

The Canterbury Academy
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2017



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 2017

Members	Mrs. D. Wells Mrs. J. Keay Mr. R. Field Mrs. J. Larkinson Mr. A. Milton
Trustees	Mrs. D. Wells, Vice Chair Mrs. J. Keay Mrs. J. Parsons (resigned 31.12.16) Mr. P. Karnavas, Executive Principal and Accounting Officer Mrs. R. Cox, Staff Trustee Mr. R. Field, Chair Mrs. R. Giles, Co-opted Mr. N. Guthrie, Chair of Finance, Buildings and Personnel Mrs. R. Hobbs, Parent Trustee Mrs. J. Larkinson Mr. Craig May, Staff Trustee Mr. A. Milton Mrs. S. Ward (resigned 31.3.17) Mrs. H. Wiles, parent trustee Mr. C. Wilse (resigned 31.10.16) Mrs. A. Weinel (appointed 19.12.16) Mr. J. Stevens (appointed 19.12.16) Mrs. C. Hicks (appointed 9.2.17) Mr. K. Willett (appointed 4.5.17 and removed 2.10.17 due to non-attendance at meetings) Mr. N. Winterflood (appointed 24.5.17) Co-opted Mr. D. Chamberlain (appointed 5.7.17) Co-opted
Company registered number	07345430
Company name	The Canterbury Academy
Principal and registered office	Knight Avenue Canterbury Kent CT2 8QA
Clerk to the Board of Directors	Mrs. D. Scott
Senior management team	Mr. P. Karnavas, Executive Principal Mr. J. Watson, Executive Principal Designate Mrs. B. Farrell, Principal of the Primary School Mrs. C. Crane, Trust Executive Vice Principal Mrs. L. Andrew, Chief Finance Officer
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
Bankers	The Royal Bank of Scotland 14 Rose Lane Canterbury Kent CT1 2ST

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Trustees' Report

For the Year Ended 31 August 2017

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 2017

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 289 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 intention was to grow incrementally by adding a new Class R each year so that the school would be fully two forms of entry by September 2020. It appears as if this may now happen before that date.

The Primary School also has an ASD SRBP (Autistic Spectrum Disorder Specialist resourced base provision) 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 2018 it will offer (at least) 15 places. The Canterbury High School formally changed its PAN for September 2017 and now has a PAN of 210 in each year group. The High school also has a commissioned provision for a SEN Speech and Language SRBP. This presently has 28 students (15 of which are commissioned places through KCC). The High School roll was 1770 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 (Operated by Buckle Under Ltd)
- b. The Canterbury Primary
- c. The Cavendish Centre (Autistic spectrum disorder specialist resourced base provision at the primary school site)
- d. The Canterbury High School (has a new building completed July 2017 housing 12 additional classrooms)
- e. The Speech and Language specialist resource base provision at the High School
- f. The 6th form (the only non-selective 6th form in Kent to grow for 3 successive years -2014-2015,2015-2016, 2016 - 17 - and now one of the largest of all 6th forms in Kent and the largest non-selective 6th form
- g. A range of Alternative Curriculum Provision (ACP) including
 - i. 14-16 ACP PRU under commission to local area
 - ii. A range of sold service ranging from KS2-KS5
- h. 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 Ltd; 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. To assist in its building programmes and the increase of numbers on roll The Canterbury Academy has temporary access to parts of the former Chaucer School site which currently houses a post 16 Performing Arts College as well as other provision.

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 in December 2017. Thus, there is an academy executive structure which embraces and coordinates all the component parts of the company.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

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.

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 14 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. An existing trustee 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.

At the year-end there were 17 trustees in total (5 members, 4 appointed by the members, 3 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 trustee meet termly;
- The Canterbury High School trustees meet termly;
- The Sixth Form trustees meet termly;
- The CEE trustees 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; and
- Safeguarding committee meet twice a year

The Policy committee met 3 times in 2016/17. This committee will be abolished in 2017/18 and will be delegated to senior staff within the school to review and report changes to the full Board.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Organisational Structure – cont.

The full board of trustees meet 7 times a year. Smaller boards were established at the end of 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 of 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.

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. 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 and also to provide educational opportunities through placements for the high school's students studying childcare.
- 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 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 are also two St Nicholas classes based on the old Chaucer Site.
- St Nicholas School and The Lift Executive, chaired by the Head of St Nicholas School, now use the academy's Training and Development Centre for all their CPD and most meetings.
- 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. Our first cohort of students has just completed their GCSE examinations. 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.

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Trustees' Report (continued)
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Connected Organisations, including Related Party Relationships – cont.

- In September 2016, The Canterbury High School was successful in becoming a Lead Associate School for the Royal Shakespeare Company's Associate Schools Programme. This pilot 2-year programme is hoped to become a rolling scheme, which replaces the Learning & Performance Network, of which we were a hub school for three years, from 2013-2016. We work with 10 Associate Schools, Canterbury Primary School, Herne Bay Junior School, St Gregory's Catholic Primary, Canterbury Road Primary, Ethelbert Road Primary, Lynsted & Norton Primary, Rochester Grammar School, The Orchard School, Folkestone Academy, Towers School & Sixth Form. These schools range from primary to secondary and include grammars, comprehensives and a special school for pupils with Emotional and Behavioural Difficulties (EBD) needs.

In April, we presented a successful production of *The Tempest* at the Leas Cliff Coastal Park in Folkestone, with all the schools involved presenting a scene each to create a joint production. From this production, 3 children from each school formed a new cast and presented a new production of *The Tempest* for the Playmaking Festival at The RSC studio theatre, The Other Place, in Stratford-upon-Avon.

Our new training programme, Stage Door, for selected Year 8 & 9 pupils to undertake work-related training for backstage and front of house roles in the theatre has been successful. These pupils have received input from freelance practitioners and staff from The Marlowe, learning about what goes into putting on a production behind the scenes. Three of these pupils took part in the RSC Backstage Pass Work Experience residential week in January, learning about costume, stage management and marketing & front of house. They brought together all they had learned for a short performance, acted by RSC actors and directed by RSC directors. All departments worked together independently as though in a real professional production. Six pupils from the group worked on *The Marlowe's Creed of Spies* production in July, learning how to be film makers.

- The Canterbury Academy was successful in retaining the Youth Commission for another 5 years taking us up to 30th November 2021. The Youth Commission covers the entire Canterbury District including centre based and detached youth work. We have entered into a Service Level Agreement (SLA) with the Canterbury City Council to deliver on our behalf, they cover the Lucerene and Spring Lane Estate. The commission requires the academy to deliver on set Key Performance Indicators (KPI's) that the Academy are judged against, to show how the Academy is performing.
- The Canterbury Academy was asked by KCC to take on management responsibility for the 14 – 16 ACP PRU based at Riverside, Phoenix 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 an increased number of students permanently removed from local schools, commissioned by the Canterbury Inclusion Service at Riverside and Phoenix House. This year we have been asked to take ten students more than we have previously been commissioned for. 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 was increased to £374,544 for 2016-2017 and due to the increased numbers that we have been asked to take, it has been further increased to £503,137.
- The Canterbury Academy has an Enterprise & Employability College (EEC) 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'. Refurbishment of changing rooms to start August 2017 approximately cost £65K.
- The Canterbury Academy has sporting links with Gillingham Football Club, Kent Crusaders, Aire Trampolining, AFD Limited, Canterbury Gym Club, Boughton Golf Club and Marathon Sports. These relationships enable the academy to develop elite post 16 sport provision and also provide enrichment activities for students' pre-16.
- Appeti Tennis has a tennis dome on site and is still interested in pursuing the possibility of expanding the facility with increased teaching space. A Tennis School was created, with 12 students enrolled in the school in 2016/17. Students in the tennis school have all improved their rankings and are achieving well academically.

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Trustees' Report (continued)
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Connected Organisations, including Related Party Relationships – cont.

- 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 Move It 2017 and The Stag Theatre in Sevenoaks.
- 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. During 2016/17 The Canterbury Primary School was awarded teaching school status. The Academy will work with EKLA in its primary aim in delivering NPQ, ITT and SLE programmes to staff. Bev Farrell, Principal of The Canterbury Primary School was also awarded the status of National Leader in Education.
- 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 2016-17, 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. 16 secondary teachers, including 3 from The Canterbury High School registered to take part in this programme.
- John Heffernan continued to be seconded to The Further Mathematics Support Programme for 1 day each week throughout the academic year 2016-17 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 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.
- John is the Level 3 Lead for the Kent and Medway Maths Hub, responsible for the coordination of level 3 provision throughout the area and is a member of the hub leadership.
- Based at The Canterbury Academy, the Canterbury Academy 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 now managed by our School Games organiser, Gemma Edwards who was appointed on 3rd July, 2017. Gemma works closely with Marika Langlois who is now our Extended Services Sport Manager.
- The Canterbury PTA is now a registered charity. It has already launched a school lottery and sponsorship packages towards our scholarship programme will go live in September 2017.

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.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

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

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). A group of recognised leaders 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 Vice Principal and their work is overseen by the Trust 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 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 receiving 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 2016-17 The Academy raised £7775.34 for local, national and international charities. We created a staff Christmas song, supporting Catching Lives and Uganda; Heads of House did a plank off for Children in Need; PE vs the Rest of the School staff for Red Nose Day; bake sales for Uganda, Macmillan, UNICEF, British Heart Foundation, Save the Children and Disasters Emergency Committee; we sold red and white poppies for British Legion, Peace Pledge Union. We sold handmade items from our Ugandan charity at the Summer Fest, making more than £200.

Art & photography competitions have been very successful. They ran lots of local, national competitions and embedding house competitions into these. Swimming gala took place within PE. Poetry competition in English resulted in pupils being showcased in a published anthology. STEM club came second in the KM Bright Sparks competition against sixth formers from local schools. Year 7s took part in house competitions as part of their transition week in summer.

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.

The Do Your Thing Week was launched for its third 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. This year the week extended to our primary school and they were also documented within the film.

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 success are being reported than ever before.

The key driver for this academic year is to raise the profile of rewards and recognition to the point where the rewards outweigh the sanctions given. The new rewards system is SIMs based so teachers award pupils directly to their profile.

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Trustees' Report (continued)
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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 297 students sitting it in November 2016 (for entrance into the school September 2017).

Extended Services

Sports camps run from 9am – 3pm but popularity is limited due to our inability to offer early drop off and late pick up. Transition weeks for new Year 7s continue to run, now for 1 week in the summer, compared to 2 previously, due to staffing and building work taking place in the summer. Numbers were reduced this year for an unknown reason.

Energy Kidz, which used to run from our site are no longer operating here. The Primary School runs occasional holiday camps for 4-11 year olds.

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.

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 continue to grow our external lettings across the academy. We now hire facilities at Chaucer and the new primary school.
- Our relationship with Concorde international is strong and we are welcoming more groups of visitors 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.

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.

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.

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Trustees' Report (continued)
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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 2016/17 results have been very positive in Early Years, Key Stage 1 & 2. Early Years Foundation Stage results once again continues 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. 78% of pupils achieved a Good Level of Development compared to a NA of 69%. This year was our largest ever year group in the Early years with 62 children. Key Stage 1 showed some excellent areas of improvement this year. Reading, writing and Maths attainment improved by between 6-9%. It is expected that these results will all be above National Averages and significantly so for Maths. Pupil attainment at exceeding level is exceptional this year. In Key Stage 1 44% of pupils achieved 'Exceeding' or 'Greater Depth' in all areas. It is predicted these results will be at least twice as high as National averages. Year 1 phonics has shown a dip this year which was disappointing but is expected to be a blip rather than a trend. Key Stage 2 results continue to build upon the previous successes and improved once again at 'Expected' level. We achieved 73% combined compared to a national average of 61%. This also improved on the 68% from last year for the school. Our Spelling, Punctuation and Grammar results were the strongest they have ever been and we are above the NA for the first time by 6% achieving 83%. Reading achieved 78% which is 7% above NA, Writing achieved 83% which is 7% above NA and Maths achieved 88% which is 13% above NA. However, the attainment at 'Exceeding' level was lower than expected and will fall below the NA.

High School

Our headline figure as of September 2017 stands at 52.4% 5 A*-C including maths and English (insofar as comparisons can be made given the changes in 2017). This is our second best set of results since the headline inclusive of English and maths was introduced, although the DFE may publish lower than this at first due to students on roll and appeals. 53% of students achieved the 'basics' benchmarks of maths and English GCSE at L4 (the old grade C) and 24% at Level 5 the new strong pass. This appears very good if compared to similar types of school in Kent according to PiXL. We are awaiting their table checking exercise to open, so we can confirm our figures.

Our Progress 8 Score (now the key measure as of summer 2016) is likely to be negative (as it was last year but in line with national averages). However, this is largely a consequence of 20% of the year group not doing 8 subjects. Although our 'live' Progress 8 score (national comparisons) will not be available until the Autumn term, these will confirm our position when compared to schools and their students nationally. It should be noted that 47 students 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 2014 decided, quite rightly for them and their futures, to continue with their chosen pathways.

External factors that affected results:

New Maths and English specifications with unknown grade boundaries.

Sixth form

In the 6th form the progress scores for the A level students came in at 0.09 with the applied general progress at -0.2. This means on average our students are achieving the equivalent of D at A Level and a grade A or Distinction at vocational subjects. The maths and English GCSE retakes achieved very positive results of 0.16 and 0.03 respectively with both being significantly above national average. The sixth form destination figure also came out exceptionally positive with a 93% positive destination compared to the national 88%. A large number of students this year have been very successful in achieving outstanding A and BTEC qualifications, allowing them to progress to university.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

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 five 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 2016-2017.

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

- Reading Age - 94% same or better since referral;
- Spelling Age - 95% same or better since referral;
- Emotional and Behavioural Development - 92% same or better since referral;
- Rewards - 81% increased number of points gained per term; and
- Number of Fixed Term Exclusions - 100% lower since referral and 92% of students received no fixed term exclusions during their time in the provision.

% of Students	KCC Target (2018)	2012-13	2013-14	2014-15	2015-16	2016-17
Improved Attendance	100	71	76	100	78	42
Positive Post-16 Destination	90	75	76	100	83	90
Permanently Excluded	14 (in Kent)	100	100	0	0	0
Fully Reintegrated into Mainstream	35	10	12	30	20	9
Academic Progress	Unspecified	3	0	0	See below	See below

- Progress 8 Score = -2.59
- Progress 5 Score = -2.46
- Average Grade = 1.95

Academic Progress, is not a good measure, as the maximum amount of time the students are in the provision is two school years, but more often than not, it is less than this. Each student's education has been severely disrupted and therefore it would be unfair to measure the success of the provision based upon academic progress. Therefore, a combination of all the measures in the table above should be used to determine the success and the quality of the provision.

Pillar of academic excellence achievements 2016/17

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

- Year 7 – Alex Giles, Dan King Lily Cook, Izzy Vincent
- Year 8 – Georgia Brown, Iona Bolton, Chloe Burley, Cia Burford
- Year 9 – Catherine Lewis, Joe Reynolds, Romany Browne, Alice Shaw

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

- Year 7 – Lily Tucker (her average progress was 7.5 sub grades over the year)
- Year 8 – Lewis Cook (made an average of 6 sub-levels' progress in the core subjects)
- Year 9 – Catherine Lewis (has made over the expected amount of progress for the whole GCSE course already in a number of her 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:

In Key Stage 4 (Year 11) we had 14 students (5 % of year 11) obtain 8s and 9s in their maths and English. Top performers were Jamie Watson, Mahel Koch, Lilwen Meyer Dinkgrafe, Eloise Holman, Jemima Woollett, Emily Mae Neame, Morgan Weinel, Rhys Bundock and Andrea Wilderk.

In the school year 2016 to 2017 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 improved by 50% from previous years with over 113 leavers continuing their education as undergraduates.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Pillar of academic excellence achievements 2016/17 - cont

Some of the most notable successes were:

- This year we have had much more diverse destinations for our students.
- In particular, we have far more students attending 'Top Universities'
- We have now 4 A level subjects taught across the 2 schools - Langton Boys and the Academy.

We are very proud of all the students' academic success and are expecting this to continue in 2017/2018.

Pillar of Sport Achievements 2016/17

- Tamara Fournillier-Onadeko, Mate Okros, Sam Alajiki and Segun Shodunke all represented England at basketball with Mate and Segun making the Great Britain squad as well.
- Jonathan Brown has been selected for the Great Britain 3 v 3 basketball side.
- Jordan Gillmore and Jimmy Witt earned development academy places at Millwall FC and Gillingham FC.
- Lewis Marsh won a national under 14 table tennis competition.
- Dan Smith completed his sixth form with us and is now attempting to turn professional on the European Golf Tour.
- Cameron Lombard was selected to play for the South East under 18 Golf Team.
- The year 9, 10, 11 and 13 basketball teams won the county cup.
- Ollie Sunnucks and Amelia Parkinson-Wellard represented the South East at roller hockey in their respective age groups.
- The under 15 Cricket team reached the county cup final losing to Langley Park.
- Taylor Chandler and Bradley Goldsack played for the Kent Cricket under 17 squad.
- Annabelle Richards made her debut for the Kent Women's senior cricket team.
- Ayla and Erin Payten have both been selected for the England under 18 Touch Rugby Squad.
- George Defferary and Tom Little represented the Kent under 18 rugby team.
- Jack Wimble-Roberts has been selected to represent the Kent under 25 crown green bowling squad.
- Ciaran Brewer qualified (the only player from Kent) for an international tennis tournament at Wimbledon.
- Afalina Vinogradova and Ulrich Nienaber also qualified to play at Wimbledon in another tournament.
- Luc Durant represented Kent in the National Athletics Championships and came third in the shot putt competition.

Pillar of Performing Arts achievements 2016/17

Over the summer 2016, our Acting Programme and Media students spent one-week scripting, planning and shooting a film as part of the Into Film Project. The film was screened at the Gulbenkian on Tuesday 13th September.

Our professional performing arts training centre (The Chaucer Campus) opened in September to welcome the largest number of Year 12 performing arts students ever. The specialist provision on this site has attracted other companies and dance schools and is proving a great draw in terms of out-of-hours hire.

Also over summer 2016, Mia Coveney (Y8) was part of the cheerleading team that were crowned National Champions at the Cheerleading Nationals in Birmingham.

On 25th September the following students performed in the Kent School Games Cultural Celebration as soloists, after auditioning successfully against talented students from around Kent: Faye Joyce and Megan Hunt (Ballet), Connie Duncan (singer), Jack Whitnell (Drum Soloist), and Cascade Dance.

6th Form Music Programme band 'The Stay Lates' won the prestigious On the Record competition at the Canterbury Festival, competing against professional musicians around the area. It is the second time one of our Music Programme bands has won this competition.

The Canterbury Academy became one of the first schools in the UK to get the license to perform SCHOOL OF ROCK THE MUSICAL. Over 100 students auditioned for the show, the largest turnout in the past 6 years for summer show auditions.

In October, our 6th Form Dance Programme secured a place, after competing against professional dance companies and other schools in the area, to perform on the Canterbury Festival Community Stage.

Fleur Bishop (Y12 Musical Theatre) was a featured actress on an ITV drama.

The Canterbury Academy hosted a launch event as RSC Lead Associate School on Tuesday 18th October. The event welcomed students from 14 different primaries and secondary's in the area to a Tudor banquet, with entertainment, in the Black Hole.

On Sunday 20th November students from the Year 12 and Year 13 Musical Theatre Programmes performed as the opening and closing act for the Spirit of the Triangle Awards ceremony at the Ashford International Hotel.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Pillar of Performing Arts achievements 2016/17 - cont

In December, for the second year running, Mia Coveney (Y8) performed in the Marlowe Theatre's annual pantomime.

Our official dance partner, Impact Dance, attended the Nationwide Freestyle Finals and came home with many trophies, including Ruby-Mai Collier (CPS) who places first in the Slow Dance category, and Lauren Finlayson (Y11) who was crowned 'Prem Champ'.

A record number of students took part in the 2016 Christmas Cabaret – over 300 students in total.

The Junior Institute for Performing Arts (KS3) enjoyed its largest enrolment ever, with over 45 students participating in classes weekly.

Sixth Form CPA enrolment was at its biggest ever: 127 students in total across the Y12 and Y13 programmes.

Ollie Sunnucks (Y8) appeared in a featured role in the musical OLIVER! at the Winter Gardens, Margate.

Guillaume Verrier (Y11) successfully auditioned for a place on the one-year Musical Theatre Foundation course at Millenium Performing Arts stage school in London.

Maizy Theze (Y9) competed in the qualifiers for the 'All England Championships' in hip hop dance, and won 2nd in Hip Hop Solo, 1st in Electric Boogie, and 1st in Team.

On the 19th February Tom Burns (Y13 Acting) and Sam Padgett (Y12 Acting) appeared in the new series Combat Ships on the History Channel.

Our 6th Form Dance Programme (Cascade) competed at Move It – the largest Dance Exhibition in the UK – and from nearly 300 applicants came in 2nd place in the Capezio group dance competition. They have secured a place on the Main Stage at Move It for 2018 as a result.

In March, Year 13 Acting Programme students performed the new play FOMO at the Marlowe Studio as part of the National Theatre Connections competition.

Students from the Dance and Musical Theatre Programmes (over 55 in total) performed two pieces to a sold-out crowd at Sadler's Wells in London in early June.

In July, Max Weinel (Y7) was cast as the main role of John in the Marlowe's upcoming pantomime PETER PAN.

In July, Charlie Rook (Y7) was Best Actor in an award ceremony honouring student films at the Gulbenkian Cinema, sponsored by the Pauline Quirke Academy.

Pillar of Practical Learning achievements 2016/7

The Practical learning pillar alongside the academic pillar has run a successful Erasmus project with visits to schools in Latvia and Munich. The project was aimed at encouraging 6th form students to think about studying and working in Europe. They also got to visit Universities and local employers such as Audi to look at the potential career pathways in those industries.

- Jade Starling-Bayliss, Vickie Bragg - Christ church University - primary education
- Bayleigh Eastwood -employed in nurseries
- Rebecca Clark - Berties nursery -Faversham
- Chelsea Hoare - Little Friends K&C hospital nursery
- Megan Jemmett - Christchurch university - Primary education
- Megan Kendall – Midwifery

Casey Leigh Warren won the Secondary Category Kent Cooks student of the year competition, she designed and prepared her winning menu and gave a short presentation to the judges on her menu.

The most recent development is the Academy being the first school to partner with The Peter Jones Enterprise Academy to be able to offer their courses as part of the 6th form.

Stand out results:

Georgia Fahy Health and Social Care Studies D*, D*, D*

Shannon Badder Health and Social Care Studies D*, D*, D*

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Trustees' Report (continued)

For the Year Ended 31 August 2017

The Third EEC Practical Learning Awards evening took place on the 13th June 2017, and was a successful evening. The guest speaker was Toby Roy 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. Mollie Rose Jordan won the award for Practical learning student of the year.

Financial review and position

Most of the group's recurrent income is received by the parent company, in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 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 were £20.4m. This represented a significant increase on total income of £13.9m in 2016, with the capital grants of £2.9m and the value of donated fixed assets of £3.9m largely responsible for this rise. Funding for educational operations had increased too, however, rising from £11.3m in 2016 to £12.3m largely due to higher core General Annual Grant (GAG) funding which was up by £685k. A full breakdown of educational income is provided in note 3 to the financial statements.

Total group resources expended amounted to £15m, leaving net income for the year of £5.3m as shown on the SoFA. The small taxation charge relates to a group entity. The SoFA then includes two significant gains which together increase the overall net movement in funds for the year to £12.8m. Firstly, there is a gain on the revaluation of school buildings of £6.6m, and then comes an actuarial gain of £914k relating to the Local Government Pension Scheme (LGPS). This actuarial gain forms only part of the movement in the LGPS deficit carried on the trust's Balance Sheet, the overall reduction in the pension reserve and provision is £377k as a result of non-actuarial pension charges which are, as explained in accounting policy 1.17, included within staff costs. The reduction in the pension deficit this year partially reverses increases in recent years, and is line with the movements seen by most academies after the triennial revaluation of the LGPS to 31 March 2016. This year the actuary who has calculated the movement in the deficit has advised that academies, in general, have seen their deficits reduce this year.

The net movement in funds is therefore heavily influenced by matters which are either outside of the group's control or which do not relate to day-to-day operational matters. The constraints of the required format of the SoFA do not make it easy to see the revenue result on educational operations, which is the most meaningful indication of financial performance during the year.

The group has a revenue deficit for the year of £137k however it is important to note that this is after an impairment charge of £96k against the carrying value of the goodwill arising on the consolidation of the group's other entities into the financial statements. It is also after revenue to capital contributions by the academy trust of £74k, which were necessary to cover the cost of fixed asset purchased in excess of capital grant funding received. This in-year deficit has further eroded the group's reserves, and at 31 August 2017 the revenue reserves had reduced to £92k, comprising £6k of unrestricted reserves and £86k of restricted reserves. The academy trust's own Balance Sheet is a little stronger than this with reserves of £255k, excluding the pension and fixed asset funds, which is after a small revenue deficit of £25k for 2016/17 (best seen by comparing the closing fund balances on the academy trust's own Balance Sheet on page 27). The difference between the group and academy trust figures largely relates to the trust's direct subsidiary undertaking and further disclosures about the financial position of the subsidiary are included at the end of note 21 and in note 33.

At 31 August 2017 the net book value of fixed assets was £29.9m. Movements in tangible fixed assets for both the group and the academy trust are shown in note 15 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. The fixed asset fund shows a higher balance of £30.3m due to unspent capital grant money at the year end.

The final fund balance is the pension reserve, which is the only fund in deficit at the year end. As noted above, the pension deficit has reduced during 2016/17. The remaining 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 2020.

Going Concern

The financial year 2016-2017 was challenging. In fact, a carefully planned programme to reduce expenditure both through the year and for future years was introduced by the SLT with full governing body awareness. Initially there were concerns that the school would end the year in an overall cumulative deficit, however careful management and additional funds have avoided this and significantly reduced the future risk. A programme of restructuring has resulted in significant savings for 2017-18 and current projections are forecasting a surplus in the region of £500k for 2017-2018.

Based on the above, and 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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Trustees' Report (continued)
For the Year Ended 31 August 2017

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 did not have a specific policy on reserves during 2016/17, beyond the requirement that reserve levels were regularly monitored by trustees and management to ensure that sufficient reserves were maintained to meet anticipated future needs while avoiding long term accumulation of excessive sums. At the start of the new academic year a reserves policy was written and reserves in the range of £250K - £750K was agreed for 2017/18. The academy will look to build its reserves up over a period of time.

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) a) The Canterbury Primary School retained 'good' and was on the threshold of outstanding which is what it will aim for in the next Ofsted.

b) The Canterbury High School has regained 'good' (October 2017) and will begin the 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 1 a & b (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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Trustees' Report (continued)
For the Year Ended 31 August 2017

Executive summary

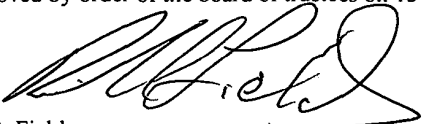
- The Canterbury Academy is a company which aims to provide a genuine comprehensive option in the increasingly competitive and unfair Kent selective system by being 'a school for all the talents', which will further develop the 4 pillars of excellence and which recognises and rewards the positive so 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 has returned to Ofsted good (October 2017) and will aspire to return to outstanding. Therefore, a new building will become operational in September 2017.
- 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. And as part of this will
 - Develop a primary MUGA
 - Develop a Professional Training and Community centre on the site of the old primary school
- 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.
- The Canterbury Primary School, on behalf of the academy, applied Teaching School status in 2016/17 and was successful

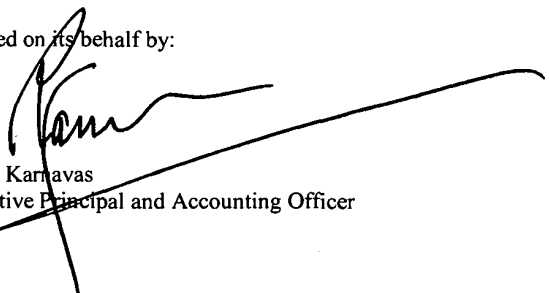
Auditors

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 13 December 2017 and signed on its behalf by:


Mr. R. Field
Chair of Trustees


Mr. P. Karnavas
Executive Principal and Accounting Officer

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Governance Statement

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:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. A. Milton	5	7
Mrs. D. Wells, Vice Chair of Trustees	4	7
Mrs. J. Keay	6	7
Mrs. J. Parsons	1	3
Mr. P. Karnavas, Exec Principal / Accounting Officer	6	7
Mrs. R. Cox, Staff Trustee	3	7
Mr. R Field, Chair of Trustees	7	7
Mrs. R. Giles	2	7
Mr. N. Guthrie, Chair Finance, Buildings and Personnel	6	7
Mrs. R. Hobbs, Parent Trustee	3	7
Mrs. J. Larkinson	6	7
Mrs. S. Ward	3	4
Mr. C. Wilse	1	2
Mrs. H. Wiles	5	7
Mrs. C. Hicks	3	4
Mr. N. Winterflood	1	1
Mr. K. Willett	0	2
Mr. D. Chamberlain	0	1
Mr. C. May	4	7
Mr. J. Stevens	3	4
Mrs. A. Weinell	4	4

During the academic year 2016 – 17 there were three trustee resignations from Julia Parsons, Christian Wilse and Sally Ward. The trustees agreed to maximise its numbers on the Board to 18, six appointments were made Anna Weinell, Caroline Hicks, Jayme Stevens, Keith Willett, Neal Winterflood and Dylan Chamberlain. 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:

As a follow up to the Ofsted inspection in October 2015, which judged the High School as 'requires improvement' a governance review was commissioned by an external adviser. The following has been introduced during 2016/17 in response to the recommendations made:

- The Board of Directors have developed an improvement plan that is reviewed termly through the mini-board meetings.
- Committee/mini-board effectiveness is being carried out and a plan is in place to continue them in the new academic year.
- Performance management of directors has begun with the Chairs of mini-boards and committees having met with the Chair of Trustees to discuss the requirements for the coming academic year.

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.

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Governance Statement (continued)

Financial projects this year have included:

- CIF Bid 1 – New roof for John Tyler building at the High School
- CIF Bid 2 – New façade for John Tyler building at the High School
- Basic Needs Bid – New 3 story teaching block at the High School
- New air conditioning units in the Independent Study Centre at the High School
- MUGA at the Primary School was due to start in the summer holidays, but has been delayed to 2017/18
- Hedges and fencing repairs at the Primary School
- Footpath work at the Ucafe at the High School
- Swegon Air Handling Unit for the main hall and black hole at the High School
- Upgrade of school phone systems at the High School and Riverside
- IT refresh across the campus

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mrs. J. Parsons,	2	2
Mrs. J. Keay,	5	5
Ms. D. Wells, Vice Chair of Trustees	2	5
Mr. P. Karnavas, Exec Principal and Accounting Officer	4	5
Mr. A. Milton	4	5
Mr. N. Guthrie Chair Finance, Buildings and Personnel	5	5
Mr. R. Field, Chair of Trustees	5	5
Mr. N. Winterflood	1	1
Mr. K. Willett	0	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:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. A. Milton	3	3
Mr. N. Guthrie	3	3
Mr. R. Field	3	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; 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. This income was increased 2016-2017 and will increase 2017-2018 by 30%.

The Canterbury Academy
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Governance Statement (continued)

Review of Value for money – cont

- The academy has continued with its policy of appointing non-teaching staff to a variety of roles. This represents a saving in terms of 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.
- Due to budget reductions, anticipated austerity measures and the National Fair Funding Formula the leadership and management of the academy have taken steps to reduce expenditure. They include the non replacement of staff where possible, the increase in teaching loads of the SLT and the ending of some third party provider SLAs for post 16 courses and a review of all SLAs to improve value for money.

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 2016 to 31 August 2017 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 2016 to 31 August 2017 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; and
- 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. In April 2017 Burgess Hodgson were appointed as the independent internal auditor for the academy.

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

Although the independent internal auditor 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.

Burgess Hodgson, a firm of chartered accountants, carried out their first internal audit of the academy in May 2017. The checks carried out included invoicing, purchasing and value for money, payroll, income, credit cards, VAT. The following is a summary of their findings:

- All sampled items followed the correct procedures and contained the authorisation required. Information was organised and easy to find and staff were knowledgeable about their respective areas however it was unclear as to whether the knowledge extended to the department as a whole. This could leave the Academy vulnerable during holiday and sickness periods.

The Canterbury Academy
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Governance Statement (continued)

- Purchases. At present all purchase requests are received with the assumption that price comparisons have taken place and the lowest price selected regardless of the item or amount. This is not always the case and whilst processing items if it is believed that a cheaper price can be found then an alternative is suggested. This is not a documented process and relies on the experience of one member of staff to 'sense check' orders and will leave the Academy vulnerable should this person leave.
- Higher revenue item prices should always be checked but this process can be time consuming on items such as stationery. A list of preferred suppliers which is reviewed regularly may provide a time saving alternative.
- Income collected: At present the same member of staff raises sales invoices and credits the cheques received against them to the finance system. We would recommend that the job of crediting the cheques to the finance system is undertaken by a separate person to ensure that the duties have been sufficiently segregated. This can be the cashier who pays the cheques into the bank account as the amount will be verified by the bank.
- Future visits. As well as undertaking the usual required tests we will use our future visits to focus on specific areas including capital expenditure analysis, budget variances and verification of source paperwork.

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:

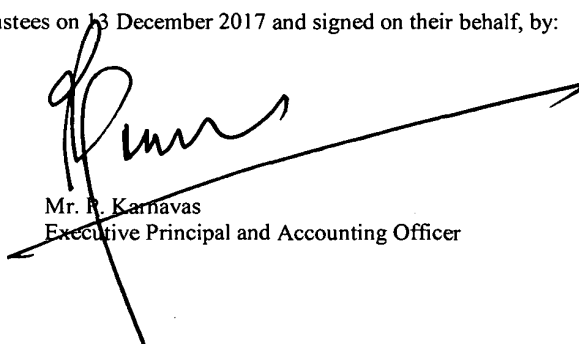
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 13 December 2017 and signed on their behalf, by:



Mr. R. Field
Chair of Trustees



Mr. R. Karnavas
Executive Principal and Accounting Officer

The Canterbury Academy
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Canterbury Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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



Mr. P. Kavanagh, Executive Principal and Accounting Officer

Date: 13 December 2017

The Canterbury Academy
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Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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:



Mr. R. Field
Chair of Trustees

Date: 13 December 2017

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

Opinion

We have audited the financial statements of The Canterbury Academy (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy trust's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent 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 academy trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



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: 20 December 2017

The Canterbury Academy
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Canterbury Academy and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 2017 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.

The Canterbury Academy
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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

UHY Kent LLP
Reporting Accountants

Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *20 December 2017*

The Canterbury Academy
(A company limited by guarantee)

Consolidated statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	5,749	6,940	6,854,479	6,867,168	1,385,098
Charitable activities	3	538,313	11,764,077	-	12,302,390	11,318,541
Other trading activities	4	1,173,074	3,414	-	1,176,488	1,230,898
Investments	5	4,944	-	-	4,944	2,852
Total income		1,722,080	11,774,431	6,854,479	20,350,990	13,937,389
Expenditure on:						
Raising funds	4	939,799	-	-	939,799	839,372
Charitable activities	6	842,159	12,307,201	912,255	14,061,615	13,113,133
Total expenditure	7	1,781,958	12,307,201	912,255	15,001,414	13,952,505
Net income / (expenditure) before taxation		(59,878)	(532,770)	5,942,224	5,349,576	(15,116)
Taxation		(7,290)	-	-	(7,290)	(2,992)
Net income / (expenditure) before transfers		(67,168)	(532,770)	5,942,224	5,342,286	(18,108)
Transfers between Funds	21	(104,937)	31,171	73,766	-	-
Net income / (expenditure) before other recognised gains and losses		(172,105)	(501,599)	6,015,990	5,342,286	(18,108)
Gains on revaluations of fixed assets	15	-	-	6,596,591	6,596,591	-
Actuarial gains/(losses) on defined benefit pension schemes	27	-	914,000	-	914,000	(1,994,000)
Net movement in funds		(172,105)	412,401	12,612,581	12,852,877	(2,012,108)
Reconciliation of funds:						
Total funds brought forward		177,796	(4,705,225)	17,736,966	13,209,537	15,221,645
		5,691	(4,292,824)	30,349,547	26,062,414	13,209,537
Total funds carried forward						

The notes on pages 30 to 58 form part of these financial statements.

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

Consolidated Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	14		23,726		149,615
Tangible assets	15		29,946,184		17,702,355
Investments in associates	16		-		49
			<u>29,969,910</u>		<u>17,852,019</u>
Current assets					
Stocks	17	22,549		13,356	
Debtors	18	580,340		1,046,983	
Cash at bank and in hand	25	1,017,692		570,880	
			<u>1,620,581</u>	<u>1,631,219</u>	
Creditors: amounts falling due within one year	19	(1,059,077)		(1,382,701)	
Net current assets			<u>561,504</u>		<u>248,518</u>
Total assets less current liabilities			<u>30,531,414</u>		<u>18,100,537</u>
Creditors: amounts falling due after more than one year	20		(90,000)		(135,000)
Net assets excluding pension scheme liabilities			<u>30,441,414</u>		<u>17,965,537</u>
Defined benefit pension scheme liability	27		(4,379,000)		(4,756,000)
Net assets including pension scheme liabilities			<u><u>26,062,414</u></u>		<u><u>13,209,537</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	21	86,176		50,775	
Restricted fixed asset funds	21	30,349,547		17,736,966	
Restricted income funds excluding pension liability		30,435,723		17,787,741	
Pension reserve	21	(4,379,000)		(4,756,000)	
Total restricted income funds			<u>26,056,723</u>		<u>13,031,741</u>
Unrestricted income funds	21		<u>5,691</u>		<u>177,796</u>
Total funds			<u><u>26,062,414</u></u>		<u><u>13,209,537</u></u>

The financial statements on pages 26 to 58 were approved by the trustees, and authorised for issue, on 13 December 2017 and are signed on their behalf, by:

Mr. R. Field
Chair of Trustees

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

Academy trust Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	14		8,726		-
Tangible assets	15		29,932,567		17,681,682
Investments	16		1		1
			<u>29,941,294</u>		<u>17,681,683</u>
Current assets					
Stocks	17	22,549		13,356	
Debtors	18	655,851		1,114,077	
Cash at bank and in hand		933,998		527,280	
		<u>1,612,398</u>		<u>1,654,713</u>	
Creditors: amounts falling due within one year	19	(949,387)		(1,319,700)	
Net current assets			<u>663,011</u>		<u>335,013</u>
Total assets less current liabilities			<u>30,604,305</u>		<u>18,016,696</u>
Defined benefit pension scheme liability	27		(4,379,000)		(4,756,000)
Net assets including pension scheme liabilities			<u><u>26,225,305</u></u>		<u><u>13,260,696</u></u>
Funds of the academy					
Restricted funds :					
Restricted funds	21	86,176		50,775	
Restricted fixed asset funds	21	30,349,547		17,736,966	
		<u>30,435,723</u>		<u>17,787,741</u>	
Restricted funds excluding pension asset					
Pension reserve		(4,379,000)		(4,756,000)	
		<u></u>		<u></u>	
Total restricted funds			26,056,723		13,031,741
Unrestricted funds	21		168,582		228,955
Total funds			<u><u>26,225,305</u></u>		<u><u>13,260,696</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 13 December 2017 and are signed on their behalf, by:

Mr. R. Field
Chair of Trustees

The Canterbury Academy
(A company limited by guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	24	509,880	(310,844)
Cash flows from investing activities:			
Dividends, interest and rents from investments		4,944	2,852
Purchase of intangible fixed assets		(9,558)	-
Purchase of tangible fixed assets		(2,668,631)	(1,370,846)
Capital grants from DfE/ESFA		284,850	640,297
Capital funding received from sponsors and others		2,355,327	720,140
Net cash used in investing activities		(33,068)	(7,557)
Cash flows from financing activities:			
Repayments of borrowings		(30,000)	(45,000)
Net cash used in financing activities		(30,000)	(45,000)
Change in cash and cash equivalents in the year		446,812	(363,401)
Cash and cash equivalents brought forward		570,880	934,281
Cash and cash equivalents carried forward	25	1,017,692	570,880

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2016 to 2017 issued by ESFA, 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.

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 receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable 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.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

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.

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

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

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 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 Intangible fixed assets and amortisation

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Consolidated statement of financial activities over its estimated economic life.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Goodwill	- Over the term of deferred consideration
Computer Software	- Over the license term

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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

Freehold property	-	0.65% - 10%
Improvements to freehold property	-	2% - 14%
Plant and machinery	-	25% straight line
Fixtures and fittings	-	10% - 25% straight line
Computer equipment	-	20% - 33.33% straight line

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

1.9 Revaluation of tangible fixed assets

The academy trust has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

1.10 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.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.11 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.

1.12 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.

1.13 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.

1.14 Liabilities and provisions

Liabilities and provisions 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.

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.16 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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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.17 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, 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.

1.18 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA and bus passes from Kent County Council.

Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use a percentage of the allocation towards its own administration costs, however chooses not to do so. The funds received and paid and any balances held are disclosed in note 31.

1.19 Critical accounting estimates and areas of judgment

Estimates and judgments 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	5,749	6,940	-	12,689	24,661
Capital Grants	-	-	2,956,709	2,956,709	1,360,437
Fixed assets donated by the DfE/ESFA	-	-	3,897,770	3,897,770	-
	<u>5,749</u>	<u>6,940</u>	<u>6,854,479</u>	<u>6,867,168</u>	<u>1,385,098</u>
<i>Analysis of 2016 total by fund</i>	<u>4,866</u>	<u>19,795</u>	<u>1,360,437</u>	<u>1,385,098</u>	

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,773,280	9,773,280	9,087,781
Other DfE/ESFA grants	80	634,165	634,245	658,546
	<u>80</u>	<u>10,407,445</u>	<u>10,407,525</u>	<u>9,746,327</u>
Other government grants				
Local authority grants	3,399	774,585	777,984	614,343
Other government grants	-	528,578	528,578	471,455
	<u>3,399</u>	<u>1,303,163</u>	<u>1,306,562</u>	<u>1,085,798</u>
Other income from educational operations				
Income from academies and schools	69,503	30,000	99,503	96,775
Educational trip income	89,373	-	89,373	78,777
Catering income	180,009	-	180,009	126,960
Other educational income	195,949	23,469	219,418	183,904
	<u>534,834</u>	<u>53,469</u>	<u>588,303</u>	<u>486,416</u>
	<u>538,313</u>	<u>11,764,077</u>	<u>12,302,390</u>	<u>11,318,541</u>
<i>Analysis of 2016 total by fund</i>	<u>409,171</u>	<u>10,909,370</u>	<u>11,318,541</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2017

4. Trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Charity trading income				
Academy clubs and sport camp	25,337	-	25,337	25,541
Rental income	74,300	-	74,300	35,100
Lettings income	251,789	150	251,939	189,373
Sales of goods and services	52,622	3,264	55,886	156,463
Staff consultancy	286,498	-	286,498	227,285
Uniform income	36,581	-	36,581	39,802
Subsidiary income	422,358	-	422,358	516,913
Other activities	23,589	-	23,589	40,421
	<u>1,173,074</u>	<u>3,414</u>	<u>1,176,488</u>	<u>1,230,898</u>
Fundraising trading expenses				
Uniform purchases	32,913	-	32,913	37,087
Rental expenditure	93,588	-	93,588	54,977
subsidiary - other expenditure	73,850	-	73,850	105,345
Academy / Subsidiary - wages and salaries	586,592	-	586,592	577,502
Subsidiary - National insurance	10,073	-	10,073	10,134
Subsidiary - pensions	577	-	577	-
Subsidiary - depreciation of tangible fixed assets	7,591	-	7,591	16,127
Subsidiary - amortisation of intangible fixed assets	38,200	-	38,200	38,200
Subsidiary - impairment of intangible fixed assets	96,415	-	96,415	-
	<u>939,799</u>	<u>-</u>	<u>939,799</u>	<u>839,372</u>
Net income from trading activities	<u>233,275</u>	<u>3,414</u>	<u>236,689</u>	<u>391,526</u>

In 2016, of the total income from trading activities, £1,101,935 was to unrestricted funds and £128,963 was to restricted funds.

In 2016, the total expenditure from trading activities, £839,372 was to unrestricted funds.

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	4,944	-	4,944	2,852
	<u>4,944</u>	<u>-</u>	<u>4,944</u>	<u>2,852</u>
<i>Analysis of 2016 total by fund</i>	<u>2,852</u>	<u>-</u>	<u>2,852</u>	

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Notes to the Financial Statements
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6. Analysis of expenditure by activities

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations	10,347,091	3,714,524	14,061,615	13,113,133
<i>Analysis of 2016 total</i>	<i>9,712,278</i>	<i>3,400,855</i>	<i>13,113,133</i>	
Analysis of direct costs				
			Total 2017 £	Total 2016 £
Administration expenses			-	4
Staff expenses			41,512	117,575
Educational supplies			200,271	224,884
Examination fees			227,087	216,194
Technology costs			34,471	59,326
Educational consultancy			1,401,114	1,232,748
Other direct costs			140,634	166,964
Wages and salaries			5,879,128	5,643,925
National insurance			603,179	487,280
Pension cost			907,440	853,136
Depreciation and amortisation			912,255	710,246
			10,347,091	9,712,282
<i>Analysis of 2016 total</i>			<i>9,712,278</i>	

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Notes to the Financial Statements
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6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total 2017 £	Total 2016 £
Staff costs	2,603,809	2,286,836
Staff expenses	85,519	57,637
Technology costs	72,801	52,492
Maintenance of premises and equipment	101,425	111,866
Cleaning and caretaking	21,999	22,930
Operating lease rentals	55,744	36,406
Rates	98,973	95,386
Energy	148,364	152,742
Security	41,756	55,683
Transport	24,757	19,753
Catering	246,420	265,393
Non-educational consultancy	55,247	51,009
Risk protection arrangement fees	36,037	-
Other support costs	109,663	180,837
Governance costs	12,010	11,885
	<u>3,714,524</u>	<u>3,400,855</u>
<i>Analysis of 2016 total</i>	<u>3,400,855</u>	

7. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Fundraising/trading expenditure	597,242	-	342,557	939,799	839,372
Trust's educational operations:					
Direct costs	7,389,747	912,255	2,045,089	10,347,091	9,791,581
Support costs	2,603,809	412,517	698,198	3,714,524	3,400,855
	<u>10,590,798</u>	<u>1,324,772</u>	<u>3,085,844</u>	<u>15,001,414</u>	<u>14,031,808</u>
<i>Total 2016</i>	<u>9,858,813</u>	<u>1,148,853</u>	<u>3,024,142</u>	<u>14,031,808</u>	

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Notes to the Financial Statements
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8. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Amortisation of intangible fixed assets	38,348	38,200
Depreciation of tangible fixed assets:		
- owned by the charitable group	919,698	726,373
Operating lease rentals	242,960	201,141
Loss on disposal of tangible fixed assets	149	137
Impairment of group goodwill	96,415	-
	<u> </u>	<u> </u>

9. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the academy trust's auditor and its associates for the audit of the academy trust's annual accounts	10,130	10,000
Fees payable to the academy trust's auditor and its associates in respect of:		
The auditing of accounts of associates of the academy trust	5,100	4,160
Under provision of the auditing of accounts of associates of the academy trust	660	-
All other non-audit services not included above	2,795	1,425
	<u> </u>	<u> </u>

	2017	2016
	£	£
Fees payable to the academy trust's auditor and its associates in connection with the academy trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	-	460
	<u> </u>	<u> </u>

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Notes to the Financial Statements
For the Year Ended 31 August 2017

10. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	7,998,201	7,730,804
Social security costs	735,957	601,262
Operating costs of defined benefit pension schemes	1,714,936	1,367,112
	<u>10,449,094</u>	<u>9,699,178</u>
Apprenticeship levy	8,748	-
Supply teacher costs	132,956	159,635
	<u><u>10,590,798</u></u>	<u><u>9,858,813</u></u>

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

	2017	2016
	No.	No.
Teachers	155	130
Administration and support	187	171
Management	5	16
	<u>347</u>	<u>317</u>

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	139	124
Administration and support	149	125
Management	5	15
	<u>293</u>	<u>264</u>

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

	2017	2016
	No.	No.
In the band £ 60,001 - £ 70,000	2	2
In the band £ 70,001 - £ 80,000	1	2
In the band £ 80,001 - £ 90,000	1	0
In the band £ 120,001 - £ 130,000	0	1
In the band £ 130,001 - £ 140,000	1	0

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £68,918 (2016: £66,469).

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 £525,907 (2016: £504,646).

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Notes to the Financial Statements
For the Year Ended 31 August 2017

11. Central services

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

12. 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:

		2017	2016
		£	£
Mr. P. Karnavas, Executive Principal	Remuneration	125,000-130,000	125,000-130,000
	Pension contributions paid	20,000-25,000	20,000-25,000
Mrs. R. Cox, Staff Trustee	Remuneration	30,000-35,000	20,000-25,000
	Pension contributions paid	5,000-10,000	0-5,000
Mr. M. Harris, Staff Trustee	Remuneration	-	30,000-35,000
	Pension contributions paid	-	5,000-10,000
Mr. Craig May, Staff Trustee	Remuneration	40,000-45,000	5,000-10,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year, no trustees received any benefits in kind (2016 - £Nil).

During the year ended 31 August 2017, no trustees received any reimbursement of expenses (2016 - £Nil to no trustees).

13. Trustees' and Officers' Insurance

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

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Notes to the Financial Statements
For the Year Ended 31 August 2017

14. Intangible fixed assets

Group	Computer Software £	Goodwill £	Total £
Cost			
At 1 September 2016	-	200,548	200,548
Additions	8,874	-	8,874
At 31 August 2017	8,874	200,548	209,422
Amortisation			
At 1 September 2016	-	50,933	50,933
Charge for the year	148	38,200	38,348
Impairment charge	-	96,415	96,415
At 31 August 2017	148	185,548	185,696
Carrying amount			
At 31 August 2017	8,726	15,000	23,726
At 31 August 2016	-	149,615	149,615

Academy trust	Computer Software £
Cost	
Additions	8,874
At 31 August 2017	8,874
Amortisation	
Charge for the year	148
At 31 August 2017	148
Carrying amount	
At 31 August 2017	8,726

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Notes to the Financial Statements
For the Year Ended 31 August 2017

15. Tangible fixed assets

Group	Freehold property £	Freehold improvements £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2016	18,569,093	1,426,938	306,507	394,366	545,141	21,242,045
Additions	3,897,771	208,397	684	104,907	2,355,326	6,567,085
Disposals	-	-	(385)	-	-	(385)
Revaluation surplus/(deficit)	6,596,591	-	-	-	-	6,596,591
At 31 August 2017	29,063,455	1,635,335	306,806	499,273	2,900,467	34,405,336
Depreciation						
At 1 September 2016	3,242,608	74,369	67,119	155,594	-	3,539,690
Charge for the year	740,719	53,914	37,165	87,900	-	919,698
On disposals	-	-	(236)	-	-	(236)
At 31 August 2017	3,983,327	128,283	104,048	243,494	-	4,459,152
Net book value						
At 31 August 2017	25,080,128	1,507,052	202,758	255,779	2,900,467	29,946,184
<i>At 31 August 2016</i>	<i>15,326,485</i>	<i>1,352,569</i>	<i>239,388</i>	<i>238,772</i>	<i>545,141</i>	<i>17,702,355</i>

Included in Freehold property is land at valuation of £3,703,000 which is not depreciated.

Cost or valuation at 31 August 2017 is as follows:

Group	Land and buildings £
At cost	22,466,864
At valuation:	
Depreciated replacement cost as at 31 August 2016	6,596,591
	29,063,455

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2017 £	2016 £
Cost	22,466,864	18,659,093
Accumulated depreciation	(3,909,808)	(3,234,680)
Net book value	18,557,056	15,424,413

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Notes to the Financial Statements
For the Year Ended 31 August 2017

15 Tangible fixed assets (continued)

	Freehold property £	Freehold improvements £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Academy trust						
Cost or valuation						
At 1 September 2016	18,569,093	1,413,789	269,313	385,379	545,141	21,182,715
Additions	3,897,771	208,397	-	104,907	2,355,326	6,566,401
Revaluation surplus/(deficit)	6,596,591	-	-	-	-	6,596,591
At 31 August 2017	29,063,455	1,622,186	269,313	490,286	2,900,467	34,345,707
Depreciation						
At 1 September 2016	3,242,608	62,754	47,359	148,312	-	3,501,033
Charge for the year	740,719	52,380	31,789	87,219	-	912,107
At 31 August 2017	3,983,327	115,134	79,148	235,531	-	4,413,140
Net book value						
At 31 August 2017	25,080,128	1,507,052	190,165	254,755	2,900,467	29,932,567
At 31 August 2016	15,326,485	1,351,035	221,954	237,067	545,141	17,681,682

Included in Freehold property is land at valuation of £3,703,000 which is not depreciated.

Cost or valuation at 31 August 2017 is as follows:

	Land and buildings £
Academy trust	
At cost	22,466,864
At valuation:	
Year ended 31 August 2017, depreciated replacement cost.	6,596,591
	29,063,455

The land and buildings were revalued on 31 March 2016 by Kier Group Plc on fair value using depreciated replacement cost.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Academy trust		
Cost	22,466,864	18,659,093
Accumulated depreciation	(3,909,808)	(3,234,680)
Net book value	18,557,056	15,424,413

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Notes to the Financial Statements
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16. Fixed asset investments

		Investments in participating interests £
Group		
Market value		
At 1 September 2016		49
Disposals		(49)
		<u>-</u>
At 31 August 2017		<u>-</u>
		Shares in group undertakings £
Academy trust		
Market value		
At 1 September 2016 and 31 August 2017		1
		<u>1</u>
Historical cost		<u>1</u>

17. Stocks

	Group		Academy trust	
	2017	2016	2017	2016
	£	£	£	£
Finished goods and goods for resale	22,549	13,356	22,549	13,356

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

18. Debtors

	Group		Academy trust	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	146,831	270,834	141,903	262,775
Amounts owed by group undertakings	-	-	81,315	75,528
Other debtors	169,080	214,556	168,598	214,556
Prepayments and accrued income	264,429	561,593	264,035	561,218
	<u>580,340</u>	<u>1,046,983</u>	<u>655,851</u>	<u>1,114,077</u>

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19. Creditors: Amounts falling due within one year

	Group		Academy trust	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	177,207	696,661	174,526	692,809
Corporation tax	7,290	2,954	-	-
Other taxation and social security	182,205	185,982	179,426	182,325
Other creditors	265,624	206,138	205,492	160,254
Accruals and deferred income	426,751	290,966	389,943	284,312
	1,059,077	1,382,701	949,387	1,319,700

	Group		Academy trust	
	2017	2016	2017	2016
	£	£	£	£
Deferred income				
Deferred income at 1 September 2016	101,315	131,254	101,315	98,241
Resources deferred during the year	146,071	101,315	146,071	101,315
Amounts released from previous years	(108,615)	(131,254)	(108,615)	(98,241)
Deferred income at 31 August 2017	138,771	101,315	138,771	101,315

The deferred income above relates to the following:

	2017	2016
	£	£
School trips and music lessons	7,381	17,371
ESFA universal free school meals grant	19,247	14,531
ESFA rates grant	40,106	27,335
British Council Grant	40,971	-
Canterbury inclusion service	-	28,103
Other grants	31,066	11,475
Property rent	-	2,500
	138,771	101,315

20. Creditors: Amounts falling due after more than one year

	Group		Academy trust	
	2017	2016	2017	2016
	£	£	£	£
Other creditors	90,000	135,000	-	-

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For the Year Ended 31 August 2017

21. Statement of funds - group

	Balance at 1 September 2016 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds							
General funds	228,957	1,299,722	(1,255,158)	-	(104,937)	-	168,584
Buckle Under Ltd	(1,059)	-	(1,113)	-	-	-	(2,172)
City View Pre-School & Nurseries Limited	831	422,358	(391,072)	(7,290)	-	-	24,827
Group adjustments	(50,933)	-	(134,615)	-	-	-	(185,548)
	<u>177,796</u>	<u>1,722,080</u>	<u>(1,781,958)</u>	<u>(7,290)</u>	<u>(104,937)</u>	<u>-</u>	<u>5,691</u>
Restricted funds							
General Annual Grant (GAG)	-	9,773,280	(9,782,099)	-	8,819	-	-
Other DfE/ESFA	35,528	633,886	(622,047)	-	(29,065)	-	18,302
Other government grants	8,393	1,286,453	(1,282,126)	-	(7,394)	-	5,326
Other restricted	6,854	80,812	(83,929)	-	58,811	-	62,548
Pension reserve	(4,756,000)	-	(537,000)	-	-	914,000	(4,379,000)
	<u>(4,705,225)</u>	<u>11,774,431</u>	<u>(12,307,201)</u>	<u>-</u>	<u>31,171</u>	<u>914,000</u>	<u>(4,292,824)</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2017

21. Statement of funds - group (continued)

Restricted fixed asset funds

ESFA capital grants	1,280,141	248,411	(95,135)	-	-	-	1,433,417
Capital expenditure from Revenue	496,989	-	(64,904)	-	73,766	-	505,851
Other government grants	570,141	2,355,327	(3,572)	-	-	-	2,921,896
Unspent capital grants	55,282	352,971	-	-	-	-	408,253
Donated fixed asset	15,334,413	3,897,770	(675,130)	-	-	-	18,557,053
Revaluations	-	-	(73,514)	-	-	6,596,591	6,523,077
	<u>17,736,966</u>	<u>6,854,479</u>	<u>(912,255)</u>	<u>-</u>	<u>73,766</u>	<u>6,596,591</u>	<u>30,349,547</u>
Total restricted funds	<u>13,031,741</u>	<u>18,628,910</u>	<u>(13,219,456)</u>	<u>-</u>	<u>104,937</u>	<u>7,510,591</u>	<u>26,056,723</u>
Total of funds	<u>13,209,537</u>	<u>20,350,990</u>	<u>(15,001,414)</u>	<u>(7,290)</u>	<u>-</u>	<u>7,510,591</u>	<u>26,062,414</u>

Statement of funds - prior year

	<i>Balance at 1 September 2015</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Taxation</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2016</i> £
Unrestricted funds							
General funds	533,734	1,004,041	(832,789)	-	(476,029)	-	228,957
Buckle Under Ltd	-	-	(1,059)	-	-	-	(1,059)
City View Pre-School & Nurseries Limited	3,654	516,913	(516,744)	(2,992)	-	-	831
Group adjustments	(12,733)	-	(38,200)	-	-	-	(50,933)
	<u>524,655</u>	<u>1,520,954</u>	<u>(1,388,792)</u>	<u>(2,992)</u>	<u>(476,029)</u>	<u>-</u>	<u>177,796</u>

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Notes to the Financial Statements
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21. Statement of funds - group (continued)

Restricted funds

General Annual Grant (GAG)	-	9,119,810	(9,537,074)	-	417,264	-	-
Other DfE/ESFA	68,952	693,229	(726,653)	-	-	-	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>11,055,998</u>	<u>(11,853,467)</u>	<u>-</u>	<u>417,264</u>	<u>(1,994,000)</u>	<u>(4,705,225)</u>

Restricted fixed asset funds

ESFA capital grants	758,760	585,014	(63,633)	-	-	-	1,280,141
Capital expenditure from Revenue	337,665	-	(49,441)	-	208,765	-	496,989
Other government grants	-	720,141	-	-	(150,000)	-	570,141
Unspent capital grants	-	55,282	-	-	-	-	55,282
Donated fixed asset	15,931,585	-	(597,172)	-	-	-	15,334,413
	<u>17,028,010</u>	<u>1,360,437</u>	<u>(710,246)</u>	<u>-</u>	<u>58,765</u>	<u>-</u>	<u>17,736,966</u>
Total restricted funds	<u>14,696,990</u>	<u>12,416,435</u>	<u>(12,563,713)</u>	<u>-</u>	<u>476,029</u>	<u>(1,994,000)</u>	<u>13,031,741</u>
Total of funds	<u>15,221,645</u>	<u>13,937,389</u>	<u>(13,952,505)</u>	<u>(2,992)</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 £8,819.

(ii) The other DfE/ESFA grants fund is used to track non-GAG grant money received from the DfE/ESFA 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.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

21. Statement of funds - group (continued)

(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 £73,766 during the year covers the capital expenditure incurred in excess of the capital grant funding received.

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 2017.

Analysis of group by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
The Canterbury Academy (The Canterbury High School)	11,713	247,048
The Canterbury Primary School	243,047	32,684
Buckle Under Limited	(187,720)	(51,992)
City View Pre-School & Nurseries Limited	24,827	831
Total before fixed asset fund and pension reserve	91,867	228,571
Restricted fixed asset fund	30,349,547	17,736,966
Pension reserve	(4,379,000)	(4,756,000)
Total	26,062,414	13,209,537

The following group entities are carrying net deficits on their portion of the funds as follows:

Name of academy / group entity	Amount of deficit £
The Canterbury Academy (The Canterbury High School)	(174,519)
Buckle Under Limited	(187,720)

Despite being in a small overall surplus position due to unrestricted fund balances, The Canterbury High School - which is confusingly legal known as The Canterbury Academy, the same name as the academy trust - is carrying the above deficit on restricted revenue funds after incurring staff restructuring and extra education resources costs during the year ended 31 August 2017 for its growing pupil numbers in 2016/2017 and 2017/2018. Furthermore, this is the first year the financial statements have split out fund balances individually for the trust's two academies; previous years' financial statements have commented that since the two academies operate from one combined site and share significant costs and as a result the time and cost involved splitting them outweighed the benefit of doing so. Work has been completed during 2016/17 to enable reporting at individual academy level, however The Canterbury High School continues to bear certain costs that should be shared with The Canterbury Primary School, and this is partly responsible for the High School's deficit whilst the Primary School carries a healthy cumulative surplus. Further work will be completed during 2017/18 to ensure a more accurate split is available next year.

Buckle Under is the trust's direct subsidiary undertaking. This company was used to acquire the group's indirect subsidiary undertaking, City View Pre-School & Nurseries Limited in 2015, and its only source of income is dividends paid by City View. Buckle Under is showing net liabilities as at 31 August 2017 following the decision to impair the carrying value of its investment in City View.

The academy trust is taking the following action to return the academy and group entity to surplus:

The academy trust has undertaken a procurement review of all its expenditure to ensure best value for money is obtained. The academy will receive its lagged funding in 2017/2018 which will return its restricted GAG fund to surplus.

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Notes to the Financial Statements
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21. Statement of funds - group (continued)

The net liability position in Buckle Under is manageable since most of the liabilities do not fall due within one year, and in the short term the academy trust has agreed to meet these on behalf of Buckle Under. Plans are in place to improve the financial performance of City View, which will enable dividends to be voted to Buckle Under so that this company can meet its own liabilities as these fall due.

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
The Canterbury Academy	6,436,056	2,114,149	169,041	2,893,800	11,613,046	11,181,409
The Canterbury Primary School	920,699	262,523	25,092	203,899	1,412,213	1,321,796
Central Trust	-	537,000	-	-	537,000	263,000
	<u>7,356,755</u>	<u>2,913,672</u>	<u>194,133</u>	<u>3,097,699</u>	<u>13,562,259</u>	<u>12,766,205</u>

22. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	15,000	-	8,726	23,726
Tangible fixed assets	13,616	-	29,932,568	29,946,184
Current assets	971,500	86,176	562,905	1,620,581
Creditors due within one year	(904,425)	-	(154,652)	(1,059,077)
Creditors due in more than one year	(90,000)	-	-	(90,000)
Provisions for liabilities and charges	-	(4,379,000)	-	(4,379,000)
	<u>5,691</u>	<u>(4,292,824)</u>	<u>30,349,547</u>	<u>26,062,414</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Intangible fixed assets	149,615	-	-	149,615
Tangible fixed assets	20,673	-	17,681,682	17,702,355
Fixed asset investments	49	-	-	49
Current assets	205,713	1,329,183	96,323	1,631,219
Creditors due within one year	(63,254)	(1,278,408)	(41,039)	(1,382,701)
Creditors due in more than one year	(135,000)	-	-	(135,000)
Provisions for liabilities and charges	-	(4,756,000)	-	(4,756,000)
	<u>177,796</u>	<u>(4,705,225)</u>	<u>17,736,966</u>	<u>13,209,537</u>

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Notes to the Financial Statements
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23. 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 an increase of £12,964,609 (2016: a reduction of £1,970,028).

As explained in the financial review section of the trustees' report the increase in funds in 2016/2017 is largely as a result of the actuarial gain on defined benefit pension schemes, donated tangible fixed assets and revalued tangible fixed assets.

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

	Group	
	2017	2016
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	5,342,286	(18,108)
Adjustment for:		
Depreciation charges	919,698	726,373
Loss on investments	49	8
Dividends, interest and rents from investments	(4,944)	(2,852)
Loss on the sale of fixed assets	149	137
(Increase)/decrease in stocks	(9,193)	4,265
Decrease/(increase) in debtors	466,643	(546,016)
(Decrease)/increase in creditors	(338,624)	584,586
Capital grants from DfE and other capital income	(2,640,177)	(1,360,437)
Defined benefit pension scheme cost less contributions payable	435,000	168,000
Defined benefit pension scheme finance cost	100,000	93,000
Defined benefit pension scheme finance cost	2,000	2,000
Amortisation of intangible fixed assets	38,348	38,200
Impairment of intangible fixed assets - Goodwill	96,415	-
Fixed assets donated by the DfE/ESFA	(3,897,770)	-
Net cash provided by/(used in) operating activities	509,880	(310,844)

25. Analysis of cash and cash equivalents

	Group	
	2017	2016
	£	£
Cash in hand	1,017,692	570,880
Total	1,017,692	570,880

26. Capital commitments

At 31 August 2017 the group and academy trust had capital commitments as follows:

	Group		Academy trust	
	2017	2016	2017	2016
	£	£	£	£
Contracted for but not provided in these financial statements	466,533	2,769,085	466,533	2,769,085

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27. 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 2016.

Contributions amounting to £147,019 were payable to the schemes at 31 August 2017 (2016 - £144,463) and are included within creditors.

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

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;
- 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; and
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £785,000 (2016 - £739,000).

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).

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

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27. Pension commitments (continued)

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 2017 was £516,000 (2016 - £456,000), of which employer's contributions totalled £395,000 (2016 - £348,000) and employees' contributions totalled £121,000 (2016 - £108,000). The agreed contribution rates for future years are 19.8% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
RPI inflation	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	23.0	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis - effect on pension obligation		
Discount rate +0.1%	9,271,000	8,643,000
Discount rate -0.1%	9,704,000	9,050,000
Mortality assumption - 1 year increase	9,808,000	9,079,000
Mortality assumption - 1 year decrease	9,173,000	8,616,000
CPI rate +0.1%	9,518,000	8,877,000
CPI rate -0.1%	9,452,000	8,811,000

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Notes to the Financial Statements
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27. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	3,593,000	2,766,000
Gilts	36,000	37,000
Corporate bonds	492,000	436,000
Debt instruments	-	-
Property	627,000	573,000
Cash and other liquid assets	162,000	98,000
Absolute return fund	196,000	178,000
Total market value of assets	5,106,000	4,088,000

The actual return on scheme assets was £700,000 (2016 - £481,000).

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

	2017 £	<i>2016 £</i>
Current service cost	(837,000)	(532,000)
Past service cost	(577)	-
Interest income	94,000	135,000
Interest cost	(194,000)	(228,000)
Admin expenses	(2,000)	(2,000)
Total	(939,577)	(627,000)

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	8,844,000	5,666,000
Current service cost	837,000	532,000
Interest cost	194,000	228,000
Employee contributions	108,000	112,000
Actuarial (gains)/losses	(322,000)	2,340,000
Benefits paid	(176,000)	(34,000)
Closing defined benefit obligation	9,485,000	8,844,000

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27. Pension commitments (continued)

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

	2017	2016
	£	£
Opening fair value of scheme assets	4,088,000	3,167,000
Interest income	94,000	135,000
Actuarial gains	592,000	346,000
Employer contributions	402,000	364,000
Employee contributions	108,000	112,000
Benefits paid	(176,000)	(34,000)
Administration expenses	(2,000)	(2,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	5,106,000	4,088,000
	<hr/>	<hr/>

28. Operating lease commitments

At 31 August 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2017	2016
	£	£
Amounts payable - Land and buildings:		
Within 1 year	44,245	74,810
	<hr/>	<hr/>
Amounts payable - other:		
Within 1 year	46,703	43,198
Between 1 and 5 years	56,358	56,850
	<hr/>	<hr/>
Total	103,061	100,048
	<hr/>	<hr/>

At 31 August 2017 the academy trust had annual commitments under non-cancellable operating leases as follows:

Academy trust

Amounts payable - Land and buildings:

Within 1 year	44,245	74,810
	<hr/>	<hr/>
Amounts payable - other:		
Within 1 year	46,703	43,198
Between 1 and 5 years	56,358	56,850
	<hr/>	<hr/>
Total	103,061	100,048
	<hr/>	<hr/>

29. 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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30. 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 £89,532 (2016: £87,028) was received from EKLA and expenditure of £22,123 (2016: £10,386) was incurred. £194,948 (2016: £nil) 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 £19,813 (2016: £24,164) and was owed £711 (2016: £nil) by the academy trust.

Solar Shield Blinds Limited (company number 08328173)

Solar Shield Blinds Limited is owned by the brother of a member of key management. During the year the £14,407 of expenditure was incurred (2016: £1,129). Of this, £13,188 related to capital natured expenditure (2016: £nil).

Close family relationships with key management personnel

During the year one close family member of Mr. J. Watson (The Executive Principal Designate), his wife, Mrs. S. Watson, was employed by the trust. Mrs. S. Watson was paid a salary under an employment contract for her role. Mrs. S. Watson has been employed by the trust for a number of years and was not considered a related party appointment on appointment, and Mr. J. Watson had no involvement in her appointment. The Board of Trustees are comfortable that her salary provides value for money and is not at a preferential rate.

31. Agency Arrangements

The academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year ended 31 August 2017, the trust received £75,640 discretionary bursary and £56,400 vulnerable bursary. The academy trust charge a 5% administration fee on the discretionary bursary and distributed £93,696 from the fund. Current year undistributed funds of £34,562 brought forward undistributed funds of £8,681, totaling £43,243, are included in other creditors as at 31 August 2017.

The academy trust distributes student bus passes to the students as an agent for Kent County Council. During the year ended 31 August 2017, the trust distributed £96,370 of bus passes. £6,444 received in advance for 17/18 bus passes is included in other creditors as at 31 August 2017.

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.

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33. Principal subsidiaries

Buckle Under Ltd

Subsidiary name	Buckle Under Ltd
Company registration number	09189564
Basis of control	Ordinary share capital
Equity shareholding %	100%

Total assets as at 31 August 2017	£ 22,919
Total liabilities as at 31 August 2017	£ (195,000)
Total equity as at 31 August 2017	£ (172,081)

Turnover for the year ended 31 August 2017	£ 30,000
Expenditure for the year ended 31 August 2017	£ (246,023)
Loss for the year ended 31 August 2017	£ (216,023)

City View Pre-School & Nurseries Limited

Subsidiary name	City View Pre-School & Nurseries Limited
Company registration number	06760600
Basis of control	Indirect subsidiary. Ordinary share capital held by Buckle Under Limited
Equity shareholding %	100%

Total assets as at 31 August 2017	£ 95,196
Total liabilities as at 31 August 2017	£ (86,005)
Total equity as at 31 August 2017	£ 9,191

Turnover for the year ended 31 August 2017	£ 422,358
Expenditure for the year ended 31 August 2017	£ (398,362)
Profit for the year ended 31 August 2017	£ 23,996

34. Members' liability

Each member of the academy trust 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.