

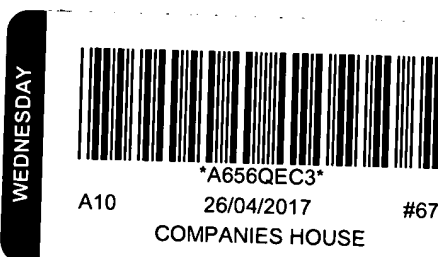
Registrar

Registered number: 07345430 (United Kingdom)

**The Canterbury Academy**  
**(A company limited by guarantee)**

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2016**



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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Reference and Administrative Details of the Academy trust, its trustees and Advisers**  
**For the Year Ended 31 August 2016**

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<b>Members</b>	Mrs. D. Wells Mrs. J. Keay Mr. R Field Mrs. J. Larkinson Mr. A. Milton
<b>Trustees</b>	Mrs. D. Wells, Chair of Trustees Mrs. J. Keay, Vice Chair Mrs. J. Parsons, Chair of Finance, Buildings and Personal Committee Mr. P. Karnavas, Executive Principal and Accounting Officer Mrs. R. Cox, Staff Trustee Mr. A. Doyle (resigned 23 November 2015) Mr. R. Field, Responsible Officer Mrs. R. Giles Mr. N. Guthrie Mr. M. Harris, Staff Trustee (resigned 20 May 2016) Mrs. R. Hobbs, Parent Trustee Mrs. J. Larkinson Mr. Craig May, Staff Trustee (appointed 19 July 2016) Mr. R. Menzies, Parent Trustee (resigned 9 October 2015) Mr. A. Milton Mrs. S. Ward Mrs. H. Wiles (appointed 5 May 2016) Mr. C. Wilse
<b>Company registered number</b>	07345430
<b>Company name</b>	The Canterbury Academy
<b>Principal and registered office</b>	Knight Avenue Canterbury Kent CT2 8QA
<b>Company secretary</b>	Mrs. D. Scott
<b>Senior management team</b>	Mr. P. Karnavas, Executive Principal Mr. D. Platts, Senior Vice Principal Mrs. B. Farrell, Head of School Primary Mr. J. Watson, Head of Schools Mrs. C. Buxton, Head of CEE
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
<b>Bankers</b>	The Royal Bank of Scotland 14 Rose Lane Canterbury Kent CT1 2ST

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## **The Canterbury Academy**

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#### **Trustees' Report**

#### **For the Year Ended 31 August 2016**

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The trustees present their annual report together with the financial statements and auditor's reports of the academy trust for the year to 31 August 2016.

The Canterbury Multi Academy Trust operates as The Canterbury Academy which is the name of the charitable 'company' limited by guarantee which operates outside of LA control and the statutory framework but operates under contract to the Secretary of State. The trust operates an academy for students aged 4 – 19 in the Canterbury area. It 'trades' as The Canterbury High School and The Canterbury Primary School.

The Canterbury Primary School has a pupil capacity of 420 and had 253 on roll at the summer census. The Canterbury Primary School was rebuilt as part of the PSBP and opened in September 2015 as a two form entry with additional classes in Class R and Year 3. The Primary School also has an ASD Unit (Autistic Spectrum Disorder) which was built on the primary site during the academic year 2015/16, which opened in April 2016 to students already on role in the primary school with ASD. The commissioned provision for 2016/17 will be for 6 – 8 places, by September 2017 it will offer 15 places. The Canterbury High School has a PAN of 180 in each year group, from September 2017 this will formally increase to 210. The High school also has a commissioned provision for a SEN Speech and Language unit of 29 students (15 of which are commissioned places through KCC). The High School roll was 1640 at the school summer census.

The Canterbury Multi Academy Trust has experienced serious growth (it has focused upon developing its campus and associated facilities) and so is best perceived as consisting of the following component parts

- a. City View Preschool & Nursery Ltd
- b. The Canterbury Primary
- c. The Canterbury High School
- d. The 6th form (the only non-selective 6th form in Kent to grow for 2 successive years -2014-2015,2015-2016 - and now the largest of all 6th forms in Kent with expected growth September 2016)
- e. A range of ACP provision including:
  - i. 14-16 PRU under commission to local area
  - ii. A range of sold service ranging from KS2-KS5
- f. Extended and Community Service including:
  - i. The Canterbury Youth Commission
  - ii. Children's University
  - iii. Schools Games Organiser

The Canterbury Academy's Schools are located on The Canterbury Campus. The Campus is a geographical label which describes and includes all the facilities and services (private and public) on it: - The Canterbury Primary School, now with a SRBP for primary ASD; City View Pre School & Nursery; East Kent Medical Needs (The Willows), PRU; The Enterprise & Employability College (with new Youth & Community Centre); The Far Academy; Appeti Tennis (private tennis coaching); Education Cuts (Hairdressing); Cascade (private Dance Company); Canterbury Adult Education; St Nicholas Special School Year 7 and post 16 Satellite class; The Children's' University; Lifestyle Fitness Sports Centre (MUGA, Beach Volleyball and Fitness Gym); The Canterbury High School, with a SRBP for secondary SLC; a Performing Arts Centre including a professional music recording studio, a conference centre and a variety of community and other local organisations.

The Canterbury Academy also has offsite centres, or access to offsite centres, for post 14 engagement and the provision of a genuine comprehensive post 16 post levels 1-3 across general, vocational and occupational qualification including Phoenix House (Herne Bay for Alternative Curriculum PRU); The Riverside Youth and Community Centre; Callum Park Equine Centre in Sittingbourne, to assist in its building programmes The Canterbury Academy will have temporary access to parts of the former Chaucer School site.

The Canterbury Multi Academy Trust is thus best presented as a service provider with a variety of divisions each with their own head and their own structure. The Canterbury Multi Academy Trust is also adjusting to its growth and to the impending retirement of its executive principal. Thus, there is an academy executive structure which embraces and coordinates all the component parts of the company.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

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

The trustees of The Canterbury Academy are also the trustees of the charitable company for the purposes of company law. The charitable company is known as The Canterbury Academy. The Canterbury Academy comprises The Canterbury Primary School and The Canterbury High School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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**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.

**Trustees' Indemnities**

The academy trust maintains trustees' and Officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 13 to the financial statements.

**Method of Recruitment and Appointment or Election of Trustees**

The members may appoint up to 15 trustees, which includes no more than 3 employees, 1 of which will be the Executive Principal, and a minimum of 2 parent trustees. Parent trustees are appointed following an election. Parent trustees must be a parent of a registered student at one of the academies at the time of election. In addition to this, the trustees may appoint up to 3 co-opted trustees. The board of trustees has established an induction pack which is sent to all new trustees with their appointment letter. The training and induction provided for new trustees will depend on their existing experience. When necessary, induction will include training in charity, educational, legal and financial matters. All trustees are provided with the information needed (including policies, minutes, budgets etc.) to undertake their role.

The Chair of the board of trustees either meets or has a telephone conversation with all newly appointed trustees to discuss their general roles, responsibilities and sub-committee membership. The Vice Chair acts as a mentor to all new trustees at their first few meetings and when possible accompanies a new trustee on their first monitoring visit in school. The induction process includes a tour of the school and meeting with the senior leadership team.

There are 15 trustees in total (5 members, 4 appointed by the members, 1 co-opted by the members, the Executive Principal plus 2 other members of staff and 2 parents).

**Organisational Structure**

The board of trustees, the majority of whom are non-executive, comprises of those persons appointed under the Articles of Association. The academy structure of meetings is as follows:

- The Canterbury Primary School directors meet termly
- The Canterbury High School Directors meet termly
- The Sixth Form directors meet termly
- The CEE directors meet termly
- The member group meet three times a year (Winter, Spring and Summer)
- The Finance, Buildings and Personnel Committee meet 3 – 4 times a year
- The Audit & Risk committee meet 2 – 3 times a year
- The Policy committee meet 3 – 4 times a year
- The full board of directors meet 6 times a year

During the next academic year a safeguarding committee will be introduced meeting twice a year.

Smaller boards were established in 2014/15 to allow a more focused approach to monitoring and evaluating the work of the academy's component parts. Trustees delegate specific responsibilities to committees, the activities of which are reported to and discussed at full governing body meetings. Day to day management of the academy is undertaken by the Executive Principal of The Academy Trust, supported by the Senior Management Team. The Executive Principal of The Canterbury Academy Trust is also the Accounting Officer.

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Executive Principal and following guidance from the relevant professional pay review bodies. Naturally the Executive Principal was not involved in setting his/her own remuneration package.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Organisational Structure (continued)**

Only staff trustees, including the Executive Principal, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 13.

The Board of trustees has chosen to delegate all pay decisions, with the exception of the Leadership group (listed on page 1) to the Executive Principal of the Trust. All details for setting pay and remuneration are set out in the pay and rewards policy and the appraisal documentation which are reviewed annually by the board of trustees. All decisions relating to pay for the members of the Leadership Group, including that of the Executive Principal of the Trust will be taken by the Leadership pay committee of the Board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provide value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 11.

**Connected Organisations, including Related Party Relationships**

The academy has relationships with several connected organisations located on the campus, as follows:

- The Academy has City View Pre-school and Nurseries Limited, a private company, on the primary school site, with many of the children progressing through to Class R of The Canterbury Primary School. A new mobile unit was acquired by City View in 2012 which has enabled the intake to expand. During the year The Canterbury Academy established a subsidiary company, Buckle Under Limited, which acquired the entire share capital of City View Pre-school & Nurseries Limited on 30 April 2015. The nursery on site is therefore under the indirect management of the academy, providing greater integration of service, improved partnership working and better progression to The Canterbury Primary School as it grows in size.
- In September 2010 a class of Year 7 children from St. Nicholas Special School started to attend The Canterbury Academy daily and this arrangement continues to develop and improve; this class is now in Year 10. This relationship works extremely well, and is part of the academy's inclusive philosophy, and in 2014 St Nicholas opened a post 16 unit on site, paying for adjustments to accommodation in the EEC to allow it. There is also a St Nicholas Class based on the old Chaucer Site
- Since September 2012 The Canterbury High School has worked in partnership with Simon Langton Grammar School for Boys, promoting academic excellence through its grammar band, which has now grown into Year 7, 8, 9, 10 and 11. A member of the Simon Langton senior staff has been seconded to The Canterbury Academy full time to oversee this Grammar Stream. The relationship has further developed post 16 with regard to elite rugby and elite basketball and Simon Langton staff are now delivering some A level courses to students at The Canterbury Academy too.
- In September 2013 The Canterbury High School became a hub school for a 3 year partnership (RSC LPN) working with The Marlowe Theatre and The Royal Shakespeare Company. The Canterbury High School established strong partnerships with 8 cluster schools in the region; Bapchild and Tonge Primary School, Invicta Grammar School, Duke of York Royal Military School, Ethelbert Road Primary School, Canterbury Road Primary School, Luddenham Primary School, Canterbury Primary School and Orchard School.

In March we presented a successful production of A Midsummer Night's Dream, at The Marlowe Theatre by all the schools involved in the LPN. Attendance was more than 800 and of this 45% had never been to The Marlowe Theatre before. From this production, 2 children from each school formed a new cast and presented a scene of a new production of A Midsummer Night's Dream at The RSC Swan Theatre in Stratford-upon-Avon, as part of a wider cast of the other schools involved nationwide.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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Feedback from schools has been very positive. Because of the success of our programme, we were invited to apply to join a new RSC programme – Associate Schools (ASP). We have been successful in this pursuit and will be a Lead Associate School from September 2016 – July 2018 as a pilot project. In partnership with The Marlowe Theatre we recruited 10 associate schools to work with us over the next 2 years. Of our previous cluster schools, all except three re-applied (these did not because of staffing and leadership changes). The schools for the ASP are: The Canterbury Primary School, Canterbury Road Primary School, Ethelbert Road Primary School, The Orchard School, Saint Gregory's Catholic Primary School (Margate), Folkestone Academy, Rochester Grammar School for Girls, Herne Bay Junior School, Towers School & Sixth Form, Lynsted & Norton Primary School. There is a range of schools, backgrounds, levels of need, deprivation and strengths.

We will embark on a new training programme for selected Year 8 & 9 pupils to undertake work-related training for backstage and front of house roles in the theatre. These pupils will receive training from professionals at The Marlowe and The RSC and apply what they have learned to our performance projects in year 1 and 2. Selected of these pupils will attend the RSC to take part in the Backstage Pass Work Experience residential.

- The Canterbury Academy was awarded the Youth Commission, to run the Riverside Centre contract in 2012/13 for a 3 year period. The contract was due to end 31st December 2015 but has been extended until 30th November 2016. This commission was Kent County Council's way of maintaining the service in this part of the authority. The commission requires the academy to deliver certain outcomes; for example, the number of young people attending youth sessions in the evening. The new round of commissions have now moved to a five year model. The Canterbury Academy has applied to continue the delivery of this service to the young people of the area. It is possible that this may be extended into The Dover Commission
- The Canterbury Academy was asked by KCC to take on management responsibility for the 14 – 16 ACP PRU based at Riverside, Grosvenor House and Wincheap in April 2012 and improved the provision sufficiently to enable it to be removed from special measures in November 2013. The academy continues to provide KS4 provision for 30 students permanently removed from local schools, commissioned by the Canterbury Inclusion Service. No student has been permanently excluded from any school since this commission has operated. This commission provides the academy with a revenue stream of £360,000/year for each of the three years (April 2013-2014, April 2014-2015 and April 2015-2016). This has now been increased to £374,544 and has been extended for a further three academic years.
- The Canterbury Academy has an Enterprise & Employability College on site, which began operation in September 2013. It offers practical learning to students in a range of industry sectors, including a commercial hair salon, construction suite and a range of catering outlets. The EEC now contains a refurbished Independent Study Centre which was developed in anticipation of increased students joining the academy post 16. It also houses The Far Academy. The academy has set up a trading arm (Buckle Under Limited, company number 09189564) to enable commercial developments which will increase the range of experiences and opportunities available to the students as well as the development of relationships which will be financially beneficial to the academy.
- Adult Education has been part of the campus since 2006 and works with the school to ensure that courses are available to suit the needs of the local community.
- There is a sports facility, 'Lifestyle Fitness', which, under new management, had a £2 million refurbishment during 2012/13 and additional money was spent on upgrading the facilities, including £55,000 on the athletics track.
- The Canterbury Academy has sporting links with Gillingham Football Club, Kent Crusaders, Aire Trampolining, AFD Limited, Canterbury Gym Club, Top Flight Sports, Boughton Golf Club, Matt Fiddes Martial Arts and Marathon Sports. These relationships enable the academy to develop elite post 16 sport provision and also provide enrichment activities for students' pre 16.
- Ap'peti Tennis has a tennis dome on site and is still interested in pursuing the possibility of expanding the facility with increased teaching space. A new Tennis School has been created, with 10 students enrolled in the school in 2015/16. Students in the tennis school have all improved their rankings and are achieving well academically.
- Cascade Dance is also on site and contributes to the performing arts through dance in the High School, 6th Form and the community. Its Elite dance company (part of the Canterbury Institute for Performing Arts) took part in numerous performances and competitions nationally, culminating in a performance at the Brighton Festival Fringe.
- Kent Language School is a private language school that works with students at the academy, as well as other primary schools in the area.
- The Canterbury Academy is part of East Kent Learning Alliance. The executive principal of the trust is a member of the board of directors of EKLA. The East Kent Learning Alliance includes the 2 teaching school partnerships led by Dane Court Grammar School and another led by Herne Junior School.

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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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- There is a beauty salon called 'Education Cuts' on site offering hair and beauty treatments at competitive rates and is open to the public. It also has a barber.
- For the academic year 2015-16, and in collaboration with the Centre for Innovation in Mathematics Teaching at Plymouth University, John Heffernan has been delivering a Post-ITT Mathematics Subject Knowledge Enhancement programme at CHS for secondary teachers. The aim of the programme is to develop the mathematics subject knowledge and pedagogy of non-specialist teachers of mathematics and teachers planning to teach mathematics so that they are capable and confident to teach mathematics up to GCSE Higher level. 25 secondary teachers, including 5 from The Canterbury High School registered to take part in this programme.
- John Heffernan continues to be seconded to The Further Mathematics Support Programme for 1 day each week throughout the academic year 2015-16 to act as an assistant area coordinator for the South East. His role is to develop working relationships with the mathematics departments in schools and colleges in the South East area and to liaise with local Mathematics Education Strategic Hubs (he is a member of the leadership group for the Kent and Medway Maths Hub), Higher Education Institutions (HEI) and other appropriate local agencies to promote the uptake of A level mathematics and Further Mathematics. The Canterbury High School has benefited significantly from this arrangement with extension and enrichment opportunities being made available to mathematics students at both key stage 4 and key stage 5.
- Based at The Canterbury Academy, the Canterbury Sports Partnership is committed to providing high quality physical education and sporting opportunities across the schools within the local area. The partnership is a network of teachers and staff who care passionately about the sporting participation of students in their schools. It consists of 30 primary, secondary and special schools. The partnership delivers the national School Games programme and offers a comprehensive buy-in scheme to support primary schools achieve the recommended outcomes of the sport premium funding. The School Sports Partnership also works with National Governing Bodies and other agencies assisting the development of coaches, officials, volunteers and the wider workforce. The partnership is managed by our School Games organiser, Marika Langlois who was appointed on 5th September 2016, replacing Lauren Edwards.
- At the end of the 2013/14 academic year the Parents' Forum agreed to set up a PTA which would have charitable status. As a consequence the old CPS PTA has been disbanded. This PTA has agreed memberships and has now been constituted as a charity, which will launch in September 2016.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

**Objects and Aims**

The principal object of the company is to advance education. The Canterbury Academy is a school for all the talents offering a comprehensive education and a wealth of opportunity. It achieves this objective by providing a state education, free of charge, to students aged 4 to 19.

The Canterbury Academy's moral purpose is to improve the life chances of children and help in the community. The vision is of a high attaining and achieving academy with fully extended provision at the centre of our community and widely recognised as an example of leading practice. Young people will leave as positive, confident individuals proud of what they have achieved, prepared to be lifelong learners and ready to play an active and constructive part in society.

**These are our key beliefs**

- The Canterbury Academy offers a genuine inclusive comprehensive alternative
- Every child is good at something (all children walk with genius)
- That at The Canterbury Academy it is important to offer 'as much as possible, as often as possible, for as many as possible'
- Every learner matters
- The academy exists for its children and its community
- No one comes to work to do a bad job
- Treat people not as they are but as you want them to be

**These are our key values**

- Courtesy
- Responsibility
- Honesty
- Equality
- Respect
- Morality



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## **The Canterbury Academy**

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

#### **For the Year Ended 31 August 2016**

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#### **Teaching and Learning**

The academy has relentlessly focused on driving up standards of teaching and learning across the academy. Staff have engaged in a wide programme of CPD in order to support this drive and develop pedagogy. The appraisal process works alongside a rigorous quality assurance programme to ensure standards continue to improve. Staff continue to provide students with detailed feedback on how to progress and students regularly engage and act upon this through pupil improvement time (PIT). In 2014-2015 a new group of recognised leaders has been formed to lead the agenda for learning across the academy – these Directors of Teaching and Learning (DoTL) have all been placed upon the leadership pay scale, are led by a newly appointed Vice Principal and their work is overseen by the Academy's Executive Vice Principal, and will work closely with both staff and students to further improve the quality of teaching and learning.

#### **Uniform/House System**

The Canterbury High School Uniform continues to represent the smart professional image that we want the pupils to portray. There is far more consistency with the way that uniform is worn so that this image is enhanced both in and out of school. Support is provided for those students who face particular barriers around accessing the uniform.

The House System continues to instill a concept of identity and healthy competition, so that all talents can be recognised and all achievements rewarded – 'as much as possible, as often as possible for as many as possible'; it continues to help students to take responsibility for the success of their house and their wider community. The improved profile and identity of the house system continues to have a positive effect on the students, who feel that it has helped to bring the community together. The number of house points and rewards show an improving trend year on year with more students being engaged and claiming their rewards. The Academy maintains its fundraising with its adopted charity, The Friends of North Kigezi diocese, to raise money to help provide food, shelter and education to this part of Africa. Charity days are run through the house system. During 2015/16 The Academy raised more than £5K for local, national and international charities. Selected students attended an inspirational event called WE Day at Wembley Arena where they heard moving stories from amazing young people who have overcome adversity or are pioneering exciting advances in technology. We continue to develop student leadership through the house system and its house representatives. These students are seen to help interviews, tour guiding, events, fundraising and much more.

The Alumni has started to grow and much work has been done to grow the portfolio of past students to come back and share the many and wide experiences with pupils and staff. Local companies have also been involved in workshops with our students.

The Do Your Thing Week was launched for its second year. A good consistent range of activities was captured by a professional film maker. A highlights video is now shared across many celebration events to showcase the depth of talent in our young people.

Our school newsletter has grown from strength to strength. It celebrates success in line with the four pillars and is very well received amongst staff and pupils. A particular highlight during Friday morning briefings is the presence of pupils who are acknowledged by the staff body for their numerous successes. More stories of successes are being reported than ever before.

Two new heads of house are in post for 2016-17. The key driver for this academic year is to raise the profile of rewards and recognition to a new level.

#### **Banding Assessment/Langton Link**

Since September 2012 students have been advised to sit a banding assessment test which places them into ability bands. This enables the school to engineer a comprehensive ability profile. If more students apply to join the school than places available, then those taking the banding assessment are considered before those who have not taken it. The academically able students have studied a curriculum in English, Maths and Science which is equivalent to that studied at the Simon Langton Boys School. Both schools use the same schemes of work and resources to support their teaching and learning and staff attend joint training sessions. Parents have been very supportive of the Banding Assessment with 438 students sitting it in November 2015 (for entrance into the school September 2016).

#### **Extended Services**

Non-school time activities reduced this year compared to previous years, as predicted in last year's report. We have had to reduce the range of activities and the hours on offer due to staffing limitations. Sports camps were the only regular in house activity, running from 9am – 3pm. Transition weeks for new Year 7s continue to run for 2 weeks in the summer and welcomed nearly 100 children.

The external company, Energy Kidz, which use our primary site, run activities for 4-11 year olds but have not been as well attended as our previous holiday activities for this age group (they are much more expensive reflecting the true cost of staffing the activities) and will be discontinued next academic year.

#### **Marketing and Advertising**

The academy's advertising and marketing has successfully attracted increased numbers to the school compared with the previous academic year. We continue to advertise on local radio, newspaper and through flyers to local schools. We have been working hard with the Corporate Services team to attract new external revenue and give the Academy a corporate identity which is now recognised in the area and associated with excellence in customer service.

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## **The Canterbury Academy**

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

#### **For the Year Ended 31 August 2016**

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#### **Public Benefit**

The Canterbury Academy is an Academy Converter, catering for children aged 4 to 19 and strives to promote and support the advancement of education within the Canterbury area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. Wherever possible the school also aims to contribute to the benefit of the wider public, by making the premises available to third parties for the provision of educational and other opportunities. For example:

- We have an established relationship with Concorde International, who are an English language school based in Canterbury city centre. We run several different programmes with Concorde during the year. The first is the International Buddy Programme. Concorde International bring groups of foreign students to buddy with our Academy students. They spend each day from 8:45 – 3pm with their buddies in all of their lessons. This has been a successful venture for a number of years. Buddy groups last Academic year totalled 5 and brought in £14,000. We are now accepting individual longer term students onto the buddy programme, who follow the timetables of the sixth form students, which we try to tailor to their subject interests.  
  
The Concorde Summer School programme enjoyed a second year from Monday July 18th – Friday August 5th. We hired our classroom space, sports facilities and conference rooms and halls over the three week period to see Concorde bring in up to 200 students from across the world to deliver their own English language programme. This brought in £8775 and we hope to continue this programme again next summer.
- We also offer a number of different visitor packages to adults, foreign teachers and lecturers with an interest in the British educational system, offering tours, lesson observations, Principal presentation, pupils questions and answer sessions. Concorde International, the University of Kent and Christ Church University have all availed themselves of this service during the year. We continue to welcome groups from around the world and hope to use this as a platform for international exchange programmes in the future.
- The Lord Mayor's dinner and dance was held at The Canterbury Academy on February 5th 2016. This was a very prestigious event which saw past Lord Mayors from around the county, members of local and county wide councils as well as business people from the local area attend a gala dinner and dance. For this event our students created centre pieces for the tables depicting local landmarks in the Canterbury district. They were judged by the Lord Mayor Sally Waters and all of the students were invited to a prize giving afternoon tea at Tower House with the Lord Mayor. Our Chefs' Academy students and staff prepared an incredible four course meal for the guests and our students served on the evening. We received many letters and emails praising the evening and we have built an excellent relationship between the Academy and the Lord Mayor's office.
- Vineyards Church hire many of our rooms and facilities every week for 47 weeks per year. They bring with them a congregation of over 400 local people from Canterbury and the surrounding areas. We have had several external room bookings from members of their congregation.
- Rock Choir are another very long standing client of The Academy. The Head of the choir is always very keen to advertise our facilities to his customers.
- The over 60's club who have been meeting regularly at the Academy for some years book the Chef's Academy restaurant for lunch on alternate Thursdays during term time. They also have their annual Christmas meal in the chef's academy restaurant. They are currently involved in a project set up by Kevin Mullins, Youth Worker at The Canterbury Academy, to work with some of our young people on various projects which has been very successful and we hope to continue to run next year.
- We also have a regular client called Mr Amin who runs Navradi Nites. He hires the hall during October, November and December for dance and dinner evenings. Mr Amin is a very loyal client who is always very impressed with the facilities and customer service he and his guests receive each year.
- Energy Kidz holiday club providers have enjoyed a year with us at the new primary school hall delivering activities to both our students and the local community.
- We work closely with the local WI and are hosting two events for them this year in the main hall, Garden day and Top Table Quiz. They will run in October and will see over 500 people visit over both dates. As with all of our charities we offer the WI a 15% charity discount on the hire of the facilities. They continue to be excellent clients who book each year.
- Facilities are hired out regularly to a number of local organisations – Slimming World, Weight Watchers, Love My Fitness, Pinetree, Kent School of Philosophy, Mediaid, Neighbourhood Watch and Bollywood Blast.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Disabled Employees**

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

**Equal opportunities**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. The Canterbury Academy has an Equality and Diversity Policy that is reviewed on an annual basis. The Equality Act 2010 introduced a single Public Sector Equality Duty. This required academies to prepare and publish equality objectives. A copy of our statement and policy are available through the school website [www.canterbury.kent.sch.uk](http://www.canterbury.kent.sch.uk).

In July 2013 the government introduced the "Prevent" strategy, aimed at stopping people becoming terrorists or supporting terrorism. Whilst it remains rare that young people become involved in terrorist activity, from an early age children can be exposed to extremist influences or prejudiced views. There is no place for extremist views of any kind in our school community, whether from internal sources – pupils, staff or directors, or external sources – school community, external agencies or individuals. Our students see our school as a safe place where they can explore controversial issues safely and where our teachers encourage and facilitate this – we have a duty to ensure this happens.

**British Values**

Pupils are taught to understand that while different people may hold different views about what is 'right' and 'wrong', all people living in England are subject to its law. The academy's ethos and teaching supports the English Civil and criminal law and we do not teach anything that undermines it. Pupils are made aware of the difference between the law of the land and religious law. There is no place for extremist views of any kind at the academy.

The Canterbury Academy celebrates diversity and has an educational vision which empowers and adds value to a child's development. Our curriculum encourages students to ask challenging questions and develop a strong sense of their individual identity, as well as the ability to understand and communicate with people from other cultures. This is taught in the curriculum, where appropriate, and through the house system.

**STRATEGIC REPORT**

**Achievement and Performance**

**Examination Results**

**Primary school**

At the Canterbury Primary School 2015/16 results have been very positive, particularly in the Early Years Foundation Stage and at the end of Key Stage 2. Early Years Foundation Stage results continue to be significantly above Local Authority (LA) and National Average (NA) in all areas and there have been good improvements in Literacy and Numeracy attainment. 79% of pupils achieved a Good Level of Development compared to a NA of 66%. Key Stage 1 attainment was not as positive as we had hoped but we hope they will be broadly in line with NA. Pupil progress for Key Stage 1 is good with many areas exceeding the expected point progress. Year 1 phonics has shown a 10% improvement on last year with 83.1% achieving the required standard which we expect to be above the NA. Key Stage 2 tests were in a new style and format this year with pupils being assessed to see if they reach an 'expected' standard. Pupils also received a scaled score for Reading, Grammar, Punctuation and Spelling (GPVS) and Maths. Our pupils achieved above NA for all areas and were significantly above for Reading, Writing and Maths. In Reading and Writing our scaled scores were also above the NA by between +1.1 and +1.7. The school was slightly below the NA scaled score for GPVS by -0.5.

**High School**

Our headline figure as of 6th September 2016 stands at 46% 5 A\*-C including maths and English. This is our second best set of results since the headline inclusive of English and maths was introduced. Although, DFE may publish lower than this at first due to students on roll and appeals. 50% of students achieved the 'basics' benchmarks of maths and English GCSE grades C-A\*. We are awaiting for their table checking exercise to open, so we can confirm our figures. Our most recent set of predictions were 48%.

Our Progress 8 Score (now the key measure as of summer 2016) is likely to be negative. However, this is largely a consequence of 24% of the year group not doing 8 subjects. Since this change was introduced one year into their programme. Although, our 'live' Progress 8 score (national comparisons) will not be available until the Autumn term, which will confirm our position when compared to schools and their students nationally. It should be noted that 46 students (approx. 24% of the year group) did not follow a P8 curriculum; as we offer a 3 year Key Stage 4 and despite re-opting, some students who took their options at the end of Year 8 in June 2013 decided, quite rightly for them and their futures, to continue with their chosen pathways. With the P8 focused curriculum being introduced after this, we were pleased to have achieved a positive score given the significant number of students not scoring in enough qualifying subjects.

**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

**External factors that affected results:**

The grade boundary shift in Edexcel maths had an effect also. A 5 mark shift for a grade C (12 marks over the last 2 years!), a 10 mark shift for a grade B and a 15 mark shift for a grade A.

This impacted upon student progress and ultimately our Progress 8 score.

Find below a table of progress since 2015:

	2015			2016
5 A- C including E&M	First 36.51	Best 40%	5 A- C including E&M	46%
5 AC-	47.09		5 A-C	58.51%
Maths A-C	49.21		Maths A-C	54%
Maths 3 LOP	46.74		Maths 3 LOP	57.0
Maths 4 LOP	8%		Maths 4 LOP	17.98%
English A-C	61%		English A-C	72.%
English Language 3 LOP	59%		English 3 LOP	66% Pending
English 4 LOP	12%		English 4 LOP	17% Pending
Science ( Core) A-C			Science ( Core) A-C	41.4%
History A-C	20%		History A-C	27.27%
Geography A-C	25%		Geography A-C	39.24%
French A-C	32%		French A-C	20.59%
Spanish A-C	100%		Spanish A-C	22.22%
Basics- English and Maths	41%		Basics English and Maths	49.74%
Attainment 8	D - (3.36)		Attainment 8	D + (4.47)
Progress 8	Minus -0.83		Progress 8	Positive + 0.04
VA	934..		VA	1001.09
Gap- Progress			Gap- Progress	-0.46
PPG			PPG	Minus -0.25
Non PPG			Non PPG	Positive +0.22
			Gap- 5 A*-C including M&E	
Based on a cohort entry of 189 for Maths and English			PPG	35%
Progress 8 is anticipated. Live data is out end of Octobe6			Non PP	53%
Updated 6th September 201			Gap	18%

**Sixth form**

In the 6th form the Average Point Score per Student Entry was 202.9. For Academic subjects it is 170.62 and for vocational subjects it is 247.5. This means on average our students are achieving the equivalent of D at A Level and a grade A or Distinction at vocational subjects. A large number of students this year have been very successful in achieving outstanding A level qualifications, allowing them to progress to university. The value added scores for student performance at Year 13 were very good with Academic student's achieving 0.44 and Vocational 0.66.

**City and Coastal College**

The Local Authority have published an action plan for alternative curriculum providers in Kent, with targets to be achieved by 2018. The table below shows comparisons against the action plan and the trends over the past four academic years. Improvements are being made in all areas, except in attendance, although it must be said that those students who have not improved their attendance, tend to be those with significantly low attendance and so this is not as a result of being referred to City and Coastal College. This must not detract from the outstanding achievements in the other areas of the action plan in 2015-16. At the time of writing, the amount of students expected to achieve 5+ A\*-C including maths and English is 7%, which is higher than ever before. However, as this is no longer a valid measure of academic progress, other measures need to be considered. Unfortunately, Progress-8 is not an accessible measure for the students in City and Coastal College.

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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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In other areas, progress can be seen in the following areas:

- Reading Age - 96% same or better since referral
- Spelling Age - 100% same or better since referral
- Emotional and Behavioural Development - 93% same or better since referral
- Rewards - 79% increased number of points gained per term
- Number of Fixed Term Exclusions - 100% lower since referral and 90% of students received no fixed term exclusions during their time in the provision.

Performance has already exceeded the targets in two out of the five areas, two years ahead of schedule, but it must also be remembered that these targets are for KS3 and KS4 combined, and we are only responsible for the KS4 provision.

% of Students	KCC Target (2018)	2012-13	2013-14	2014-15	2015-16
<b>Improved Attendance</b>	100	71	76	100	78
<b>Positive Post-16 Destination</b>	90	75	76	100	83
<b>Permanently Excluded</b>	14 (in Kent)	100	100	0	0
<b>Fully Reintegrated into Mainstream</b>	35	10	12	30	20
<b>Academic Progress</b>	Unspecified	3	0	0	See below

- 100% of students achieved 1+ A\*-G grades
- 78% of students achieved 4+ A\*-G grades
- 61% of students achieved 1+ A\*-C grades
- 22% of students achieved 4+ A\*-C grades

The provision has been described by Patrick Leeson (KCC Director of Education and Children's Services) as "an outstanding way of working and the model of excellent practice in Kent"

**Pillar of academic excellence achievements 2015/16**

The following students in key stage 3 were at the very top of academic attainment at the end of last academic year:

- Year 7 – Rory Bean (achieved Level 7s in many core subjects)
- Year 8 – Bethany Wallace (achieved Level 7s in many core subjects)
- Year 9 – Jade Todd (already working at very high levels for GCSE – equivalent of B grades)

The following students in key stage 3 made the most progress across the curriculum:

- Year 7 – Jordan Baker (his average sub-levels of progress was 5.3, which is over double the expected progress for a year)
- Year 8 – Rhianna Bowman (made an average of 6 sub-levels' progress in the core subjects)
- Year 9 – Tommy Arnold (has made over the expected amount of progress for the whole GCSE course already in a number of his subjects)

The following students in key stage 4 made the most progress across the curriculum based on their key stage 2 starting point and have all exceeded their expected levels: Jake Beesley, Brandon Bryce, Shusanta Rai, Thomas Croucher, Patrick Hughes, Abi Blake-Bowell, Niall Horsfall-Turner, Harry Munro, Megan Owen, Elvie Ransley, Lilliana Reed and Megan Hann.

In the school year 2015 to 2016 we have had a lot of success within the Academic College at key stage 5. The number of students applying for and attending university has doubled from previous years with over 70 leavers continuing their education as undergraduates.

Some of the most notable successes were:

- Phoebe Coles who achieved A, A, C in Law, Psychology and History and is now studying Law with psychology at Southampton University
- George Chapell who achieved A, A, B in Law, Economics and Business and is studying Banking Finance and Management at Loughborough University
- Imogen Idriss who achieved A\*, B, and D\*, D\* for English, History and Media and is studying Business Management with Marketing at Surrey University
- Rockjee Rai who achieved B, B, B in Biology, Chemistry and Maths who is studying Pharmacy at Kingston University
- Luyao Chen who achieved A, B, D\*, D\*, in Chinese, Maths and Business studying Maths at Kent University.

We are very proud of all the students' academic success and are expecting this to continue in 2016/2017.

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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Pillar of Sport Achievements 2015/16**

- Year 8 Handball Team became national champions.
- Max Jameson (Year 11) selected to swim for England East at National Swimming Championships.
- Tom Fox (Year 12) selected to represent Great Britain in European Aquathon.
- James Lloyd (Year 13) earns a place on the basketball programme at the Northern Iowa Area Community College.
- Segun Shodunke (Year 9) and Mate Okros (Year 10) were selected for the England under 15 basketball side.
- Bayley Sargeant (Year 13) selected for GB Archery team in European Youth Championships in Bucharest in July.
- Tamara Fournillier-Onadeko (Year 8) selected for South East Basketball under 13 team.
- Dan Smith (Year 13) selected for Kent under 18 Golf Team.
- Sam Walker (Year 11) selected for England under 18 Bowls squad.
- Oliver Richards (Year 9) qualified for the prestigious Road to Wimbledon tennis finals in August and represented Kent whilst Toby Froud (Year 7) was selected for specialist regional training with the LTA.
- Ulrich Neinaber (Year 6) ranked number 1 in Kent for tennis.
- An under 15 tennis team from the school gained the silver medal at the Kent School Games Finals.
- The sixth form basketball team finished in the top ten across the whole country.
- The Year 8, Year 9 and Year 13 basketball teams won the county cup.
- Year 8 cricket team qualified for the national 8-a-side finals to be held at Edgbaston in September.
- The Year 9 cricket team defeated Simon Langton for the very first time in a district cup quarter final.
- Year 9 football team thrashed Abbey School 6-1 in the District Cup Final.
- Segun Shodunke (Year 9) won the county triple jump competition.
- Luc Durant (Year 12) won the shot putt event at the Kent Indoor Athletics Finals.
- Jordan Honour (Year 12) competed at the British Swimming Championships in Glasgow.
- Danni Payten (Year 13) and Ayla Payten (Year 10) both represented England at touch rugby.
- Elliot White (Year 12) was selected for the England U17 Rugby Training Camp in November.
- Ollie Sunnucks (Year 7) has been involved in England age group roller hockey squads.
- Bradley Goldsack (Year 9) has been selected for Kent's Emerging Player Programme and played for the Kent under 14 team.
- Thomas Jones (Year 12) was selected for the Kent Cricket Academy specialist spin bowling programme and Kent under 17 team.
- Kai Appleby (Year 13) selected for Kent Cricket's 2nd XI and scored 64 against Glamorgan in June.
- Matiss Siyambalapitiya (Year 7) has been selected for the Eastern Vikings under 12 cricket squad which is made up of players from Canterbury, Thanet and Dover districts.
- Jordan Gillmore (Year 8) has been training at Chelsea FC's professional training base at Cobham in Surrey.
- The following boys from Year 7 and Year 9 were selected for district football squads. Year 7: Max Mowbray, Sam Millsted, Sam Martin & Callum Bryant. Year 9: Brooke Tiernan, Baily Sinnock & Ross Johnstone.
- Lauren Coulthard (Year 10) won a national martial arts competition.
- Ben King and Morgan Weinel (Year 10) continue to be involved in the Kent Rugby Squad. Robert Knott (Year 9) and Tom Leather (Year 8) were also selected for the Kent Rugby Squad after impressing in trials.
- Jimmy Witt (Year 9) toured The Cayman Islands with Gillingham FC and was retained on their academy programme for 2016-2017.
- Mark Sitton (Year 10) had trials with the following football clubs – Norwich City, Colchester, Stevenage and Southend.
- Max Jameson won The Canterbury Academy Sports Personality of the Year.
- James Lloyd won the Canterbury Institute of Sport Athlete of the Year.

**Pillar of Performing Arts achievements 2015/16**

Year 11 JPAE students Megan Own, Nisha Capper and Jasmine Carnaby performed at Central Hall, Westminster as part of the national PiXL choir (directed by Basil Meade, who directs and trains the internationally acclaimed London Community Gospel Choir. Being selected was particularly impressive, as PiXL had reduced the size of the choir this year. All three students were featured as a trio during one of the numbers.

The Canterbury Academy officially entered into a partnership with Dance Domain, the world-champion street dance training school which has produced the likes of Maizy Thieze (Year 8), Rory O'Shea (Year 10) and Belle Fisher (Year 13 Dance Programme).

CPS students (Sacha Jiles and Katie Wade) were cast in, and performed, their first ever professional voiceover, for the animated series Bugglebury (written by Sonia Copeland-Bloom, the mother of Orlando Bloom).

Canterbury Academy students (coached by our new partner, Dance Domain) competed at the IDO Hip Hop World Championships in Rimini, Italy. Belle Fisher (Year 13 Dance Programme) has another World Championship (this time in the category of 'Adult Battle Crew') to add to her collection.

Rory O'Shea and Maizy Theze (Year 8) – 2nd in World (Junior Battle Crew)

Maize Theze – 5th in Solo Hip Hop (Junior)

Belle Fisher – 5th in Solo Hip Hop (Adult)

Dance Domain Junior Crew – 7th in Hip Hop Crew

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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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The Canterbury Academy became one of the first schools in the UK to perform Billy Elliot the Musical.

On 19th November, Robbie White (Year 11) and Jack Jenkins (Year 13) performed live at the Christmas Switch-On in Maidstone with their pop duo, RJM. They supported the band Alien Uncovered from this years' X-Factor.

Year 11 JPAE student Robbie White has a central acting role in "The Library" a short film (20 minutes long) currently on release in the United States.

The Canterbury Academy became the first school in the UK to perform CARRIE THE MUSICAL, and was supported by the award-winning star of the original London production.

Toby Cordes (Year 12 Musical Theatre Programme) filmed a national television advert for the cable channel Eurosport.

Michael Ottesen (Year 12 Acting) and Toby Cordes (Year 12 Musical Theatre) both filmed the new action film blockbuster 'Wonder Woman'.

On Monday 28th March 2016 The Canterbury Academy performed at the Royal Albert Hall! 50 students from years 7, 8, 9 and sixth form were selected to take part in the performance in front of a sell-out crowd.

Year 5 CPS student Kavan Stables won 2nd place on the Freestyle stage at Move it and became WDO ( Welsh Dance Organisation ) 10 and Under Champion.

In early March students from the Dance Programme and Musical Theatre Programme performed at Move It, the largest stage school and dance college exhibition in the country, at the ExCel Centre in London. The Canterbury Institute for Performing Arts had a stand, and we had nationwide interest in our courses – thanks in no small part to the strength of the students' performances.

The Canterbury Academy entered into official partnership with Impact Dance.

Lauren Finlayson (Y10 JPAE) won the Slow category in her age range at the South East Qualifier for Freestyle Dance at the Guildford Spectrum

Laura Beasley and Aaron Whitehead (Musical Theatre Programme, class of 2014) became semi-finalists on Britain's Got Talent on ITV, singing with the Collaborative Orchestra.

Following our annual Acting and Musical Theatre Agents' Showcase in London, Gab Anderson (Year 13 Musical Theatre) was approached by one of the UK's top talent agencies, Wintersons Agency, and after a further meeting and audition has been given a one-year contract for professional representation.

**Pillar of Practical Learning achievements 2015/16**

The Practical learning pillar alongside the academic pillar have been successful with a Erasmus bid and part of a project to encourage students within the 6th form to think about employment within the EU.

Student ambassadors ran a successful visit to the Academy in March and those students will be going to Latvia in October to visit school and local companies.

- Kelsey Freelove- Applied to CCCU for Criminology-offered a conditional offer
- Denna Geeves- Conditional offer from CCCU for adult nursing
- Danielle Wilkinson- Applied to CCCU to do sport science
- Vickie Bragg – Canterbury Christchurch University- primary teaching
- Jade Starling-Bayliss - Canterbury Christchurch University- primary teaching
- Bayleigh Eastwood - Canterbury Christchurch University- primary teaching
- Josie Day – Full time employment in a nursery
- Rebecca Clout – Employed in catering
- Rebecca Coombs – Apprenticeship in business
- Alice Barnes - Full time Barbering
- Stephanie Archevia - Full-time Work

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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Stand out results:**

- Vickie Bragg – achieved 2 levels higher than her predicted grade (Cache)
- Denva Geeves – achieved an extended diploma in Health and Social Care

The second EEC Practical Learning Awards evening took place on the 14th June 2016, and was a successful evening. The guest speaker was Richard Phillips and was overwhelmed by the students and their successes. The awards celebrated the achievements of both students within the Academy but also those on our City and Coastal programmes. Liam Wilding won the award for Practical learning student of the year.

**Financial review**

Most of the group's recurrent income is received by the parent company, in the form of grants from the EFA, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

The SOFA shows group consolidated figures (see accounting policy 1.1) and total group incoming resources for the year was £14.06m. Total group resources expended amounted to £14.08m, leaving net expenditure for the year of £18k as shown on the SoFA.

Total movement in funds for the year additionally includes an actuarial loss on the Local Government Pension Scheme (LGPS) of £1.99m, leaving a net reduction in funds for the year of £2.01m. This actuarial loss, despite its size, is not alarming - it is an accounting adjustment to estimate, as a point in time, the potential pension scheme liabilities. This year the actuary who has calculated the movement in the deficit has advised that academies, in general, have seen their deficits increase considerably this year due to the fall in corporate bond yields, particularly after Brexit.

It is worth acknowledging the difference between revenue funds and the restricted fixed asset fund. The fixed asset fund is used to account for capital grant income and depreciation charges. Capital income for the year totalled £1.36m, from which depreciation charges of £710k are deducted to leave net income for the year of £650k on the fixed asset fund. A £59k transfer has been made to the restricted fixed asset fund for capital items purchased from revenue funding.

The fixed asset fund does therefore heavily influence the overall result for the year, masking the deficit on revenue funds. Operational income and expenditure is tracked through the restricted and unrestricted revenue funds and the results of these for the year, for the group, were as follows:

- Restricted revenue funds suffered a deficit of £534k for the year, and this is included within the £797k net expenditure on restricted funds per the SoFA. (The balance of £263k relates to non-cash LGPS charges which form part of the total movement on the pension deficit along with the actuarial loss referred to above, and which are required to be accounted for within expenditure). The reason for this deficit is largely due to increased staff costs incurred during the year in response to the 'requires improvement' Ofsted inspection in October 2015. Most of the deficit relates to the core General Annual Grant ("GAG") fund, and, since it is not permitted to carry forward a deficit on GAG a transfer has been made between funds from the unrestricted fund to cover the deficit.
- The group's unrestricted revenue fund saw net income for the year of £129k before the transfers referred to in (i) above. This fund includes the results of other group entities, and income and related costs of the subsidiaries are shown in note 5.

At 31 August 2016, the net book value of fixed assets was £17.85m, including goodwill arising on consolidation of £150k. Movements in tangible fixed assets for both the group and the academy trust are shown in note 16 to the financial statements. During the year academy trust's assets were mostly used for providing education and the associated support services to the pupils of the academy trust.

**Financial position**

The group held fund balances at 31 August 2016 of £13.21m. These funds included restricted fixed asset funds of £17.74m, restricted revenue funds of £51k, unrestricted funds of £178k and a pension fund liability of £4.76m. After transfers the pension scheme reserve is the only fund in deficit at the year end. This deficit does not mean that an immediate liability crystallises; it results in a cash flow effect in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the academy trust have been fixed until 1 April 2017. The trust is currently awaiting confirmation of the rates that will apply from April 2017 but anticipates only a modest increase.

**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.



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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Key Financial Performance Indicators**

Financial Performance of the Academy is overseen by the Finance, Buildings and Personnel Committee. Financial Budgets, Cash Flow Forecasts including Debtor/Creditor management, and Capital Expenditure are all monitored to ensure sound financial planning.

**Financial and Risk Management Objectives and Policies**

Trustees keep reserves under constant review to ensure that they have sufficient income to run the academy on an efficient basis without affecting the quality of teaching and learning.

**Reserves Policy**

The trustees have not yet formalised a specific policy on reserves, beyond the requirement that reserve levels are regularly monitored by trustees and management to ensure that sufficient reserves are maintained to meet anticipated future needs while avoiding long term accumulation of excessive sums.

**Investment Policy**

There are no investments held beyond cash deposits retained with major UK clearing banks. Speculative investments are not permitted.

**Principal Risks and Uncertainties**

The trustees have considered the principal risks and uncertainties that the academy may be exposed to. Policies and controls have been designed so that these risks and uncertainties can be quickly identified, allowing the academy to respond swiftly in order to eliminate them.

**Risk Management**

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to academic performance/finances/child welfare. The trustees have implemented a number of systems to assess risks that the academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

The risk management process has been codified in a risk register implemented by the Senior Management Team and overseen by trustees.

**Plans for future periods**

The principal task facing the company is to maintain and further improve educational standards achieved by the schools. The Academy's four absolute priorities remain:

1. The Canterbury Primary School will retain 'good' and become 'outstanding' and The Canterbury High School will regain 'good' to begin journey to return to 'outstanding' and thus provide the highest possible standards of education by maintaining our focus upon teaching & learning so that all our students become:
  - Successful learners who enjoy learning, make progress and achieve
  - Confident individuals who are able to live a safe, healthy and fulfilling life
  - Active and responsible citizens who make a positive contribution to the wellbeing of present and future generations
2. To provide the highest possible quality professional development to raise the level of performance of all the staff that work at The Academy so that overall priority A (above) can be better met
3. To provide high quality extended service to remove barriers to learning and to provide 'as much as possible, as often as possible for as many as possible'
4. To maximise all advantages and opportunities to provide the highest possible quality environment, accommodation, resources, ethos and customer service to enable all our learners to achieve and our community to benefit from that which the academy provides

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**The Canterbury Academy**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Executive summary**

- The Canterbury Academy, is a company, aims to provide a genuine comprehensive option in the increasingly competitive and unfair Kent selective system by being 'a school for all the talents', which will further develop the 4 pillars of excellence and which recognises and rewards the positive so that its offer better meets the needs of its wide range of learners
- The rebuilt Canterbury Primary School, presented as a 'no Kent test' alternative, has doubled in capacity and feeds The Canterbury High School. It will achieve Ofsted outstanding
- The Canterbury Primary site will work in a more integrated way with the rest of the academy services and other local providers
- The Canterbury High School will expand by 1FE (September 2016 and formally 2017) and become a genuine comprehensive alternative for the children and parents of east Kent. It will develop the partnership with Simon Langton Grammar School for Boys so as to further lift aspiration. It will seek additional and improved accommodation. It will return to Ofsted good and aspire to return to outstanding.
- The 6th form will offer a comprehensive option by radically reforming its offer and developing its own college system to position itself to attract all learners. It will become an outstanding provider.
- The Academy will develop itself as the hub of The Canterbury City & Coastal College 14-24 alternative curriculum Inclusion Provision for students excluded or disengaged from other schools whilst pioneering the vision of enterprise and employability education through the 6th form
- The Canterbury Primary School and The Canterbury High School will seek ways to work ever more closely together for pupil progress, for professional development and the enhancement of the 4 pillars
- The 4 pillars of excellence will be developed across all that the academy does
- The Canterbury Academy will seek to develop its network and seek possible partners
- The Canterbury Academy's Trading arm, 'Buckle Under Ltd', will pursue enterprise and it will generate funds for the academy and the community charity will engage in fund raising
- The Canterbury Academy will continue its extended service by offering opportunities to children of all ages and to the local community on a campus which is open and available 16 hours/day; 7 days/week and 50 weeks/year
- Thus, The Canterbury Academy will continue as a collection of component parts which, working together, will offer the learners and the families of Canterbury and east Kent outstanding comprehensive education and outstanding opportunities to improve the life chances of children and to help in the community.

**Auditors**

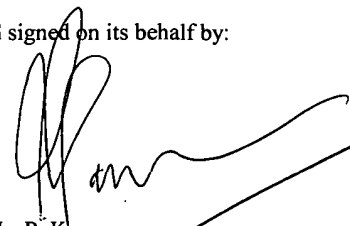
In so far as the trustees are aware:

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

Approved by order of the board of trustees on 19 December 2016 and signed on its behalf by:



Mrs. D. Wells  
Chair of Trustees

  
Mr. P. Karnavas  
Executive Principal and Accounting Officer

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Governance Statement**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Canterbury 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 board of trustees has 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 The Canterbury Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs. D. Wells, Chair of Trustees	4	6
Mrs. J. Keay, Vice Chair	6	6
Mrs. J. Parsons, Chair of Finance	5	6
Mr. P. Karnavas, Executive Principal	6	6
Mrs. R. Cox, Staff Trustee	1	6
Mr. A. Doyle	1	1
Mr. R. Field, Responsible Officer	6	6
Mrs. R. Giles	6	6
Mr. N. Guthrie	4	6
Mr. M. Harris, Staff Trustee	3	5
Mrs. R. Hobbs, Parent Trustee	1	6
Mrs. J. Larkinson	6	6
Mr. A. Milton	2	6
Mrs. S. Ward	4	6
Mrs. H. Wiles	2	2
Mr. C. Wilse	4	6

During the academic year 2015 – 16 there were three trustee resignations from Andrew Doyle, Robert Menzies, Parent Director and Matt Harris, staff director. Two new trustees were appointed Craig May, staff director and Hannah Wiles, parent director. The Board are seeking to appoint a director with legal expertise. The member group are meeting on a regular basis to discuss succession planning for both the senior leadership team and the Board of trustees to ensure a smooth transition as senior staff or trustees retire.

**Governance reviews:**

Following an Ofsted inspection in October 2015, which judged the High School as 'requires improvement' a governance review was commissioned by an external adviser. The following recommendations were suggested:

- The new structure of mini board meetings are robust and comprehensive enabling trustees to gain a more in-depth knowledge of a division within the academy, but it was felt that membership on each board was too small. The trustees have agreed to increase the size of its governing body to the maximum number of 18 trustees permitted under the current memorandum and articles of association and to keep membership under review.
- Scope to improve trustees visits was also a recommendation. This has now been addressed through a new structure being implemented for trustees visits during raising standards weeks. Each faculty is quality assured over a period of two days by a small group of the leadership team and a trustee. During the two days the lead for the faculty will provide a self evaluation of the department identifying the strengths and weaknesses within the faculty. Lesson observations, drop ins, voicing sessions, work scrutiny, schemes of work, purple folders, mentoring, extra-curricular activities and a review of the learning environment will take place. A feedback meeting will then take place with the lead person for the department on 'what went well' and 'even better if'. Key areas will be identified for the faculty to focus on in preparation for the next review. Raising standards reviews take place three times a year, during the autumn, spring and summer terms.
- School development plan needs to be reviewed on a regular basis. Key areas will become the main focus for the divisional improvement plans which trustees on the mini board will focus on three times a year.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Governance Statement (continued)**

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**Governance reviews (continued)**

- A governing body annual review will take place annually to identify any areas of weakness. The current review has highlighted the need for a director to be appointed with legal experience.
- Financial probity was identified as good but recommended that better evaluation of the Pupil Premium funding and SEN funding was required but it was considered steps were already in place to address this.

The Finance, Buildings and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees and enable them to fulfil their responsibilities for ensuring sound management of the academy's finances and resources, including proper planning, monitoring and probity. Management accounts are produced and reported to trustees on a monthly basis.

Financial projects this year have included:

- CIF Bid 1 – New roof for John Tyler building
- CIF Bid 2 – New façade for John Tyler building
- Basic Needs Bid – New 3 story teaching block
- Autistic Spectrum Disorder Unit created in old primary school building
- Training & Development Area created in old primary school building
- New reception area for City View Nursery created in old primary school building
- Additional classroom for City View nursery created out of existing primary school classroom
- Set of toilets built for City View Nursery
- Refurbishment of Chaucer buildings to create specialist rooms for performing arts
- Refurbishment to existing areas in the high school to create new reprographics room and a staff room
- New air conditioning units in the Independent Study Centre

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs. J. Parsons, Chair of finance and buildings	3	4
Mrs. J. Keay, Vice Chair	3	4
Ms. D. Wells, Chair	2	4
Mr. P. Karnavas, Exec Principal and Accounting Officer	3	4
Mr. A. Doyle	0	1
Mr. A. Milton	2	4
Mr. N. Guthrie	2	4
Mr. R. Field	1	1

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. It is an advisory body with no executive powers, but is authorised by the Board to investigate any activity within its terms of reference.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. A. Milton	2	3
Mr. A. Doyle	0	1
Mr. N. Guthrie	2	3

**Review of Value for money**

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- The academy has become income generating to ensure that services can continue. Income generation happens in a variety of ways and includes hiring of the academy's resources and facilities by outside individuals or groups, e.g. the school hall has been used for wedding receptions; the selling of services, e.g. the academy will release staff to provide a service for other organisations;

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## **The Canterbury Academy**

### **(A company limited by guarantee)**

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

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entering into commercial relationships which bring benefit to the academy, e.g. linking with foreign language schools and providing experiences for overseas students for a fee; setting up a range of provision which can be sold to other schools who wish to include and engage some of their learners more effectively. All of these together bring significant income into the academy.

- The school has invested in alternative curriculum provision (ACP) at a lower cost than that which was previously provided by the local authority and for which the academy is paid a commission (see below). It also has the advantage of enabling more students to benefit from this provision and for other schools to buy into it, which increases revenue to the academy. Students who are placed on ACP also have better destination routes and engage in education for longer and The Canterbury Academy has not permanently excluded any students for the last two academic years.
- The academy has continued with its policy of appointing non-teaching staff to a variety of roles. This represents an obvious saving in terms of salary (average teacher salary 40% higher than average non teacher salary), whilst enabling a better service since non-teaching pastoral specialists can focus fully upon their role. This also has the effect of allowing teaching staff to fully focus upon their classroom practice. This model also improves the delivery of many vocational courses as instructors are better equipped to deliver relevant experience. The academy has also entered into a variety of contractual arrangements to provide a service and these range from providing construction courses to small A level language lessons. The 3 major advantages to the academy of these arrangements is buying expertise, enabling a flexibility of provision and a saving of on-costs (approx. 26%).

#### **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 The Canterbury Academy for the year 1 September 2015 to 31 August 2016 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 1 September 2015 to 31 August 2016 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, Buildings and Personnel 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 Academy is responsible for all aspects of its financial management and should demonstrate public accountability and value for money within its education provision. Since becoming an academy in 2010 the board of trustees considered the need for a specific internal audit function and decided not to appoint an internal auditor, instead the trustees appointed Richard Field, a trustee, as Responsible Officer (RO).

To help discharge the responsibilities of the Governing Body, the role of the Responsible Officer provides assurance on financial issues and systems of internal control. The RO's role includes giving advice on financial matters and performing a range of checks on the academy trusts financial systems.

Although the Responsible Officer is not directly accountable for the financial management of the school, the role provides an independent check on the financial activities and the day to day design, implementation and operation of financial systems.

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**The Canterbury Academy**  
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**Governance Statement (continued)**

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In April 2016 Richard Field stepped down as Responsible Officer. As the academy continues to grow the audit and risk committee felt that it would be better to appoint an outside accountancy firm to carry out the school internal checks. UHY, our external auditors, would be very happy to provide the service, but the committee agreed that it would be better to have another accountant to enable sufficient challenge as impartiality is a key issue. The academy are seeking quotes from companies.

In September 2016 Richard Field and Neal Guthrie completed a financial management internal control assessment as an external appointment has not yet been made. During their visit they focused on the following:

- Financial Governance
- Completion of the Financial Management Internal Control Assessment in conjunction with the School Finance Manager.
- Validation included:
  - Resource Management
  - Purchasing and Value for Money
  - Budget Monitoring
  - Security of Physical Assets
  - Information Security
  - Payroll
  - Income
  - Bank Reconciliation
  - Purchasing card
  - School fund

Their findings will be reported back to the Audit and Risk Committee and any recommendations will be discussed and acted on. The visit has verified that the school has good internal controls in place with only some minor improvements being recommended.

**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:

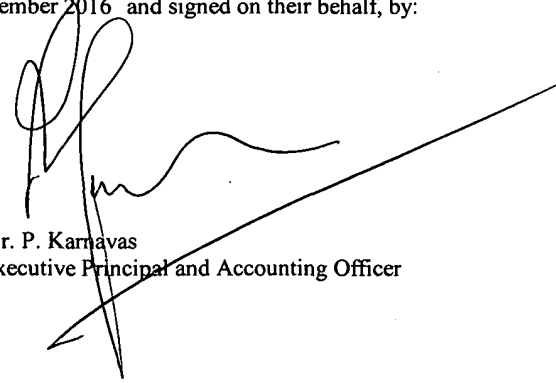
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Risk 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 board of trustees on 19 December 2016 and signed on their behalf, by:



Mrs. D. Wells  
Chair of Trustees



Mr. P. Karayvas  
Executive Principal and Accounting Officer

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Statement on Regularity, Propriety and Compliance**

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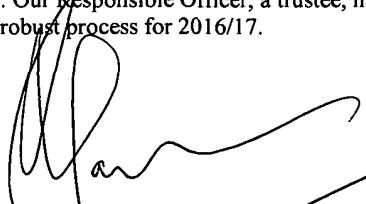
As Accounting Officer of The Canterbury Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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.

However the audit process has identified that the trust has not fully complied with its own internal procedures for obtaining full board approval for certain large service level agreements and contracts, a requirement of the Academies Financial Handbook. I am nevertheless confident that the trust has obtained value for money in respect of these agreements and contracts, and we are implementing procedures to ensure that this oversight does not happen again in the future.

I also need to acknowledge that during the year the trust failed to arrange a suitable programme of work, such as an internal audit service or Responsible Officer visits, to mitigate the risk to internal control throughout the year, a further requirement of the Academies Financial Handbook. Our Responsible Officer, a trustee, has conducted a visit since 1 September 2016, and the trustees are in the process of arranging a more robust process for 2016/17.



Mr. P. Karnavas, Executive Principal  
Executive Principal and Accounting Officer

Date: 19 December 2016

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Statement of Trustees' Responsibilities**  
**For the Year Ended 31 August 2016**

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The trustees (who act as governors of The Canterbury Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Group strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 the group 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 2015 to 2016;
- 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 group will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company and the group 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 group'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 and signed on its behalf by:



Mrs. D. Wells  
Chair of Trustees

Date: 19 December 2016



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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Independent Auditors' Report on the Financial Statements to the Members of The Canterbury Academy**

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We have audited the financial statements of The Canterbury Academy for the year ended 31 August 2016 which comprise the group Statement of financial activities, the group and academy trust Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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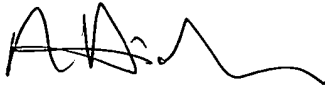
**Independent Auditors' Report on the Financial Statements to the Members of The Canterbury Academy**

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

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

- the parent charitable academy trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable academy trust 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.



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

**UHY Kent LLP**

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 22 December 2016

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Independent Reporting Accountants' Assurance Report on Regularity to The Canterbury Academy and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Canterbury Academy during the year 1 September 2015 to 31 August 2016 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 The Canterbury Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Canterbury Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Canterbury Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Canterbury Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Canterbury Academy's funding agreement with the Secretary of State for Education dated 1 October 2010, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Canterbury Academy for the year ended 31 August 2016 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Independent Reporting Accountants' Assurance Report on Regularity to The Canterbury Academy and the Education Funding Agency (continued)**

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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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**UHY Kent LLP**  
Reporting Accountants

Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: 22 December 2016

**The Canterbury Academy**  
**(A company limited by guarantee)**

**Consolidated statement of financial activities incorporating income and expenditure account**  
**For the Year Ended 31 August 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>						
Donations and capital grants	3	4,866	19,795	1,360,437	1,385,098	45,683
Charitable activities	4	490,371	10,986,543	-	11,476,914	10,752,601
Other trading activities	5	1,062,492	128,963	-	1,191,455	631,361
Investments	6	2,852	-	-	2,852	3,242
Other income		4,343	-	-	4,343	-
<b>Total income</b>		<b>1,564,924</b>	<b>11,135,301</b>	<b>1,360,437</b>	<b>14,060,662</b>	<b>11,432,887</b>
<b>Expenditure on:</b>						
Raising funds	5	484,815	37,087	-	521,902	173,487
Charitable activities		950,939	11,895,683	710,246	13,556,868	12,339,138
<b>Total expenditure</b>	7	<b>1,435,754</b>	<b>11,932,770</b>	<b>710,246</b>	<b>14,078,770</b>	<b>12,512,625</b>
<b>Net income / (expenditure) before transfers</b>		<b>129,170</b>	<b>(797,469)</b>	<b>650,191</b>	<b>(18,108)</b>	<b>(1,079,738)</b>
Transfers between Funds	22	(476,029)	417,264	58,765	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(346,859)</b>	<b>(380,205)</b>	<b>708,956</b>	<b>(18,108)</b>	<b>(1,079,738)</b>
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(1,994,000)	-	(1,994,000)	82,000
<b>Net movement in funds</b>		<b>(346,859)</b>	<b>(2,374,205)</b>	<b>708,956</b>	<b>(2,012,108)</b>	<b>(997,738)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	22	524,655	(2,331,020)	17,028,010	15,221,645	16,219,383
<b>Total funds carried forward</b>		<b>177,796</b>	<b>(4,705,225)</b>	<b>17,736,966</b>	<b>13,209,537</b>	<b>15,221,645</b>

The notes on pages 31 to 53 form part of these financial statements.

**The Canterbury Academy**  
**(A company limited by guarantee)**  
**Registered number: 07345430**

**Consolidated Balance Sheet**  
**As at 31 August 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	15		149,615		187,815
Tangible assets	16		17,702,355		17,058,019
Investments	17		-		8
Investments in associates	17		49		49
			<u>17,852,019</u>		<u>17,245,891</u>
<b>Current assets</b>					
Stocks	18	13,356		17,621	
Debtors	19	1,046,730		493,824	
Cash at bank and in hand	26	570,880		934,281	
			<u>1,630,966</u>	<u>1,445,726</u>	
<b>Creditors: amounts falling due within one year</b>	20	(1,382,448)		(790,972)	
<b>Net current assets</b>			<u>248,518</u>		<u>654,754</u>
<b>Total assets less current liabilities</b>			<u>18,100,537</u>		<u>17,900,645</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(135,000)		(180,000)
<b>Net assets excluding pension scheme liabilities</b>			<u>17,965,537</u>		<u>17,720,645</u>
Defined benefit pension scheme liability	28		(4,756,000)		(2,499,000)
<b>Net assets including pension scheme liabilities</b>			<u><u>13,209,537</u></u>		<u><u>15,221,645</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	22	50,775		167,980	
Restricted fixed asset funds	22	17,736,966		17,028,010	
Restricted income funds excluding pension liability			<u>17,787,741</u>	<u>17,195,990</u>	
Pension reserve	22	(4,756,000)		(2,499,000)	
Total restricted income funds			<u>13,031,741</u>		<u>14,696,990</u>
Unrestricted income funds	22		<u>177,796</u>		<u>524,655</u>
<b>Total funds</b>			<u><u>13,209,537</u></u>		<u><u>15,221,645</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 19 December 2016 and are signed on their behalf, by:



Mrs. D. Wells  
Chair of Trustees

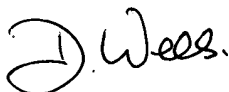
The notes on pages 31 to 53 form part of these financial statements.

**The Canterbury Academy**  
**(A company limited by guarantee)**  
**Registered number: 07345430**

**Academy trust Balance Sheet**  
**As at 31 August 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	16		17,681,682		17,028,008
Investments	17		1		1
			<u>17,681,683</u>		<u>17,028,009</u>
<b>Current assets</b>					
Stocks	18	13,356		17,621	
Debtors	19	1,113,824		528,861	
Cash at bank and in hand		527,280		842,172	
			<u>1,654,460</u>	<u>1,388,654</u>	
<b>Creditors: amounts falling due within one year</b>	20	(1,319,447)		(686,939)	
<b>Net current assets</b>			<u>335,013</u>		<u>701,715</u>
<b>Total assets less current liabilities</b>			<u>18,016,696</u>		<u>17,729,724</u>
Defined benefit pension scheme liability	28		(4,756,000)		(2,499,000)
<b>Net assets including pension scheme liabilities</b>			<u><u>13,260,696</u></u>		<u><u>15,230,724</u></u>
<b>Funds of the academy</b>					
Restricted funds :					
Restricted funds	22	50,775		167,980	
Restricted fixed asset funds	22	17,736,966		17,028,010	
			<u>17,787,741</u>	<u>17,195,990</u>	
Restricted funds excluding pension asset					
Pension reserve		(4,756,000)		(2,499,000)	
			<u>13,031,741</u>		<u>14,696,990</u>
Total restricted funds					
Unrestricted funds	22		228,955		533,734
<b>Total funds</b>			<u><u>13,260,696</u></u>		<u><u>15,230,724</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 19 December 2016 and are signed on their behalf, by:



Mrs. D. Wells  
Chair of Trustees

The notes on pages 31 to 53 form part of these financial statements.

**The Canterbury Academy**  
**(A company limited by guarantee)**

**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 August 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	25	(355,844)	793,919
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2,852	3,242
Purchase of tangible fixed assets		(1,370,846)	(155,439)
Capital grants from DfE/EFA		640,297	32,863
Capital funding received from sponsors and others		720,140	-
Purchase of intangible fixed assets		-	(200,548)
Purchase of investments		-	(57)
<b>Net cash used in investing activities</b>		<b>(7,557)</b>	<b>(319,939)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(363,401)</b>	<b>473,980</b>
Cash and cash equivalents brought forward		934,281	460,301
<b>Cash and cash equivalents carried forward</b>	26	<b>570,880</b>	<b>934,281</b>



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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

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**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.

**1.1 Basis of preparation of financial statements**

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Canterbury Academy constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy trust alone as permitted by section 408 of the Companies Act 2006.

**First time adoption of FRS 102**

It is the first period that the academy trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014.

As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards, however generally the impact of these has had no effect on comparative figures.

The main impact has therefore been to change the presentation of certain items in the accounts in order to comply with the new legislation, notably:

- i) capital grants are now shown in a donations and capital grants row on the Statement of Financial Activities, rather than within incoming resources from charitable activities; and
- ii) governance costs are now included with support costs, within costs of charitable activities, instead of appearing on a separate line on the Statement of Financial Activities.

The comparative figures have been restated only in respect of the recognition of LGPS interest costs. Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £62,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount. There is therefore no impact on the brought forward fund position or net movement in funds in the comparative period.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting Policies (continued)**

**1.2 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 the Department for Education 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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

**1.3 Income**

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**1.4 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.

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

All resources expended are inclusive of irrecoverable VAT.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting Policies (continued)**

**1.5 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 academy trust 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..

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of The Canterbury Academy and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The academy trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £5,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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.

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.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on leasehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property on conversion	-	0.65% - 10%
Long-term leasehold property post conversion	-	2% - 5%
Plant and machinery	-	25% straight line
Fixtures and fittings	-	10% - 25% straight line
Computer equipment	-	20% - 33.33% straight line

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting Policies (continued)**

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

(i) **Subsidiary undertakings**

Investments in subsidiaries are valued at cost less provision for impairment.

(ii) **Associated undertakings**

Investments in associates are stated at the amount of the academy trust's share of net assets. The Statement of financial activities includes the academy trust's share of the associated companies' profits after taxation using the equity accounting basis.

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.11 Debtors**

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

**1.12 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.13 Liabilities and provisions**

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 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.

**1.14 Financial instruments**

The academy trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.15 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.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting Policies (continued)**

**1.16 Pensions**

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 quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs 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

**1.17 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**2. General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2016 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.

No academies within the trust exceeded the limits during the year ended 31 August 2016.

**The Canterbury Academy**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**3. Income from donations and capital grants**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	4,866	19,795	-	24,661	12,820
Capital grants	-	-	1,360,437	1,360,437	32,863
	<u>4,866</u>	<u>19,795</u>	<u>1,360,437</u>	<u>1,385,098</u>	<u>45,683</u>

In 2015, of the total income from donations and capital grants, £1,445 was to unrestricted funds and £44,238 was to restricted funds.

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	9,087,781	9,087,781	8,369,036
Other DfE/EFA grants	-	737,849	737,849	677,747
	<u>-</u>	<u>9,825,630</u>	<u>9,825,630</u>	<u>9,046,783</u>
<b>Other government grants</b>				
Local authority grants	5,967	976,439	982,406	1,161,846
Other government grants	250	103,142	103,392	52,261
	<u>6,217</u>	<u>1,079,581</u>	<u>1,085,798</u>	<u>1,214,107</u>
<b>Other income from educational operations</b>				
Sports income from academies and schools	153,196	55,350	208,546	130,411
Reimbursement of travel and food technology costs	125,221	-	125,221	58,121
Educational trip income	78,777	-	78,777	47,447
Catering income	126,960	-	126,960	102,092
Other activities	-	25,982	25,982	153,640
	<u>484,154</u>	<u>81,332</u>	<u>565,486</u>	<u>491,711</u>
	<u>490,371</u>	<u>10,986,543</u>	<u>11,476,914</u>	<u>10,752,601</u>

In 2015, of the total income from charitable activities, £485,618 was to unrestricted funds and £10,263,237 was to restricted funds.

**The Canterbury Academy**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**5. Trading activities**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
<b>Trading income</b>				
Academy clubs and sport camp	25,541	-	25,541	26,398
Lettings income	189,373	-	189,373	237,541
Sales of goods and services	27,500	128,963	156,463	67,900
Staff consultancy	227,285	-	227,285	91,989
Uniform income	39,802	-	39,802	35,832
Subsidiary income	512,570	-	512,570	153,684
Other activities	40,421	-	40,421	18,017
	<u>1,062,492</u>	<u>128,963</u>	<u>1,191,455</u>	<u>631,361</u>
<b>Fundraising/trading expenses</b>				
Uniform purchases	-	37,087	37,087	26,432
Subsidiary - other expenditure	105,445	-	105,445	23,991
Subsidiary - wages and salaries	353,109	-	353,109	117,309
Subsidiary - national insurance	10,134	-	10,134	4,072
Subsidiary - depreciation of tangible fixed assets	16,127	-	16,127	1,683
	<u>484,815</u>	<u>37,087</u>	<u>521,902</u>	<u>173,487</u>
Net income from trading activities	<u>577,677</u>	<u>91,876</u>	<u>669,553</u>	<u>457,874</u>

In 2015, of the total income from trading activities, £728,281 was to unrestricted funds and £5,172 was to restricted funds.

In 2015, of the total expenditure from trading activities, £149,535 was to unrestricted funds £26,432 was to restricted funds.

**6. Investment income**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Investment income	<u>2,852</u>	<u>-</u>	<u>2,852</u>	<u>3,242</u>

In 2015, of the total investment income, £3,242 was to unrestricted funds and £nil was to restricted funds.

**The Canterbury Academy**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**7. Expenditure**

	<b>Staff costs 2016 £</b>	<b>Premises 2016 £</b>	<b>Other costs 2016 £</b>	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Fundraising/trading expenditure	363,243	50,971	107,688	521,902	175,967
Trust's educational operations:					
Direct costs	7,211,626	710,246	2,095,859	10,017,731	9,299,927
Support costs	2,286,836	560,226	692,075	3,539,137	3,039,211
	<u>9,861,705</u>	<u>1,321,443</u>	<u>2,895,622</u>	<u>14,078,770</u>	<u>12,515,105</u>

In 2016, of the total expenditure, £1,435,754 (2015: £879,559) was to unrestricted funds and £12,643,016 (2015: £11,635,546) was to restricted funds.



**The Canterbury Academy**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**8. Charitable activities**

	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
<b>Direct costs - educational operations</b>		
Wages and salaries	5,871,210	5,385,831
National insurance	487,280	398,067
Pension cost	853,136	683,845
Depreciation	710,246	684,643
Educational supplies	220,651	175,085
Examination fees	216,194	209,401
Staff development	51,113	41,539
Technology costs	59,326	57,457
Educational consultancy	1,242,748	869,992
Travel and subsistence	19,753	43,693
Other direct costs	286,074	270,152
Loss on disposal of tangible fixed assets	-	480,222
	<u>10,017,731</u>	<u>9,299,927</u>
<b>Support costs - educational operations</b>		
Wages and salaries	1,669,012	1,418,246
National insurance	103,848	77,958
Pension cost	513,976	464,685
Depreciation	38,200	12,733
Technology costs	53,074	61,779
Recruitment and support	103,817	31,454
Maintenance of premises and equipment	172,635	192,250
Cleaning	23,695	30,409
Operating lease rentals	36,406	19,615
Rates	99,730	86,069
Energy	155,071	152,738
Insurance	68,286	60,907
Security	2,609	3,033
Transport	98,557	94,600
Catering	240,101	214,547
Bank interest and charges	3,778	2,849
Other support costs	144,457	101,719
Governance costs	11,885	13,620
	<u>3,539,137</u>	<u>3,039,211</u>
	<u><u>13,556,868</u></u>	<u><u>12,339,138</u></u>

**The Canterbury Academy**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**9. Net incoming resources/(resources expended)**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amortisation - intangible fixed assets	38,200	12,733
Depreciation of tangible fixed assets:		
- owned by the charitable group	726,373	686,326
Amortisation of intangible fixed assets	38,200	12,733
Operating lease rentals	201,141	165,383
Loss on disposal of tangible fixed assets	137	480,222
	<u>          </u>	<u>          </u>

**10. Auditors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Fees payable to the academy trust's auditor and its associates for the audit of the academy trust's annual accounts	10,000	9,620
Fees payable to the academy trust's auditor and its associates in respect of:		
The auditing of accounts of associates of the academy trust	3,300	3,000
All other non-audit services not included above	1,885	4,000
	<u>          </u>	<u>          </u>

**The Canterbury Academy**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**11. Staff costs**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	7,733,696	6,823,222
Social security costs	601,262	480,097
Pension costs	1,367,112	1,148,530
	<u>9,702,070</u>	<u>8,451,849</u>
Supply teacher costs	159,635	78,164
Staff restructuring costs	-	20,000
	<u>9,861,705</u>	<u>8,550,013</u>

The average number of persons employed by the academy trust during the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	130	133
Administration and support	147	161
Management	16	9
	<u>293</u>	<u>303</u>

Average headcount expressed as a full time equivalent:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	124	123
Administration and support	108	124
Management	15	8
	<u>247</u>	<u>255</u>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
In the band £ 60,001 - £ 70,000	2	2
In the band £ 70,001 - £ 80,000	2	1
In the band £ 120,001 - £ 130,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £66,469 (2015: £46,134).

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £373,166 (2015: £425,005).

**12. Central services**

No central services were provided by the academy trust to its academies during the year and no central charges arose.

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**13. 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 and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Mr. P. Karnavas, Executive Principal	Remuneration	125,000-130,000	125,000-130,000
	Pension contributions paid	20,000-25,000	15,000-20,000
Mrs. R. Cox, Staff Trustee	Remuneration	20,000-25,000	30,000-35,000
	Pension contributions paid	0-5,000	0-5,000
Mr. M. Harris, Staff Trustee	Remuneration	30,000-35,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr. Craig May, Staff Trustee	Remuneration	5,000-10,000	-
	Pension contributions paid	0-5,000	-

During the year, no trustees received any benefits in kind (2015 - £NIL).

During the year, no trustees received any reimbursement of expenses (2015 - £NIL).

**14. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £415 (2015: £393).

**15. Intangible fixed assets**

	<b>Goodwill</b>
<b>Group</b>	<b>£</b>
<b>Cost</b>	
At 1 September 2015 and 31 August 2016	200,548
<b>Amortisation</b>	
At 1 September 2015	12,733
Charge for the year	38,200
At 31 August 2016	50,933
<b>Carrying amount</b>	
At 31 August 2016	149,615
At 31 August 2015	187,815

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**16. Tangible fixed assets**

<b>Group</b>	<b>Long-term leasehold property £</b>	<b>Long-term leasehold improvements £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Assets under construction £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 September 2015	18,569,093	807,338	181,997	313,321	-	19,871,749
Additions	-	628,587	125,060	72,058	545,141	1,370,846
Disposals	-	-	(550)	-	-	(550)
At 31 August 2016	18,569,093	1,435,925	306,507	385,379	545,141	21,242,045
<b>Depreciation</b>						
At 1 September 2015	2,637,508	48,277	41,038	86,907	-	2,813,730
Charge for the year	605,100	33,374	26,494	61,405	-	726,373
On disposals	-	-	(413)	-	-	(413)
At 31 August 2016	3,242,608	81,651	67,119	148,312	-	3,539,690
<b>Net book value</b>						
At 31 August 2016	15,326,485	1,354,274	239,388	237,067	545,141	17,702,355
At 31 August 2015	15,931,585	759,061	140,959	226,414	-	17,058,019

Included in long-term leasehold property is leasehold land at valuation of £1,433,770 (2015: £1,433,770), which is not depreciated.

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**16 Tangible fixed assets (continued)**

Academy trust	Long-term leasehold property £	Long-term leasehold improvements £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>						
At 1 September 2015	18,569,093	786,870	149,511	313,321	-	19,818,795
Additions	-	626,919	119,802	72,058	545,141	1,363,920
At 31 August 2016	18,569,093	1,413,789	269,313	385,379	545,141	21,182,715
<b>Depreciation</b>						
At 1 September 2015	2,637,508	41,402	24,970	86,907	-	2,790,787
Charge for the year	605,100	21,352	22,389	61,405	-	710,246
At 31 August 2016	3,242,608	62,754	47,359	148,312	-	3,501,033
<b>Net book value</b>						
At 31 August 2016	15,326,485	1,351,035	221,954	237,067	545,141	17,681,682
At 31 August 2015	15,931,585	745,468	124,541	226,414	-	17,028,008

**17. Fixed asset investments**

Group		Unlisted securities £	Sub total carried forward £
<b>Market value</b>			
At 1 September 2015		8	8
Disposals		(8)	(8)
At 31 August 2016		-	-
	Sub total brought forward £	Investments in participating interests £	Total £
<b>Group</b>			
<b>Market value</b>			
At 1 September 2015	8	49	57
Disposals	(8)	-	(8)
At 31 August 2016	-	49	49

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**17. Fixed asset investments (continued)**

**Group investments at market value comprise:**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Unlisted investments	-	8
Participating interests	49	49
	<u>49</u>	<u>57</u>
Total market value	<u>49</u>	<u>57</u>

All the fixed asset investments are held in the UK

	<b>Shares in group undertakings</b>
	<b>£</b>
<b>Academy trust</b>	
<b>Market value</b>	
At 1 September 2015 and 31 August 2016	<u>1</u>

**Academy trust investments at market value comprise:**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Group	<u>1</u>	<u>1</u>

All the fixed asset investments are held in the UK

**18. Stocks**

	<b>Group</b>		<b>Academy trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>13,356</u>	<u>17,621</u>	<u>13,356</u>	<u>17,621</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**19. Debtors**

	<b>Group</b>		<b>Academy trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	270,834	133,037	262,775	134,920
Amounts owed by group undertakings	-	-	75,528	34,909
Other debtors	214,303	76,906	214,303	76,906
Prepayments and accrued income	561,593	283,881	561,218	282,126
	<u>1,046,730</u>	<u>493,824</u>	<u>1,113,824</u>	<u>528,861</u>

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**20. Creditors:**  
**Amounts falling due within one year**

	<b>Group</b>		<b>Academy trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	696,661	146,101	692,809	142,329
Corporation tax	2,954	10,624	-	-
Other taxation and social security	185,982	146,016	182,325	141,940
Other creditors	198,585	194,084	152,701	149,027
Accruals and deferred income	298,266	294,147	291,612	253,643
	<b>1,382,448</b>	<b>790,972</b>	<b>1,319,447</b>	<b>686,939</b>

	<b>Group</b>		<b>Academy trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred income</b>				
Deferred income at 1 September 2015	131,245	33,021	98,241	14,699
Resources deferred during the year	108,615	131,245	108,615	98,241
Amounts released from previous years	(131,245)	(33,021)	(98,241)	(14,699)
Deferred income at 31 August 2016	<b>108,615</b>	<b>131,245</b>	<b>108,615</b>	<b>98,241</b>

The deferred income above relates to the following:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
School trips, music lessons and bus passes	24,671	41,613
EFA universal free school meals grant	14,531	11,854
EFA rates grant	27,335	28,360
KCC early years funding	-	33,004
Canterbury inclusion service	28,103	-
Teaching schools funds grant	11,475	-
Property rent	2,500	1,500
Other	-	14,914
	<b>108,615</b>	<b>131,245</b>

**21. Creditors:**  
**Amounts falling due after more than one year**

	<b>Group</b>		<b>Academy trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other creditors	135,000	180,000	-	-



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**22. Statement of funds - group**

	<b>Brought Forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>Unrestricted funds</b>						
General funds	524,655	1,564,924	(1,435,754)	(476,029)	-	177,796
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	9,119,810	(9,537,074)	417,264	-	-
Other DfE/EFA	68,952	772,532	(805,956)	-	-	35,528
Other government grants	99,028	785,005	(875,640)	-	-	8,393
Other restricted	-	457,954	(451,100)	-	-	6,854
Pension reserve	(2,499,000)	-	(263,000)	-	(1,994,000)	(4,756,000)
	<u>(2,331,020)</u>	<u>11,135,301</u>	<u>(11,932,770)</u>	<u>417,264</u>	<u>(1,994,000)</u>	<u>(4,705,225)</u>
<b>Restricted fixed asset funds</b>						
EFA capital grants	758,760	640,296	(53,413)	-	-	1,345,643
Capital expenditure from GAG	337,665	-	(51,733)	208,765	-	494,697
Other government grants	-	720,141	-	(150,000)	-	570,141
Donated fixed asset	15,931,585	-	(605,100)	-	-	15,326,485
	<u>17,028,010</u>	<u>1,360,437</u>	<u>(710,246)</u>	<u>58,765</u>	<u>-</u>	<u>17,736,966</u>
Total restricted funds	<u>14,696,990</u>	<u>12,495,738</u>	<u>(12,643,016)</u>	<u>476,029</u>	<u>(1,994,000)</u>	<u>13,031,741</u>
Total of funds	<u>15,221,645</u>	<u>14,060,662</u>	<u>(14,078,770)</u>	<u>-</u>	<u>(1,994,000)</u>	<u>13,209,537</u>

The specific purposes for which the funds are to be applied are as follows:

- i) General Annual Grant ("GAG") must be used for the normal running costs of the academy trust. The excess GAG expenditure was funded from unrestricted funds of £419k.
- (ii) The other DfE/EFA grants fund is used to track non-GAG grant money received from the DfE/EFA and connected bodies, and includes Pupil Premium.
- (iii) The other government grants fund is used to track grants provided by government departments and includes the Schools Standard Funds.
- iv) The other restricted income fund is used to account for other special grants received from public bodies and school fund income, together with related expenditure.
- (v) The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.
- (vi) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. A transfer of £59k during the year covers the capital expenditure incurred in excess of the capital grant funding received.

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**22. Statement of funds - group (continued)**

Since the academy trust comprises two individual schools the trust is a multi-academy trust, and is required to disclose certain information showing the allocation of funds between individual academies and certain expenditure incurred by each academy during the year. However, whilst legally the two schools are separate entities, they operate from one combined site and share significant costs. The time and cost involved in obtaining the relevant disclosures is deemed to be out of proportion to the benefit of doing so.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**23. Analysis of net assets between funds**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	149,615	-	-	149,615	187,815
Tangible fixed assets	20,673	-	17,681,682	17,702,355	17,058,019
Fixed asset investments	49	-	-	49	57
Current assets	205,460	1,329,183	96,323	1,630,966	1,445,726
Creditors due within one year	(63,001)	(1,278,408)	(41,039)	(1,382,448)	(790,972)
Creditors due in more than one year	(135,000)	-	-	(135,000)	(180,000)
Provisions for liabilities and charges	-	(4,756,000)	-	(4,756,000)	(2,499,000)
	<u>177,796</u>	<u>(4,705,225)</u>	<u>17,736,966</u>	<u>13,209,537</u>	<u>15,221,645</u>

**24. Net movement in funds of parent company**

As permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, the Statement of Financial Activities of the parent company, The Canterbury Academy, is not presented as part of these accounts. The parent company's net movement in funds for the financial year was a reduction of £1,970,028 (2015: £988,659).

As explained in the financial review section of the trustees' report the reduction in funds in 2015/2016 is largely as a result of the actuarial loss on defined benefit pension schemes.

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**25. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net expenditure for the year (as per Statement of financial activities)	(18,108)	(1,079,738)
<b>Adjustment for:</b>		
Depreciation charges	726,373	686,326
Loss on the disposal of investments	8	-
Dividends, interest and rents from investments	(2,852)	(3,242)
Loss on the disposal of tangible fixed assets	137	480,222
Decrease/(increase) in stocks	4,265	(17,621)
Increase in debtors	(546,016)	(1,126)
Increase in creditors	539,586	496,228
Capital grants from DfE and other capital income	(1,360,437)	(32,863)
Defined benefit pension scheme cost less contributions payable	168,000	157,000
Defined benefit pension scheme finance cost	93,000	94,000
Defined benefit pension scheme administration cost	2,000	2,000
Amortisation of intangible fixed assets	38,200	12,733
<b>Net cash (used in)/provided by operating activities</b>	<b>(355,844)</b>	<b>793,919</b>

**26. Analysis of cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash in hand	570,880	934,281
<b>Total</b>	<b>570,880</b>	<b>934,281</b>

**27. Capital commitments**

At 31 August 2016 the group and academy trust had capital commitments as follows:

	<b>Group</b>		<b>Academy trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	2,769,085	102,497	2,769,085	102,497

**28. Pension commitments**

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 Country Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £182,325 were payable to the schemes at 31 August 2016 (2015: 141,940) and are included within creditors.

**28. Pension commitments (continued)**

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £739,000. (2015: £571,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £456,000 (2015: £419,000), of which employer's contributions totalled £348,000. (2015: £321,000) and employees' contributions totalled £108,000 (2015: £98,000). The agreed contribution rates until 1 April 2017 are 19.8% for employers and 5.5% - 12.5% for employees, and the academy trust is currently waiting to receive confirmation of the rates which will apply from this date.

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.

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**28. Pension commitments (continued)**

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

The group's share of the assets in the scheme was:

	<b>Fair value at 31 August 2016 £</b>	<b>Fair value at 31 August 2015 £</b>
Equities	2,766	2,145
Gilts	37	32
Property	573	425
Other bonds	436	347
Cash	98	82
Target return portfolio	178	136
<b>Total market value of assets</b>	<b>4,088</b>	<b>3,167</b>

The actual return on scheme assets was £481,000 (2015 - £70,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2016 £</b>	<b>2015 £</b>
Current service cost (net of employee contributions)	(532,000)	(478,000)
Net interest cost	(93,000)	(94,000)
Administration cost	(2,000)	(2,000)
<b>Total</b>	<b>(627,000)</b>	<b>(574,000)</b>

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**28. Pension commitments (continued)**

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	5,666,000	5,035,000
Current service cost	532,000	478,000
Interest cost	228,000	207,000
Contributions by employees	112,000	98,000
Actuarial losses/(gains)	2,340,000	(125,000)
Benefits paid	(34,000)	(27,000)
	<u>8,844,000</u>	<u>5,666,000</u>
Closing defined benefit obligation	<u>8,844,000</u>	<u>5,666,000</u>

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	3,167,000	2,707,000
Return on plan assets (excluding net interest on the net defined pension liability)	135,000	113,000
Actuarial gains and (losses)	346,000	(43,000)
Contributions by employer	364,000	321,000
Contributions by employees	112,000	98,000
Benefits paid	(34,000)	(27,000)
Administration expense	(2,000)	(2,000)
	<u>4,088,000</u>	<u>3,167,000</u>
Closing fair value of scheme assets	<u>4,088,000</u>	<u>3,167,000</u>

**29. Operating lease commitments**

At 31 August 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Group and Academy Trust</b>		
<b>Amounts payable - Land and buildings:</b>		
Within 1 year	<u>74,810</u>	<u>34,000</u>
<b>Amounts payable - other:</b>		
Within 1 year	43,198	43,623
Between 1 and 5 years	56,850	101,998
Total	<u>100,048</u>	<u>145,621</u>

**30. Other financial commitments**

The academy is committed to an operator agreement for its sports building of 20 years from 1 December 2012. The operator agreement is a cost to the academy of £110,000 for the first ten years and £100,000 for the remaining ten years.

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**The Canterbury Academy**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

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**31. Related party transactions**

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

The academy trust has adopted the exemption from disclosure of related party transactions with its subsidiaries under Financial Reporting Standard 102 on the basis of its subsidiary undertakings being wholly owned.

The following related party transactions of the academy trust occurred during the year:

**East Kent Learning Alliance Ltd** (company number 08328173)

East Kent Learning Alliance Ltd (EKLA) is a teaching school alliance of East Kent schools, which include The Canterbury Academy. EKLA is structured as a company by the guarantee of its members. Mr. P. Karnavas, a trustee and the Accounting Officer, is a director of EKLA, and The Canterbury Academy are one of the members having provided a guarantee of up to £10.

During the year income of £87,028 (2015: £74,194) was received from EKLA and expenditure of £10,386 (2015: £7,706) was incurred. £nil (2015: £26,320) was transferred from EKLA being the The Canterbury Academy's share of the Schools Direct Allocation. At the 31 August 2016 EKLA owed the academy trust £24,164 (2015: £12,368).

**Appeti Tennis Limited** (company number 04673995)

Mr. A. Doyle, a trustee until 23 November 2015, is a director in Appeti Tennis Limited, a professional tennis teaching academy. Up until 23 November 2015 sales invoices of £6,000 (2015: £20,000) were due to the academy trust, and purchases of £8,108 (2015: £30,143) were made from Appeti Tennis Limited by the trust. Mr. Doyle also holds an indirect non-controlling interest in the shares of Appeti Tennis Limited via another company he owns shares in. All transactions entered into during the year were at arms length and, from 7 November 2013, on a not-for-profit basis.

At the 31 August 2016 Appeti Tennis Limited owed the academy trust £nil in respect of services (2015: £33,741).

**32. Controlling party**

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

**33. Principal subsidiaries**

Company name	Country	Percentage Shareholding	Description
	United Kingdom	100 %	Ordinary
Buckle Under Limited	United Kingdom	100 %	Ordinary

**34. 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 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.