university a robust and direct link with the sponsor is maintained ensuring continuation of support in key subject areas.

The effectiveness of the role and skills of trustees is subject to regular self-evaluation and the contribution of several educational specialists is recognised as a key asset. The board does however recognise the need to grow the number of trustees both in terms of technical specialists, including Human Resources and Law and as representatives of the parent body and the wider local community

## DOVER CHRIST CHURCH ACADEMY

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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The **Finance and Operations Committee** is a sub-committee of the main governing body. Its purpose is to monitor and review income and expenditure on a regular basis, to consider potential financial risks and to assess their impact on the Academy.

Attendance at meetings in the year was as follows:

Trustee/Governor	Meetings attended	Out of a possible
Rebecca Jones	3	3
Dr Peter Gregory	2	2
Kevin Arman (resigned 31 August 2018)	3	3
David Leah (resigned 23 February 2018)	1	1
Douglas Little (resigned 2 March 2018)	1	2
Jamie Maclean, Principal	3	3

Dr John Moss will be joining the Finance and Operations committee as an additional member at the commencement of the 2018/19 academic year

The **Curriculum and Standards Committee** is a sub-committee of the main governing body. Its purpose is to monitor the curriculum, quality of learning and the achievement of academic standards, throughout the Academy.

Attendance at meetings in the year was as follows:

Trustee / Governor	Meetings attended	Out of a possible
Sue Parkin	2	3
Dr Peter Gregory	2	3
Stewart Haywood	3	3
Natasha Lewis, Staff Governor	3	3
Douglas Little (resigned 2 March 2018)	2	2
Jamie Maclean, Principal	3	3

#### Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by using its per capital funding to continue its focus on further improvements in the standard of teaching and learning together with effective and targeted intervention. Whilst the improvements in the academy's teaching and learning cannot be seen in the 2018 outcomes, the academy has significantly improved its academic performance throughout all year groups through ensuring that the academy is fully staffed with specialists and procedures are in place to ensure rapid academic improvement.

Continuing the success of previous years the Academy arranged a number of promotional activities to encourage primary school students from the area to choose Dover Christ Church Academy as their preferred secondary school for year 7 entry. In addition, promotional activity has been targeted at the expansion of the post 16 provision. Both activities have underpinned the continued growth in overall student numbers and positive outlook for future growth

## **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **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 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 Dover Christ Church Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Trustees have reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

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

The academy'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 Trustees;
- regular reviews by the Finance and Operations 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 Finance and Operations Committee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular, the checks carried out in the current period included a full review of the processes underpinning the control of cash and bank balances together with the authorisation of expenditure through the Academy main bank account and credit cards.

#### **Review of Effectiveness**

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

- the work of the external independent accountant;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

**DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

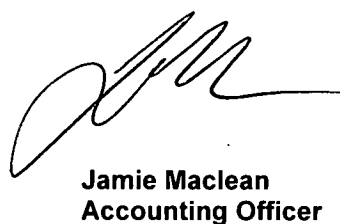
**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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Approved by order of the members of the Trustee Body on 13 December 2018 and signed on their behalf, by:



**Dr John Moss**  
**Chair of Trustees**



**Jamie Maclean**  
**Accounting Officer**

**DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

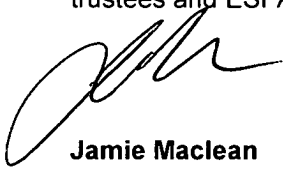
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2018**

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As Accounting Officer of Dover Christ Church Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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



**Jamie Maclean**

**Accounting Officer**

Date: 13 December 2018

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/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 Trustee Body on 13 December 2018 and signed on its behalf by:



**Dr John Moss**  
**Chair of Trustees**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DOVER CHRIST CHURCH ACADEMY**

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**Opinion**

We have audited the financial statements of Dover Christ Church Academy for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis of opinion**

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DOVER CHRIST CHURCH ACADEMY**

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**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**Dover Christ Church Academy**

**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DOVER CHRIST CHURCH ACADEMY**

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**Use of our report**

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



Tracey Young (Senior Statutory Auditor)

for and on behalf of

**haysmacintyre**

Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: **13** December 2018

## **DOVER CHRIST CHURCH ACADEMY**

**(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DOVER CHRIST CHURCH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dover Christ Church Academy during the year 1 September 2017 to 31 August 2018 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 Dover Christ Church Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dover Christ Church Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dover Christ Church Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Dover Christ Church Academy's accounting officer and the reporting accountants**

The Accounting Officer is responsible, under the requirements of Dover Christ Church Academy's funding agreement with the Secretary of State for Education dated 4 May 2010, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the control environment operated by the Academy.
- Walkthrough testing of controls to ensure operational effectiveness.
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised.
- Detailed testing on a selection of credit card statements and expense claims.
- Review of minutes and related party declarations provided by Trustees and senior management.

**DOVER CHRIST CHURCH ACADEMY**

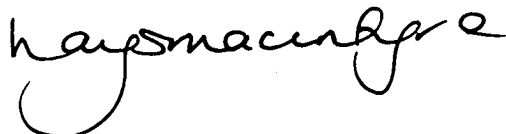
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DOVER  
CHRIST CHURCH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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**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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**haysmacintyre**

Reporting Accountant

10 Queen Street Place  
London  
EC4R 1AG

Date: *13 December 2018*

**DOVER CHRIST CHURCH ACADEMY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**  
**(incorporating and income and expenditure account)**

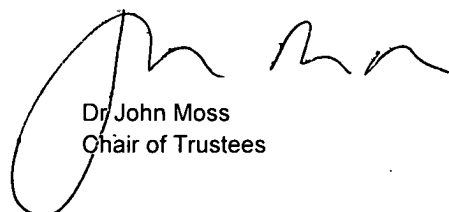
	Notes	Restricted funds		2018 total funds £	2017 total funds £
		Unrestricted general funds £	General funds £		
<b>Income from:</b>					
Donations and capital grants	3	347	-	35,221	63,071
Charitable activities:					
Funding for the academy trust's educational operations	4	-	5,472,182	-	4,851,258
Other trading activities	5	61,620	-	-	45,034
Investments	6	1,971	-	-	4,567
<b>Total</b>		<b>63,938</b>	<b>5,472,182</b>	<b>35,221</b>	<b>4,963,930</b>
<b>Expenditure on:</b>					
Raising funds	7	24,911	-	-	23,160
Charitable activities:					
Academy trust educational operations	8	-	5,622,654	149,554	5,493,947
<b>Total</b>		<b>24,911</b>	<b>5,622,654</b>	<b>149,554</b>	<b>5,517,107</b>
<b>Net income / (expenditure)</b>		<b>39,027</b>	<b>(150,472)</b>	<b>(114,333)</b>	<b>(553,177)</b>
<b>Other recognised gains / (losses)</b>					
Actuarial gains (losses) on defined benefit pension schemes	21	-	669,000	-	727,000
<b>Net movement in funds</b>		<b>39,027</b>	<b>518,528</b>	<b>(114,333)</b>	<b>173,823</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		43,788	(2,534,768)	465,266	(2,199,537)
<b>Total funds carried forward</b>		<b>82,815</b>	<b>(2,016,240)</b>	<b>350,933</b>	<b>(2,025,714)</b>

All of the Academy's activities derived from continuing operations during the above two financial periods.  
A Statement of Total Recognised Gains and Losses are included in the Statement of Financial Activities.

**DOVER CHRIST CHURCH ACADEMY**  
**BALANCE SHEET**  
**AT 31 AUGUST 2018**  
**Company number: 07208598**

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible assets	12		363,736		494,164
<b>Current assets</b>					
Stock	13	6,198		15,102	
Debtors	14	238,930		159,149	
Cash at bank and in hand		<u>982,630</u>		<u>773,760</u>	
		1,227,758		948,011	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(1,022,986)</u>		<u>(890,889)</u>	
<b>Net current assets</b>			<u>204,772</u>		<u>57,122</u>
<b>Net assets excluding pension scheme liability</b>					
			<u>568,508</u>		<u>551,286</u>
Defined benefit pension scheme liability	21		<u>(2,151,000)</u>		<u>(2,577,000)</u>
<b>Total net assets</b>			<u>(1,582,492)</u>		<u>(2,025,714)</u>
<b>Restricted funds</b>					
Fixed asset fund	16		350,933		465,266
Restricted income fund	16		134,760		42,232
Pension reserve	16		<u>(2,151,000)</u>		<u>(2,577,000)</u>
<b>Total restricted funds</b>			<u>(1,665,307)</u>		<u>(2,069,502)</u>
<b>Unrestricted income funds</b>					
General fund	16		<u>82,815</u>		<u>43,788</u>
<b>Total funds</b>			<u>(1,582,492)</u>		<u>(2,025,714)</u>

The financial statements and accompanying notes on pages 22-36 were approved by the trustees and authorised for issue on 13 December 2018 and are signed on their behalf by



Dr John Moss  
Chair of Trustees

**DOVER CHRIST CHURCH ACADEMY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	2018 £	2017 £
<b>Net cash inflow from operating activities</b>		
Net cash provided by/(used in) operating activities	190,805	(324,092)
<b>Cash flows from investing activities</b>	18,065	442
<b>Change in cash and cash equivalents in the year</b>	208,870	(323,650)
<b>Cash and cash equivalents at 1 September 2017</b>	773,760	1,097,410
<b>Cash and cash equivalents at the end of the year</b>	982,630	773,760

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2018 £	2017 £
Net income (expenditure) for the reporting period (as per the statement of financial activities)	(225,778)	(553,177)
Adjusted for:		
Depreciation charges	149,554	145,729
Capital grants from DfE and other capital income	(35,221)	(62,476)
Interest receivable	(1,971)	(4,567)
Defined benefit pension scheme cost less contributions payable	188,000	157,000
Defined benefit pension scheme finance cost	55,000	66,000
(Increase)/decrease in stocks	8,904	1,256
(Increase)/decrease in debtors	(79,781)	(29,359)
Increase/(decrease) in creditors	132,097	(44,498)
<b>Net cash provided by/(used in) Operating Activities</b>	190,805	(324,092)

**Cash flows from investing activities**

	2018 £	2017 £
Dividends, interest and rents from investments	1,971	4,567
Purchase of tangible fixed assets	(19,127)	(66,601)
Capital grants from DfE/EFA	16,094	15,301
Capital funding received from sponsors and others	19,127	47,175
<b>Net cash provided by Investing Activities</b>	18,065	442

**Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand and at bank	582,630	273,760
Notice deposits (less than 3 months)	400,000	500,000
<b>Total cash and cash equivalents</b>	982,630	773,760

**DOVER CHRIST CHURCH ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1 Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Dover Christ Church Academy Trust meets the definition of a public benefit entity under FRS 102.

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

**Donations**

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

**Other Income**

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



**DOVER CHRIST CHURCH ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1 Accounting policies (continued)**

**Expenditure**

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

**Expenditure on Raising Funds**

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

**Charitable Activities**

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

All expenditure is 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life on the following bases:

Fixtures and fittings - 20% straight line

Computer equipment - between 20% and 33% straight line

Equipment - 33% straight line

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.

**Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**DOVER CHRIST CHURCH ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1 Accounting policies (continued)**

**Liabilities**

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

**Provisions**

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

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

**Leased Assets**

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

**Financial Instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Stock**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**DOVER CHRIST CHURCH ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1 Accounting policies (continued)**

**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**Fund Accounting**

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

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

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

**Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**DOVER CHRIST CHURCH ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**2 General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy has not exceeded these limits during the year ended 31 August 2018.

**3 Donations and capital grants**

	Unrestricted funds £	Restricted funds £	Restricted Fixed assets funds £	2018 Total funds £	2017 Total funds £
Capital grants			35,221	35,221	62,476
Other donations	347			347	595
	<u>347</u>	<u>-</u>	<u>35,221</u>	<u>35,568</u>	<u>63,071</u>

In 2017, of the total income from donations and capital grants, £595 was to unrestricted funds and £62,476 was to restricted fixed asset funds.

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

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>DfE / EFA grants</b>				
General Annual Grant (GAG)	-	4,531,271	4,531,271	4,197,230
Other DfE / EFA grants	-	475,324	475,324	267,742
	<u>-</u>	<u>5,006,595</u>	<u>5,006,595</u>	<u>4,464,972</u>
<b>Other Government grants</b>				
Local authority grants	-	431,752	431,752	385,356
Central government grants	-	10,399	10,399	-
Special educational projects	-	23,436	23,436	930
	<u>-</u>	<u>465,587</u>	<u>465,587</u>	<u>386,286</u>
	<u>-</u>	<u>5,472,182</u>	<u>5,472,182</u>	<u>4,851,258</u>

In 2017, all income funding for the Academy Trust's educational operations was restricted.

**5 Income from trading activities**

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Hire of facilities	19,906	-	19,906	13,479
Uniform sales	18,557	-	18,557	17,247
Other income	23,157	-	23,157	14,308
	<u>61,620</u>	<u>-</u>	<u>61,620</u>	<u>45,034</u>

In 2017, all income from trading activities was unrestricted.

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**6 Investment income**

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Short term deposits	1,971	-	1,971	4,567
	<u>1,971</u>	<u>-</u>	<u>1,971</u>	<u>4,567</u>

In 2017, all investment income was unrestricted.

**7 Expenditure**

	Non Pay Expenditure			2018 Total funds £	2017 Total funds £
	Staff costs £	Premises £	Other £		
Expenditure on raising funds	-	-	24,911	24,911	23,160
Academy's educational operations:					
Direct costs	3,708,482	24,268	422,338	4,155,088	3,842,740
Allocated support costs	684,324	588,668	344,128	1,617,119	1,651,207
	<u>4,392,806</u>	<u>612,935</u>	<u>791,377</u>	<u>5,797,119</u>	<u>5,517,107</u>
<b>Net income / (expenditure) for the year includes:</b>				2018 £	2017 £
Depreciation				149,554	145,729
Fees payable to auditor for Audit				12,250	11,800
Other services				<u>4,450</u>	<u>3,950</u>

In 2017, all expenditure on raising funds was unrestricted.

Included within expenditure are the following transactions

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the trust	543	-	

**8 Charitable activities**

	2018 Total funds £	2017 Total funds £
Direct costs - educational operations	4,155,088	3,842,740
Support costs - educational operations	1,617,119	1,651,207
	<u>5,772,208</u>	<u>5,493,947</u>

	2018 Total funds £	2017 Total funds £
<b>Analysis of support costs</b>	<b>Educational Operations £</b>	
Support staff costs	684,324	754,036
Depreciation	149,554	145,729
Technology costs	66,324	53,376
Premises costs	439,114	385,806
Other support costs	259,769	295,789
Governance costs	18,035	16,471
<b>Total support costs</b>	<u>1,617,119</u>	<u>1,651,207</u>

In 2017, all charitable activities expenditure was restricted.

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**9 Staff**

**Staff costs**

Staff costs during the period were:

	<b>2018</b>	<b>2017</b>
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,227,280	2,966,013
Social security costs	300,933	271,373
Operating costs of defined benefit pension schemes	755,503	607,172
	<b>4,283,715</b>	<b>3,844,558</b>
Agency staff costs	86,491	264,279
Staff restructuring costs	22,600	
	<b>4,392,806</b>	<b>4,108,837</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	22,600	-
	<b>22,600</b>	<b>-</b>

The average numbers of persons employed by the Academy during the period was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Teachers	69	60
Administration and support	63	66
Management	2	2
	<b>134</b>	<b>128</b>

**Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	-	2
£70,001 - £80,000	1	-
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £602,234. (2017: £561,408).

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**10 Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal only receive remuneration in respect of services they provide undertaking the roles of principal under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

	2018 £	2017 £
J Maclean, Principal and Trustee		
Remuneration	105,000 - 110,000	-
Employer's pension contributions paid	10,000 - 15,000	-
S Williamson, Principal and Trustee		
Remuneration	-	110,000 - 115,000
Employer's pension contributions paid	-	15,000 - 20,000

During the period ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £nil).

**11 Trustees' and Officers' insurance**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where the UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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**12 Tangible fixed assets**

	Furniture and equipment £	Computer equipment £	Total funds £
<b>Cost/valuation</b>			
At 1 September 2017	59,425	871,143	930,568
Additions		19,127	19,127
At 31 August 2018	59,425	890,270	949,695
<b>Depreciation</b>			
At 1 September 2017	2,971	433,433	436,404
Charge in year	2,971	146,583	149,554
At 31 August 2018	5,942	580,016	585,958
<b>Net book value</b>			
At 31 August 2018	53,483	310,254	363,737
At 31 August 2017	56,454	437,710	494,164

**13 Stock**

	2018 £	2017 £'000
Uniform stock	6,198	15,102

**14 Debtors**

	2018 £	2017 £
Trade debtors	18,428	3,236
VAT recoverable	48,287	55,747
Other debtors	17,890	40,649
Prepayments and accrued income	154,326	59,517
	238,930	159,149

**15 Creditors: amounts falling due within one year**

	2018 £	2017 £
Trade creditors	169,505	82,542
Taxation and social security	69,175	69,468
Other creditors	624,316	632,755
Accruals and deferred income	159,990	106,124
	1,022,986	890,889
<b>Deferred income</b>		
Deferred income at 1 September 2017	66,776	97,475
Released during the year	(66,776)	(97,475)
Resources deferred in the year	91,933	66,776
Deferred income at 31 August 2018	91,933	66,776

At the balance sheet date the academy trust was holding funds received in advance for £91,933 (2017: £66,776) for the Autumn term 2018.



**DOVER CHRIST CHURCH ACADEMY**  
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**16 Funds**

	At 1 September 2017 £	Income £	Expenditure £	Gains and losses £	At 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(2,455)	4,531,271	(4,521,127)	-	7,689
Pupil Premium	-	384,512	(257,441)	-	127,071
Other DfE/ESFA grants	-	90,812	(90,812)	-	-
Other central government grants	930	10,399	(11,329)	-	-
Kent County Council	41,228	431,752	(472,980)	-	-
Canterbury Christ Church University	2,529	23,436	(25,965)	-	-
Pension reserve	(2,577,000)	-	(243,000)	669,000	(2,151,000)
	<u>(2,534,768)</u>	<u>5,472,182</u>	<u>(5,622,654)</u>	<u>669,000</u>	<u>(2,016,240)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	27,556	16,094	(2,971)	-	40,679
Kent County Council	437,710	19,127	(146,583)	-	310,254
	<u>465,266</u>	<u>35,221</u>	<u>(149,554)</u>	<u>-</u>	<u>350,933</u>
<b>Total restricted funds</b>	<u>(2,069,502)</u>	<u>5,507,403</u>	<u>(5,772,208)</u>	<u>669,000</u>	<u>(1,665,307)</u>
<b>Unrestricted funds</b>					
General funds	43,788	63,938	(24,911)	-	82,815
<b>Total unrestricted funds</b>	<u>43,788</u>	<u>63,938</u>	<u>(24,911)</u>	<u>-</u>	<u>82,815</u>
<b>Total of funds</b>	<u>(2,025,714)</u>	<u>5,571,341</u>	<u>(5,797,119)</u>	<u>669,000</u>	<u>(1,582,492)</u>

**General Annual Grant (GAG)**

The General Annual Grant is funding from the DfE for the Academy's operating costs.

**Pupil premium**

Revenue funding from the ESFA to raise the attainment of disadvantaged pupils and close the gap between them and their peers. Expenditure on these activities exceeds the funding received and the additional costs are met by the General Annual Grant

**Kent County Council**

This grant is to fund the Academy's operating costs including those of the Aspen unit, in support of students with profound and multiple learning difficulties.

**Canterbury Christ Church University**

The Canterbury Christ Church University Grant was to contribute towards the Academy's teacher training and development programme.

**DfE/ESFA Capital Grants**

The DfE/ESFA Capital Grants were to fund the purchase of fixed assets.

**Kent County Council capital grant**

This grant was to enable the Academy to purchase new IT equipment during the year.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 2 discloses that this limit was not exceeded.

**DOVER CHRIST CHURCH ACADEMY**  
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**16 Funds (continued)**

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

	At 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	212,573	4,197,230	(4,505,836)	93,578	(2,455)
Pupil Premium	-	267,742	(275,254)	7,512	-
Other central government grants	-	930	-	-	930
Kent County Council	-	385,356	(344,128)	-	41,228
Canterbury Christ Church University	2,529	-	-	-	2,529
Pension reserve	(3,081,000)	-	(223,000)	727,000	(2,577,000)
	<u>(2,865,898)</u>	<u>4,851,258</u>	<u>(5,348,218)</u>	<u>828,090</u>	<u>(2,534,768)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	15,226	15,301	(2,971)	-	27,556
Kent County Council	533,293	47,175	(142,758)	-	437,710
	<u>548,519</u>	<u>62,476</u>	<u>(145,729)</u>	<u>-</u>	<u>465,266</u>
<b>Total restricted funds</b>	<u>(2,317,379)</u>	<u>4,913,734</u>	<u>(5,493,947)</u>	<u>828,090</u>	<u>(2,069,502)</u>
<b>Unrestricted funds</b>					
General funds	117,842	50,196	(23,160)	(101,090)	43,788
<b>Total unrestricted funds</b>	<u>117,842</u>	<u>50,196</u>	<u>(23,160)</u>	<u>(101,090)</u>	<u>43,788</u>
<b>Total funds</b>	<u>(2,199,537)</u>	<u>4,963,930</u>	<u>(5,517,107)</u>	<u>727,000</u>	<u>(2,025,714)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	212,573	8,728,501	(9,026,963)	93,578	7,689
Pupil Premium	-	652,254	(532,695)	7,512	127,071
Other central government grants	-	11,329	(11,329)	-	-
Kent County Council	-	817,108	(817,108)	-	-
Canterbury Christ Church University	2,529	23,436	(25,965)	-	-
Pension reserve	(3,081,000)	-	(466,000)	1,396,000	(2,151,000)
	<u>(2,865,898)</u>	<u>10,323,440</u>	<u>(10,970,872)</u>	<u>1,497,090</u>	<u>(2,016,240)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	15,226	31,395	(5,942)	-	40,679
Kent County Council	533,293	66,302	(289,341)	-	310,254
	<u>548,519</u>	<u>97,697</u>	<u>(295,283)</u>	<u>-</u>	<u>350,933</u>
<b>Total restricted funds</b>	<u>(2,317,379)</u>	<u>10,421,137</u>	<u>(11,266,155)</u>	<u>1,497,090</u>	<u>(1,665,307)</u>
<b>Unrestricted funds</b>					
General funds	117,842	114,134	(48,071)	(101,090)	82,815
<b>Total unrestricted funds</b>	<u>117,842</u>	<u>114,134</u>	<u>(48,071)</u>	<u>(101,090)</u>	<u>82,815</u>
<b>Total funds</b>	<u>(2,199,537)</u>	<u>10,535,271</u>	<u>(11,314,226)</u>	<u>1,396,000</u>	<u>(1,582,492)</u>

**DOVER CHRIST CHURCH ACADEMY**  
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**17 Analysis of net assets between funds**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	363,736	<b>363,736</b>
Current assets	82,815	1,157,746	(12,803)	<b>1,227,758</b>
Current liabilities	-	(1,022,986)	-	<b>(1,022,986)</b>
Pension scheme liability	-	(2,151,000)	-	<b>(2,151,000)</b>
<b>Total net assets</b>	<b>82,815</b>	<b>(2,016,241)</b>	<b>350,933</b>	<b>(1,582,492)</b>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	28,898	-	465,266	<b>494,164</b>
Current assets	14,890	933,121	-	<b>948,011</b>
Current liabilities	-	(890,889)	-	<b>(890,889)</b>
Pension scheme liability	-	(2,577,000)	-	<b>(2,577,000)</b>
<b>Total net assets</b>	<b>43,788</b>	<b>(2,534,768)</b>	<b>465,266</b>	<b>(2,025,714)</b>

**18 Commitments under operating leases**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	<b>15,186</b>	9,949
Amounts due between one and five years	<b>16,483</b>	11,160
	<b>31,669</b>	21,109

**19 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.

**20 Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

**DOVER CHRIST CHURCH ACADEMY  
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**21 Pensions and similar obligations**

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

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

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%. (valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

The employer's pension costs paid to TPS in the period amounted to £350,138 (2017: £293,824).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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**21 Pensions and similar obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £213,000 (2017: £199,000), of which employer's contributions totalled £162,000 (2017: £150,000) and employees' contributions totalled £51,000 (2017: £49,000). The agreed contribution rates for future years are 21% for employers and between 5.5% and 7.5% per cent for employees.

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

**Principal actuarial assumptions**

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase of salaries	<b>3.80%</b>	4.20%
Rate of increase for pensions in payment/inflation	<b>2.30%</b>	2.70%
Discount rate for scheme liabilities	<b>2.65%</b>	2.60%

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

**Current mortality rates**

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
<i>Retiring today</i>		
Males	<b>23.1</b>	23.0
Females	<b>25.2</b>	25.1
<i>Retiring in 20 years</i>		
Males	<b>25.3</b>	25.2
Females	<b>27.5</b>	27.4

The academy trust's share of the assets in the scheme were:

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	<b>2,113,000</b>	1,986,000
Gilts	<b>24,000</b>	20,000
Other bonds	<b>275,000</b>	272,000
Property	<b>384,000</b>	346,000
Cash and other liquid assets	<b>95,000</b>	89,000
Absolute return fund	<b>210,000</b>	108,000
<b>Total market value of assets</b>	<b>3,101,000</b>	2,821,000

The actual return on scheme assets was £426,000 (2017: £411,000)

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**21 Pensions and similar obligations (continued)**

**Amount recognised in the statement of financial activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	<b>(339,000)</b>	<b>(306,000)</b>
Interest cost	<b>(65,000)</b>	<b>(67,000)</b>
Admin expenses	<b>(1,000)</b>	<b>-</b>
<b>Total amount recognised in the SOFA</b>	<b>(405,000)</b>	<b>(373,000)</b>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>5,398,000</b>	<b>5,501,000</b>
Current service cost	<b>339,000</b>	<b>306,000</b>
Interest cost	<b>140,000</b>	<b>121,000</b>
Employee contributions	<b>51,000</b>	<b>49,000</b>
Experience loss/(gain) on defined benefit obligation	<b>-</b>	<b>(348,000)</b>
Change in financial assumptions	<b>(617,000)</b>	<b>(155,000)</b>
Change in demographic assumptions	<b>-</b>	<b>(31,000)</b>
Estimated benefits paid net of transfers in	<b>(59,000)</b>	<b>(45,000)</b>
<b>Closing defined benefit obligation</b>	<b>5,252,000</b>	<b>5,398,000</b>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fair value of scheme assets at 1 September 2016	<b>2,821,000</b>	<b>2,420,000</b>
Return on assets less interest	<b>52,000</b>	<b>356,000</b>
Administration expenses	<b>(1,000)</b>	<b>(1,000)</b>
Interest income	<b>75,000</b>	<b>55,000</b>
Actuarial gain/(loss)	<b>-</b>	<b>(163,000)</b>
Employer contributions	<b>162,000</b>	<b>150,000</b>
Employee contributions	<b>51,000</b>	<b>49,000</b>
Benefits paid	<b>(59,000)</b>	<b>(45,000)</b>
Estimated benefits paid plus unfunded net of transfers in	<b>-</b>	<b>-</b>
<b>At 31 August 2018</b>	<b>3,101,000</b>	<b>2,821,000</b>