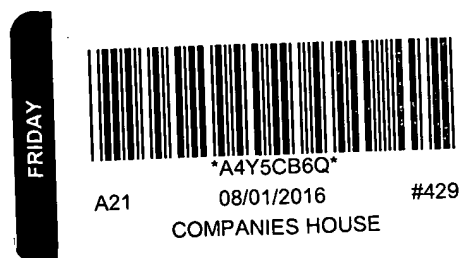


The Canterbury Academy
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2015



The Canterbury Academy
(A company limited by guarantee)

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Reference and Administrative Details of the Academy trust, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Members	Mrs. D. Wells Mrs. J. Keay Mr. R Field Mrs. J. Larkinson Mr. A. Milton
Trustees	Mrs. D. Wells, Chair of Trustees ¹ Mrs. J. Keay, Vice Chair ¹ Mrs. J. Parsons, Chair of Finance, Buildings and Personal Committee ¹ Mr. P. Karnavas, Executive Principal and Accounting Officer ¹ Mrs. J. Butcher (resigned 6 October 2014) Mrs. R. Cox, Staff Trustee Mr. A. Doyle (resigned 23 November 2015) ^{1,2} Mr. R Field, Responsible Officer Mrs. R. Giles (appointed 3 February 2015) Mrs. J. Greener, Parent Trustee (resigned 3 November 2014) Mr. N. Guthrie (appointed 2 December 2014) ¹ Mr. M. Harris, Staff Trustee Mrs. R. Hobbs, Parent Trustee (appointed 13 January 2015) Mrs. J. Larkinson Mr. R. Menzies, Parent Trustee (resigned 9 October 2015) Mr. A. Milton ^{1,2} Mrs. S. Ward ² Mr. C. Wilse (appointed 2 December 2014) ¹ Members of the Finance and Buildings Committee during the year ² Members of the Audit Committee during the year
Company registered number	07345430
Principal and registered office	Knight Avenue Canterbury Kent CT2 8QA
Clerk to the Board of Trustees	Mrs. D. Scott
Senior management team	Mr. P. Karnavas, Executive Principal Mr. D. Platts, Senior Vice Principal Mrs. B. Farrell, Head of School Primary Mr. J. Watson, Head of Schools Mrs. C. Buxton, Head of CEE
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 2015

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 2015.

The trust operates an academy for students aged 4 – 19 in the Canterbury area. The Canterbury Primary School has a pupil capacity of 210 and had 213 on roll at the census point on 15th May 2015. The primary school new build has been taking place throughout the 2014/15 academic year. The Canterbury Primary School has been rebuilt as part of the PSBP and opened in September 2015 as a two form entry with additional classes planned in Class R and Year 3. The Canterbury High School has a PAN of 180 in each year group. The school also has a commissioned provision for a SEN Speech and Language unit of 30 students. The school roll was 1449 at the school census point on 15th May 2015.

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 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. Trustees are required to attend one of each of the sub-committee meetings before negotiating with the Chair and Executive Principal which would be the most appropriate for them to join. The Vice Chair acts as a mentor to all new trustees at their first few meetings and when possible accompanies a new trustee on their first monitoring visit in school. The induction process includes a tour of the school and meeting with the senior leadership team.

There are 16 trustees in total (5 members, 5 appointed by the members, 1 co-opted by the members, the Executive Principal plus 2 other members of staff and 2 parents).

Organisational Structure

The board of trustees, the majority of whom are non-executive, comprises of those persons appointed under the Articles of Association. At the start of the 2014/15 academic year the board met on the first Tuesday of every month during term time. In addition to this it's several committees, including Finance & Buildings, Curriculum (Quality), Student & Staff, Audit & Risk and the Policy Committee also met. All of these committees were formally constituted with terms of reference and comprised of appropriately qualified and experienced members.

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Trustees' Report (continued)

For the year ended 31 August 2015

During term 3 the Board decided that its current structure did not allow the directors to gain the depth of knowledge they required as the academy had become so large and complex. Smaller boards were established to allow a more focused approach to monitoring and evaluating the work of the academy's component parts. From term 5 the directors moved to a new structure:

The Canterbury Primary School directors meet termly

The Canterbury High School Directors meet termly

The Sixth form directors meet termly

The CEE directors meet termly

The member group meet termly

The Finance, Buildings and Personnel Committee meet 3 – 4 times a year

The Audit & Risk committee meet 2 – 3 times a year

The Policy committee meet 3 – 4 times a year

The full board of directors meet 3 times a year (Winter, Spring and Summer)

Trustees delegate specific responsibilities to committees, the activities of which are reported to and discussed at member group and 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.

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

In September 2013 The Canterbury High School was one of 6 partnerships working with The Marlowe Theatre and The Royal Shakespeare Company. The Canterbury High School now has partnerships with 8 cluster schools in the region, the schools are; Bapchild and Tonge, Invicta Grammar, Duke of York, Ethelbert Road, Canterbury Road, Luddenham, Canterbury Primary

School and Orchard School. The academy held a launch event for the programme on 19th September 2014 and held a successful year 2 site specific performance project using historic sites across Canterbury, with an evening showcase at the Marlowe Studio. Year 3 will involve a trip to the RSC with 4 pupil ambassadors and a whole cluster production of Midsummer Night's Dream in April 2016.

- The Canterbury Academy was awarded the Youth Commission, to run the Riverside Centre contract in 2012/13 for a 3 year period. The contract was due to end 31st December 2015 but has been extended until March 31st 2016. This commission was Kent County Council's way of maintaining the service in this part of the authority. The commission requires the academy to deliver certain outcomes; for example, the number of young people attending youth sessions in the evening. The commissions are reviewed and re issued every three years. The Canterbury Academy will reapply in the hope of continuing to deliver this service to the young people of the area.
- The Canterbury Academy took on management responsibility for the 14 – 16 ACP PRU based at Riverside, Grosvenor House and Wincheap in April 2012 and improved the provision sufficiently to enable it to be removed from special measures in November 2013. The academy continues to provide KS4 provision for 30 students permanently removed from local schools commissioned by the Canterbury Inclusion Service. No student has been permanently excluded from any school since this commission has operated. This commission provides the academy with a revenue stream of £360,000/year for each of the three years (April 2013-2014, April 2014-2015 and April 2015-2016).

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Trustees' Report (continued)

For the year ended 31 August 2015

- The Canterbury Academy has an Enterprise & Employability College on site, which began operation in September 2013. It offers practical learning to students in a range of industry sectors, including a commercial hair salon, construction suite and a range of catering outlets. The EEC now contains a refurbished Independent Study centre which was developed in anticipation of increased students joining the academy post 16. It also houses Tuition Extra. The academy has set up a trading arm (Buckle Under Limited, company number 09189564) to enable commercial developments which will increase the range of experiences and opportunities available to the students as well as the development of relationships which will be financially beneficial to the academy.
- Adult Education has been part of the campus since 2006 and works with the school to ensure that courses are available to suit the needs of the local community.

There is a sports facility, 'Lifestyle Fitness', which, under new management, had a £2 million refurbishment during 2012/13 and additional money was spent on upgrading the facilities, including £55,000 on the athletics track.
- The Canterbury Academy has sporting links with Gillingham Football Club, Kent Crusaders, Aire Trampoline, Canterbury Rugby Club, AFD Limited, Canterbury Gym Club, Top Flight Sports, Kent Squash, Boughton Golf Club, Matt Fiddes Martial Arts and Marathon Sports. These relationships enable the academy to develop elite post 16 sport provision and also provide enrichment activities for students' pre 16.
- 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 new Tennis School has been created, with 6 students enrolled in the school in 2015/16. Students in the tennis school have all improved their rankings and are achieving well academically.
- Cascade Dance is also on site and contributes to the performing arts through dance in the High School, 6th Form and the community. Its Elite dance company (part of the Canterbury Institute for Performing Arts) took part in numerous performances and competitions nationally, culminating in a performance at the Brighton Festival Fringe.
- Lingo Lingo 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 teaching school partnership led by Dane Court Grammar School as well as another led by Herne Junior School.
- 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 2014-15, 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 both primary and 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 grade C in the case of the primary cohort and up to GCSE Higher level for the secondary cohort. 18 primary teachers and 7 secondary teachers are taking part in this programme.
- From September 2014 John Heffernan has been seconded to The Further Maths Support Programme for 1 day each week to act as an assistant area coordinator for the South East. His role has been to develop working relationships with the mathematics departments in schools and colleges in the SE area and to liaise with local Mathematics Education Strategic Hubs (he is a member of the leadership group for the Kent and Medway Maths Hub), HEIs and other appropriate local agencies to promote the uptake of A level mathematics and Further Mathematics. The Canterbury High School has benefited significantly from this arrangement with extension and enrichment opportunities being made available to mathematics students at both key stage 4 and key stage 5.
- Based at The Canterbury Academy, the Canterbury Sports Partnership is committed to providing high quality physical education and sporting opportunities across the schools within the local area. The partnership is a network of teachers and staff who care passionately about the sporting participation of students in their schools. It consists of 30 primary, secondary and special schools. The partnership delivers the national School Games programme and offers a comprehensive buy-in scheme to support primary schools achieve the recommended outcomes of the sport premium funding. The School Sports Partnership also works with National Governing Bodies and other agencies assisting the development of coaches, officials, volunteers and the wider workforce.
- At the end of the 2013/14 academic year the Parents' Forum agreed to set up a PTA which would have charitable status. As a consequence the old CPS PTA has been disbanded. This PTA has agreed memberships but has not constituted as a charity.

The Canterbury Academy

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Trustees' Report (continued)

For the year ended 31 August 2015

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 object 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. The Canterbury Academy believes that 'all children walk with genius' and that every child is good at something; it offers to its students as much as possible, as often as possible and for as many as possible. The Canterbury High School offers a genuine alternative to a fully selective grammar school.

Teaching and Learning

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

Uniform/House System

In 2012/13 a new smarter school uniform was introduced, which included a blazer and tie. A House System was introduced in February 2013 to instil a concept of identity and healthy competition, so that all talents can be recognised and all achievements rewarded; it has also helped students to take responsibility for the success of their house. The system has had a positive effect on the students, who feel that it has helped to bring the community together. The students would welcome more competitions and have asked to be consulted in relation to school rules and punishment etc. The Academy also works very closely 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 2013/14 we raised more than £10K for local, national and international charities. Our house representatives supported all our work and attended rewards activities including an inspirational event called WE Day at Wembley Arena where they watched Ellie Goulding, Dizzee Rascal and Diversity and heard from Prince Harry, Malala Yousafzai and other amazing young people. We had more than 40 house representatives in 2013 – 14 who helped with interviews, tour guiding, events, fundraising and much more. In 2014/15 we again raised £10,000 for local, national and international charities. Our house representatives supported our work and attended rewards activities, including this year's 'We' Day at Wembley Arena. Points logged this year by pupils were far in excess of anything previously logged and more pupils in each house logged stickers than ever before. Our school newsletter celebrates success in line with the four pillars and is well received amongst staff and pupils.

Banding Assessment/Langton Link

Since September 2012 students wishing to be admitted to the High School have to sit a banding assessment test which places them into ability bands. 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 308 students sitting it in November 2014 (for entrance into the school September 2015).

Extended Services

Non-school time activities were successful again this year. Activities were popular and feedback has been good. Activities ran from 9am – 4pm, with early and late dropping off/ collection available from 8am – 6pm. Due to staffing restraints, we are now planning to use an external company, Energy Kidz, to deliver the bulk of our holiday activities from October 2015. The only exception to this is sports camps which will stay in house, subject to staffing being sufficient to maintain them. Transition weeks for Year 7s attracted nearly 80 children during the summer, with many more unable to be accepted due to staffing limitations. Feedback from those who did attend, and their parents, was overwhelmingly positive and anecdotally those children appear to have settled in well at the school. Children's University continues to be successful and well-attended.

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. The focus for the 2014/15 year has therefore moved to facility hire and generating revenue. The Academy website has been completely redesigned and was launched in January 2015. A virtual tour shows the accommodation and facilities available, and a revised booking procedure has also been introduced. The emphasis has been on attracting regular and long-term hire contracts. A new customer services team has been established with a focus on training staff, branding and corporate identity.

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Trustees' Report (continued)

For the year ended 31 August 2015

Public Benefit

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

- We have an established relationship with Concorde International, who are an English language school based in Canterbury city centre. We run several different programmes with Concorde during the year. The first is the International Buddy Programme. Concorde International bring groups of foreign students to buddy with our Academy students. They spend each day from 8:45 – 3pm with their buddies in all their lessons. This has been a successful venture for a number of years. We have a group of 37 Thai students booked in from the 5th – 9th of October 2015. This will be the first year that the primary school have taken buddies and we are all very excited about further developments between Concorde and the Academy.
- The second programme is the Concorde International Summer School. This summer was the pilot for this programme. Concorde hired our classrooms and hall to run a language school for 2 weeks. Concorde have asked, off the back of this success, that we discuss the hire of the same facilities for next summer from 4th of July – 2nd of August 2016.
- We also offer a number of different visit packages to adults, foreign teachers and lecturers with an interest in the British educational system, offering tours, lesson observations, Principal presentation, pupils Q&A. Concorde International, the University of Kent and Christ Church University have all availed themselves of this service during the year.
- The Lord Mayor's dinner and dance will be held at the Canterbury Academy in 2015/16. This is a very prestigious event and we are in close communication with the Lord Mayor's office. We estimate there to be 200 guests. For this event our students will create centre pieces for the tables, decorate the hall and cook and serve the food on the evening. The Lord Mayor Sally Waters was extremely impressed with our facilities and menu options.
- Vineyards Church hire many of our rooms and facilities every week for 50 weeks per year. They bring with them a congregation of over 400 local people from Canterbury and the surrounding areas.
- Rock Choir are another very long standing client of The Academy. Due to increased numbers they are increasing the number of rooms they book weekly. The Head of the choir is always very keen to advertise our facilities to his customers.
- The over 60's club who have been meeting regularly at the Academy for some years book the chef's academy restaurant for lunch on alternate Thursdays during term time. They also have their annual Christmas meal in the chef's academy restaurant. They are currently involved in a project set up by Kevin Mullins, Youth Worker at The Canterbury Academy, to work with some of our young people on various projects.
- We also have a regular client called Mr Amin who runs Navradi Nites. He hires the hall during October, November and December for dance and dinner evenings. Mr Amin is a very loyal client who is always very impressed with the facilities and customer service he and his guests receive each year.
- On Saturday the 26th September 2015 we are hosting the wedding of Bright and Ayodele. They have booked the Academy for their traditional African wedding with over 300 guests.
- Energy Kidz are soon to become new clients of The Academy, as we outsource our holiday clubs to them to run for our students and also any children from the local area. This is a long term partnership.
- We work closely with the local WI and are hosting two events for them this year in the main hall. The first will be the centenary celebration on Saturday the 28th of November 2015. Muriel Jennings will head up this event and it promises to be a great success. We will also be hosting the annual WI garden day on the 6th of April in the main hall from 8-4pm. As with all of our charities we offer the WI a 15% charity discount on the hire of the facilities. They continue to be excellent clients who book each year.
- Facilities are hired out regularly to a number of local organisations – slimming world, weight watchers, love my fitness, Pinetree, Kent School of Philosophy, mediaid, neighbourhood watch and Bollywood dance.

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

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Trustees' Report (continued)

For the year ended 31 August 2015

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.

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.

STRATEGIC REPORT

Achievement and Performance

Examination Results

At the Canterbury Primary School in 2014/2015 results have been positive across all the Key Stages. In the Foundation Stage pupils performed significantly above national averages for 2014 and we predict we will be above the 2015 averages. KS1 results showed improvement in all areas. We anticipate that the results for KS1 will continue to be in line with Local Authority and National Average figures. At KS2 the results for attainment and progress all improved on 2013/14 results and will be above local and national average figures. Some pupils continued to achieve Level 6 results.

36% (although the DfE will publish an incorrect version of 33%) of students at The Canterbury High School achieved 5 A* - C GCSE's including English and maths on First entry. 40% of students at The Canterbury High School achieved 5 A* - C GCSE's including English and maths on Best entry. Although still above the DfE floor target on Best, that is unlikely to count, and we are disappointed that they were not higher despite being the second set of results released after the toughest educational reforms of our time. Original predictions in May were set between 47-51% 5 A* - C GCSEs including English and maths. In maths there was an increase to the C grade boundary pass mark of 8 marks compared to last year. This boundary shift was not used to normalise the C+ percentage within each tier. In fact it appears it has been deliberately done to artificially drop the % of C+ grades in the higher tier. The maths department have excellent examination and marking systems. They are historically accurate with their predictions. 2015 predictions were based on stringent exam boundaries and many mock papers. However during this turmoil of tier swing 23 students in the higher tier fell short of a C grade. It is most likely all of these students would have achieved a C grade if entered for the foundation. 13 of these students would have got a grade C on last year's higher tier grade boundary.

In the 6th form the Average Point Score per Student Entry was 192.76. For Academic subjects it is 175.62 and for vocational subjects it is 229.46. This means on average our students are achieving the equivalent of D at A Level and a grade A or Distinction at vocational subjects. A number of students this year have been very successful in achieving outstanding A level qualifications, allowing them to progress to university. The academically able cohort actually outperformed last year's national average for academic subjects with an Average Point Score per Entry of 217 compared to the 2014 national average of 212.7

In 2013, the PRU attained its best ever examination results and came out of special measures in November 2013. Results in 2014 showed significant increases in progress, with all students (except 1) having secure destinations. The improvement continues as can be seen by the outcomes in 2014/2015 as measured against The KCC targets.

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Trustees' Report (continued)
For the year ended 31 August 2015

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 three academic years. Improvements are being made in all areas, except those students achieving 5+ A*-C. This must not detract from the outstanding achievements in the other areas of the action plan in 2014-15. Performance has already exceeded the targets in three out of the five areas, three years ahead of schedule.

% of Students	KCC Target (2018)	2012-13	2013-14	2014-15
Improved Attendance	100	71	76	100
Positive Post-16 Destination	90	75	76	100
Permanently Excluded	14 (in kent)	100	100	0
Fully Reintegrated into Mainstream	35	10	12	30
Achieving 5+ A* - C	unspecified	3	0	0

Pillar of Sport Achievements 2014/15

- The 2015 Sports Awards Overall Sports Personality of the Year was awarded to Bayley Sargeant (Year 12) for her outstanding achievements in archery by celebrity guest Maggie Alphonsi MBE
- Ryan Davies (Year 13) was awarded a professional contract with Kent Cricket Club and was selected by England under 19 to tour Australia. He made his debut for Kent in first class cricket in June 2015.
- Kai Appleby (Year 12) and Bradley Goldsack (Year 8) both represented Kent in county age group teams.
- Jordan Gillmore (year 7) scored a hundred in a county cup cricket match against Herne Bay High
- Tamara Fournillier-Onadeko (year 7) was selected for the South East Regional under 13 basketball squad
- Jazmin Salter (Year 12) of the Marathon Sports Athletics Academy came 2nd in the Kent Indoors 200m Championship
- Dan Smith (Year 12) selected for Kent golf team
- Matthew Davies (Year 12) selected for Kent squash team
- Ollie Dykes (Year 12) was selected for the England U18 Basketball Squad
- James Lloyd (Year 12) was selected for the Wales U18 Basketball Squad
- James Lloyd and Ollie Dykes were both selected to take part in the Deng Top 50 Camp this summer which is a high profile basketball training programme.
- Bayley Sargeant (Year 12) represented England at archery at a national competition in July.
- Clara Gill-Pratt (Year 8) qualified for the South East regional swimming championships for her age group
- Sam Atkin, Luke Mattioli, Michael Spinks and Brendan Vinn of CPS came fourth in a national gymnastics competition
- Abby Weller (Year 11) represented Kent in a national branch show jumping competition and her team won the gold medal.
- Max Jameson (Year 10) took first place in both the backstroke and butterfly finals of the Kent Schools Swimming Association at Medway Park
- Josh Butcher (year 11) was selected to play for England Roller Hockey at under 17 level
- Hester Hill (Year 13) won the European Triathlon Union (ETU) Middle distance U20 age group title.
- Bradley Stevenson and Sam Lawford (Year 11) have both been awarded a two year Academy contract with Gillingham FC
- Jimmy Witt (Year 8) is in the Gillingham FC School of excellence
- Alex Mount (Year 12) left school in October to take up a professional playing contract with a roller hockey team in Portugal.
- Ben King and Morgan Weinel (year 9) were both selected for the Kent under 14 rugby squad

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Trustees' Report (continued)
For the year ended 31 August 2015

- Dominic Ives (Year 14) was named Player of the Week in the EABL (Elite Academies Basketball League).
- Mitchell Rae and Junior Natty (Year 13) were both selected for a national AASE basketball tour to Denmark
- Storm Porter (Year 12) represented England at an International Baton Twirling Competition in April having won national titles in September
- Ituah Omole (year 11), Louie Adams (Year 9) and Alex Hunt (Year 9) represented the South East regional basketball squad
- Shannon King (Year 9) was selected for the Kent under 14 girls' football squad
- Lauren Coulthard (Year 9) was selected for a Talent Development camp in Manchester due to her prowess in martial arts and athletics
- At the time of writing, Ciaran Brewer is ranked eighth in Kent at 12U for tennis. Oliver Richards is ranked ninth in the county at 14U. Both had extremely impressive starts to the tennis season.
- The England Schools touch rugby tournament was held in Cardiff and a team of boys and girls from the Canterbury High and Simon Langton Boys School competed in the mixed team event.
- Canterbury High was represented by Danni, Ayla & Erin Payten. The team won all their pool and knockout games, finishing as champions after the 2 day event.
- The Sixth Form Rugby Academy team beat King's Canterbury 15-12 in October.
- The Gillingham Football Club Academy Team finished third in their league.
- The under 15 tennis team of Morgan Moloney, Angel Uzunov, Aleks Korsaks and Luke Gore got the silver medal at The Kent School Games
- The Year 8 cricket team reached the quarter finals of the Kent Cup
- Year 7 boys futsal team came second in a regional competition
- Year 8 girls handball team came fifth in a national competition
- A Year 10 mixed softball side won the East Kent School Games finals
- The Year 11, Year 12 and Year 13 teams all won their Kent Schools Basketball Finals

Performing Arts achievements

- Charlie George (former CHS Performing Arts student) was a finalist on X-Factor (7th place overall) with his band Only The Young
- 'The Hey Wires' (Year 13 band) won the Kent School Games Cultural Celebration – judged by a panel headed by Craig Revel-Horwood – winning a prize of £1,500.
- Maizy Theze (Year 7) was 2nd overall in the WDO World Street Dance Championships. She was also placed 8th in the Duo category, and 15th in the Team category.
- Rory O'Shea was double world champion in Electric Slide and Hip Hop Battle at the same competition.
- Lauren Finlayson (Year 9) was awarded 3rd place nationwide at the ISTD Medallist of the Year in Blackpool.
- Jake Inman (Year 11) has been accepted on a full scholarship at the Royal Central School of Ballet.
- 'Dare' – 6th Form band – was a nationwide finalist in PiXL's Battle of the Bands, and appeared at Wembley Stadium.
- Jack Jenkins, Year 12 Musical Theatre Student, appeared in 'The Boy in the Dress' with David Walliams (BBC1 – Christmas Day).

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Trustees' Report (continued)
For the year ended 31 August 2015

- Year 13 students from the Acting and Musical Theatre Programmes performed their second annual showcase for industry agents at The Crazy Coqs cabaret venue in Soho (London) in June, and several of the students have been contacted by agents and casting directors about possible representation and auditions.
- The summer show, The Wedding Singer, was a huge success, with ticket sales at the Gulbenkian Theatre exceeding the previous two years' shows. With a cast, crew and orchestra exclusively made up of over 80 CHS students, the show was of professional standard, as we have come to expect.
- Year 13 Acting Programme student John Otteston appeared as Guest Lead in an episode of Casualty in November.
- Stewart Prentice (Year 12) has been accepted to the BRIT School, Croydon, on their Musical Theatre Programme.
- Emily Woodbridge (Year 13) has been accepted to Arts Educational, London.
- Ellie Hawkes (2014 graduate of the Musical Theatre Programme) has been accepted at the Royal Central School of Speech and Drama, London.

Practical Learning achievements

- Chelsea Barnes has been accepted at Canterbury Christ Church University to study primary teaching.
- Rebecca Cole has secured employment at Busy Bees nursery after successfully becoming a qualified practitioner at level 3.
- Ellie May-Knowler has been accepted at Canterbury Christ Church University to study Teaching.
- Jamie Richards and David Streeting have secured employment as sous-chefs at the Falstaff Hotel in Canterbury.
- Mia McGee has started level 3 training at College in Film make up.
- Emma Louise-Hatcher has gained employment as a stylist at Steven James hairdressers.
- Tia Hyams joined us in year 10 in the City and Coastal programme and has now joined the 6th form to do hairdressing.
- Casper Portch joined us in year 10 through the City and Coastal programme and has now joined the Far Academy.
- John Brown, Joe Brown and James Dupree worked together with an international team to create a mobile phone application which was downloaded by 28,000 people in the space of 3 days in early 2015, which nearly every national paper in the country wrote a story about.
- The first EEC Practical Learning Awards evening took place on the 16th June 2015, and was a successful evening. The awards celebrated the achievements of both students within the Academy but also those on our City and Coastal programmes and the Kent Equine Academy. David Streeting won the award for EEC student of the year.

Financial review

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

The SOFA shows group consolidated figures (see accounting policy 1.1. on page 28) and total group incoming resources for the year was £11.43m. Total group resources expended amounted to £12.45m, however this includes depreciation of £684k and a loss on disposal of fixed assets of £480k. The loss on disposal relates to part of the old primary school building which was demolished prior to the year end; a proportion of the capitalised building cost has been written off.

The SOFA therefore reveals net outgoing resources of £1.02m, which is reduced by an actuarial gain on the Local Government Pension Scheme (LGPS) of £20k, leaving a net reduction in funds for the year of £996k.

The depreciation and loss of disposal are accounted for through the restricted fixed asset fund, along with capital grant income received during the year. The trustees feel that is helpful to consider the position excluding this fund, since the result on restricted revenue funds gives a clear picture of the operational result for the year.

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Trustees' Report (continued)

For the year ended 31 August 2015

The group's unrestricted revenue fund saw net income for the year of £95k, and there was a further £20k net income of restricted revenue funds, which included the main General Annual Grant (GAG) fund that tracks the core grant funding and related expenditure. The group result for the year on revenue funds, prior to transfers, was therefore a surplus of £115k. A transfer of £91k was then made to the restricted fixed asset fund for capital items purchased out of revenue funding.

It is also worth highlighting that the £70k net revenue income is after deducting a non-cash LGPS charge. The actuarial gain mentioned above is only part of the in-year movement on the LGPS liability of £171k, a charge of £191k (relating to other pension costs which are charged as an expense for the year) has also been made to restricted educational costs. This is a highly subjective movement based on the actuary's assessment, largely out of the trust's control, and so the trustees wish to highlight the net income on revenue reserves of £306k prior to this charge (and transfers).

At 31 August 2015, the net book value of fixed assets was £17.25m, including goodwill arising on consolidation of £188k. Movements in tangible fixed assets for both the group and the academy trust are shown in note 17 to the financial statements. During the year academy trust's assets were used exclusively for providing education and the associated support services to the pupils of the academy trust. Capital expenditure in the year included some new portakabin classrooms, development of a student reception, improvements to the PE changing rooms, together with various ICT and general equipment items.

Financial position

The group held fund balances at 31 August 2015 of £15.22m. These funds included restricted fixed asset funds of £17.03m, restricted revenue funds of £168k, unrestricted funds of £525k and a pension fund liability of £2.5m. After transfers the pension scheme reserve is the only fund in deficit at the year end. This deficit does not mean that an immediate liability crystallises; it results in a cash flow effect in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the academy trust have been fixed for the three years from 1 April 2014.

Going Concern

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

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

Reserves Policy

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

Investment Policy

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

Principal Risks and Uncertainties

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

Risk Management

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

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

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Trustees' Report (continued)
For the year ended 31 August 2015

PLANS FOR FUTURE PERIODS

The principal task facing the company is to maintain and further improve educational standards achieved by the schools. In 2015/16 our focus will be to improve attainment, improve progress and close the gap; it will also be to improve the achievement of our academically able students (especially but not exclusively those in The Langton band), to continue to exceed floor targets set and continue to improve the quality of teaching.

The Academy Improvement Plan sets clear priorities and each priority has a number of targets:

1. To 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 well-being of present and future generations.
 - a. The Canterbury Primary School will gain 'outstanding' status
 - b. The Canterbury High School will gain 'outstanding' status
 - c. The 6th form will be recognised as being an 'outstanding' provider
 - d. The academy's ACP will be recognised as 'outstanding'
 - e. The quality of teaching will be never less than 'typically' good across the academy and be 'outstanding' in 65% + of the academy
 - f. The academy will develop its comprehensive offer based upon a common ethos based upon shared values, beliefs and moral purpose. There will be:
 - i. An academy wide support and intervention programme
 - ii. An academy wide house system and systems of recognition and reward
 - iii. A commitment to extended service and the offer of as much as possible, as often as possible for as many as possible
 - iv. An academy wide approach to SMSC, PBV and E&D
 - v. The development of the 4 pillars of excellence
 - Academic achievement for all and academic excellence for some
 - Excellence in sport
 - Excellence in the performing arts
 - Excellence in practical learning and enterprise education
 - g. The Academy will review and change the governing body structure as required to enable it to better fulfil its responsibilities is met
 - h. The Academy will promote healthy lifestyles, appropriate values and appropriate behaviours and will prepare its learners for their next steps
 - i. The academy will explore the benefits of IT for learning and for the more efficient and effective running of the organisation
2. To provide the highest possible quality professional development to raise the level of performance of all the staff that work at The Academy so that overall priority A (above) can be better met
 - a. The academy will develop an academy wide ITT, T&D and L&M programme to further develop the academy 'greenhouse culture' and to promote a learning culture amongst the staff of The Canterbury Academy
 - b. The academy will develop a core team to drive forward a 'professional learning culture' to support this 'greenhouse culture' as mentioned above
 - c. The academy will develop a leadership development and succession plan (see below Overall Priority 5 a.)
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'
 - a. There will be a planned programme of after school events
 - b. There will be a planned programme for weekend events
 - c. There will be a planned programme for 'holiday' events
 - d. The Canterbury Academy will retain Canterbury Youth Commission and, therefore, the Riverside Building
 - e. The extended service will deliver an entitlement, overcome barriers to learning and promote higher attainment and achievement, whilst closing the gap

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Trustees' Report (continued)
For the year ended 31 August 2015

4. To maximise all advantages presented by academy status 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.
- a. The CPS will open as a 2FE in September 2015 and will double in size
 - b. The Primary site will develop into an educational provision in its own right and act collaboratively to maximise all benefits for pupils, students, staff and the community
 - c. The CHS will formally expand its PAN by 1 FE for entry September 2016
 - d. The CHS will seek to develop additional accommodation on site
 - e. The CHS will improve existing accommodation on site
 - f. The CHS will seek additional accommodation off site
 - g. The Canterbury Academy will seek to work with the reorganised KCC Medical needs Service to further strengthen its ACP and provision for vulnerable learners
 - h. The Canterbury Academy will seek to work with St Nicholas Special School to further strengthen its ACP and provision for vulnerable learners
 - i. Customer service will be part of the academy training programme
 - j. There will be a 3 year planned ICT refresh and costed programme
5. To grow the academy as an educational provider and as a business
- a. The academy will grow leadership capacity, restructure and plan leadership succession to cope with changes to key personnel and growth
 - b. The academy will seek sponsorship status
 - c. The Canterbury Academy, as a small Multi Academy Trust, will seek opportunities to grow subject to due diligence and compatibility with ethos and vision
 - d. The Canterbury Academy will seek opportunities to grow the ACP and increase income from this
 - e. Buckle Under Ltd will seek further commercial opportunities
 - f. City View Pre School and Nurseries Ltd will be bought out on a phased basis and then look to generate £100,000 per year for the academy
 - g. Tuition Extra Ltd should bring revenue to the academy in the financial year 2016-2017
 - h. Corporate Service must generate income to the academy and then provide a business plan to grow this by 10% per annum
 - i. The Canterbury Academy will develop its capacity to effectively deal with the financial demands of academy status and those presented by developing business enterprises
 - j. The Academy must maximise all opportunities to raise additional funds

AUDITORS

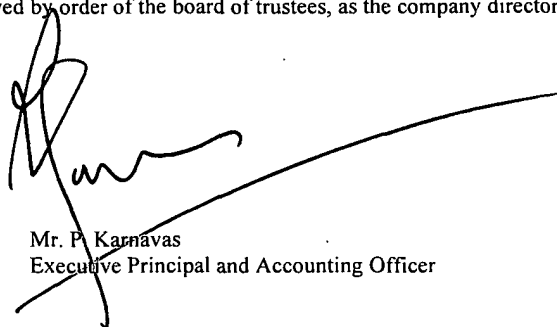
In so far as the trustees are aware:

- 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.

This report, incorporating the Group strategic report, was approved by order of the board of trustees, as the company directors, on 18/12/15 and signed on the board's behalf by:



Mrs. D. Wells
Chair of Trustees



Mr. P. Karnavas
Executive Principal and Accounting Officer

The Canterbury Academy

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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 trustees' responsibilities statement. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs. D. Wells	6	7
Mrs. J. Keay	5	7
Mr. R Field	7	7
Mrs. J. Larkinson	6	7
Mr. A. Milton	3	7
Mrs. D. Wells, Chair of Trustees	6	7
Mrs. J. Keay, Vice Chair	5	7
Mrs. J. Parsons,	4	7
Mr. P. Karnavas, Exec Principal / Accounting Officer	7	7
Mrs. J. Butcher	0	2
Mrs. R. Cox, Staff Trustee	7	7
Mr. A. Doyle	4	7
Mr. R Field, Responsible Officer	7	7
Mrs. R. Giles	2	2
Mrs. J. Greener, Parent Trustee	0	1
Mr. N. Guthrie	6	7
Mr. M. Harris, Staff Trustee	7	7
Mr. R. Hobbs, Parent Trustee	6	7
Mrs. J. Larkinson	6	7
Mr. R. Menzies, Parent Trustee	4	7
Mr. A. Milton	3	7
Mrs. S. Ward	6	7
Mr. C. Wilse	5	6

The Canterbury Academy was formed in October 2010 and eight of its trustees' terms of office expired on 6th October 2014. During the start of the academic year 2014/15 trustees were approached in relation to renewing their terms of office and the estimated date they may wish to stand down in the future. Jean Butcher decided to stand down at the end of her term of office, but all the remaining directors were reappointed for a further four years. Jane Greener also chose to step down in November. A number of new directors have been appointed throughout the year. 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:

The Board of directors carried out a skills audit in February 2015, which highlighted the need for a director with legal experience. In June 2015 a commercial lawyer for BT attended the June Board meeting with a view to becoming a co-opted director.

In December 2014 directors attended a training session with Bill Stoneham, School Improvement Partner, which made directors aware of information they are required to know and the best resources available to them to gain this information. As a result of this session the Board decided that, given the increasing size of the academy, there needed to be dedicated meetings "mini boards" for the four main aspects of the academy, i.e. the primary phase, the secondary phase, the sixth form and the alternative curriculum to allow directors to gain more in-depth knowledge within their dedicated mini board. Minutes of all meetings and paperwork discussed at the meetings continue to be circulated to the whole Board for their information and reports are fed back to each Member group meeting.

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Governance Statement (continued)

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

Financial projects this year have included:

2014-2015

Equipping new Primary School
Refurbishment of nursery to create additional classrooms and toilets
Creation of open plan toilets in Performing Arts block
Creation of open plan toilets in Enterprise building
Creation of 'Independent Study Centre' in EEC building with two additional offices
Storage containers installed for Youth team and Performing Arts departments
Under stairs storage created in Voyager building for Technology department
New boilers installed in Voyager building

Attendance at meetings in the year was as follows:

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. A. Milton	2	3
Mr. A. Doyle	2	3
Mrs. S. Ward	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 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 available. 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.

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Governance Statement (continued)

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Canterbury Academy for the year 1 September 2014 to 31 August 2015 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 2014 to 31 August 2015 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 Personal Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Richard Field, a trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's Trusts financial systems.

On a semi-annual basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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Governance Statement (continued)

Responsible Officer Report for the 2014/2015 Financial Year.

The School is responsible for all aspects of its financial management and should demonstrate public accountability and value for money within its education provision. To help discharge the responsibilities of the Governing Body, the role of the Responsible Officer provides assurance on financial issues and systems of internal control.

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

During the 2014/2015 Financial Year I made 2 visits, March & August, in order to carry out the Financial Management Internal Control Assessments. I focussed on the following:

- Financial Governance
- Completion of the Financial Management Internal Control Assessment in conjunction with the School Finance Manager and Vice Principal responsible for Finance and Personnel. Validation included:
 - Resource Management
 - Purchasing and Value for Money
 - Budget Monitoring
 - Security of Physical Assets
 - Information Security
 - Payroll
 - Petty Cash
 - Bank Account and Monthly Reconciliation

My findings are reported back to the Audit and Risk Committee and any recommendations are discussed and acted on. Through the year my visits have verified that the school has good internal controls in place with only some minor improvements being recommended.

Richard Field
Responsible Officer.

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 Responsible Officer;
- 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 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.

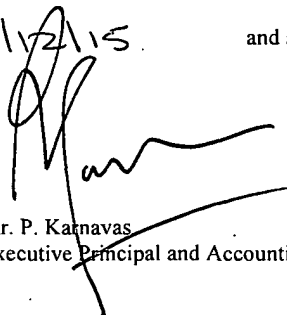
Approved by order of the members of the board of trustees on

18/12/15

and signed on its behalf, by:



Mrs. D. Wells
Chair of Trustees



Mr. P. Karnavas
Executive Principal and Accounting Officer

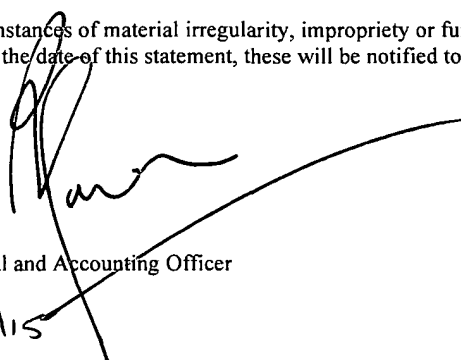
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Statement on Regularity, Propriety and Compliance

As accounting officer of The Canterbury Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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 (2014).

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



Mr. P. Karnavas
Executive Principal and Accounting Officer

Date: 18/12/15

The Canterbury Academy
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Trustees' Responsibilities Statement
For the year ended 31 August 2015

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy trust 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:

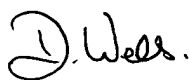
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust 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 academy trust 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 academy trust 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees and signed on its behalf by:



Mrs. D. Wells
Chair of Trustees

Date:

18/12/15

The Canterbury Academy
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Canterbury Academy

We have audited the financial statements of The Canterbury Academy for the year ended 31 August 2015 which comprise the group Statement of financial activities, the group and academy trust Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable academy trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

The Canterbury Academy
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Canterbury Academy

Matters on which we are required to report by exception

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

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

UHY Kent LLP

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

22 December 2015

The Canterbury Academy
(A company limited by guarantee)

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

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

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

The accounting officer is responsible, under the requirements of The Canterbury Academy's funding agreement with the Secretary of State for Education dated 1 October 2010, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. 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 2015 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 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 2014 to 31 August 2015 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
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 22 December 2015

The Canterbury Academy
(A company limited by guarantee)

Consolidated Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	84	83	-	167	268
Activities for generating funds:						
Activities for generating funds	3	810	5	-	815	845
Subsidiary trading activities		154	-	-	154	-
Investment income	5	3	-	-	3	11
Incoming resources from charitable activities	6	70	10,191	33	10,294	9,141
Total incoming resources		1,121	10,279	33	11,433	10,265
Resources expended						
Costs of activities for generating funds	7	84	118	-	202	218
Subsidiary trading expenses		147	-	-	147	-
Academy trust's educational operations	9	795	10,127	1,164	12,086	10,657
Governance costs	10	-	14	-	14	17
Total resources expended	8	1,026	10,259	1,164	12,449	10,892
Net incoming / (outgoing) resources before transfers		95	20	(1,131)	(1,016)	(627)
Transfers between Funds	24	-	(91)	91	-	-
Net expenditure for the year		95	(71)	(1,040)	(1,016)	(627)
Actuarial gains and losses on defined benefit pension schemes	24	-	20	-	20	159
Net movement in funds for the year	24	95	(51)	(1,040)	(996)	(468)
Total funds at 1 September 2014	24	430	(2,280)	18,068	16,218	16,686
Total funds at 31 August 2015	24	525	(2,331)	17,028	15,222	16,218

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 49 form part of these financial statements.

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

Consolidated Balance Sheet
As at 31 August 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Intangible assets	16		-188	-	-
Tangible assets	17		17,057		18,068
			<u>17,245</u>		<u>18,068</u>
Current assets					
Stocks	20	18		-	
Debtors	21	495		493	
Cash at bank and in hand		934		460	
		<u>1,447</u>		<u>953</u>	
Creditors: amounts falling due within one year	22	(791)		(475)	
Net current assets			<u>656</u>		<u>478</u>
Total assets less current liabilities			<u>17,901</u>		<u>18,546</u>
Creditors: amounts falling due after more than one year	23		(180)		-
Net assets excluding pension scheme liability			<u>17,721</u>		<u>18,546</u>
Pension scheme liability	32		(2,499)		(2,328)
Net assets including pension scheme liability			<u>15,222</u>		<u>16,218</u>
Funds of the academy					
Restricted funds :					
Restricted funds	24	168		48	
Restricted fixed asset funds	24	17,028		18,068	
		<u>17,196</u>		<u>18,116</u>	
Restricted funds excluding pension liability					
Pension reserve	24	(2,499)		(2,328)	
		<u></u>		<u></u>	
Total restricted funds			14,697		15,788
Unrestricted funds	24		525		430
Total funds			<u>15,222</u>		<u>16,218</u>

The financial statements were approved by the trustees, and authorised for issue, on their behalf, by:

18/12/15

and are signed



Ms. D. Wells
Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

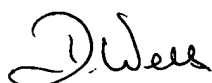
The Canterbury Academy
(A company limited by guarantee)
Registered number: 07345430

Academy trust Balance Sheet
As at 31 August 2015

	Note	£000	2015 £000	2014 £000
Fixed assets				
Tangible assets	17		17,028	18,068
Current assets				
Stocks	20	18	-	-
Debtors	21	485	493	493
Cash at bank and in hand		842	460	460
		<u>1,345</u>	<u>953</u>	<u>953</u>
Creditors: amounts falling due within one year	22	<u>(687)</u>	<u>(475)</u>	<u>(475)</u>
Net current assets			658	478
Total assets less current liabilities			<u>17,686</u>	<u>18,546</u>
Defined benefit pension scheme liability	32		<u>(2,499)</u>	<u>(2,328)</u>
Net assets including pension scheme liability			<u><u>15,187</u></u>	<u><u>16,218</u></u>
Funds of the academy				
Restricted funds :				
Restricted funds	24	168	48	48
Restricted fixed asset funds	24	17,028	18,068	18,068
Restricted funds excluding pension asset		<u>17,196</u>	<u>18,116</u>	<u>18,116</u>
Pension reserve	24	<u>(2,499)</u>	<u>(2,328)</u>	<u>(2,328)</u>
Total restricted funds			14,697	15,788
Unrestricted funds	24		<u>490</u>	<u>430</u>
Total funds			<u><u>15,187</u></u>	<u><u>16,218</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 18/12/15 on their behalf, by:

and are signed



Mrs. D. Wells
Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

The Canterbury Academy
(A company limited by guarantee)

Consolidated Cash Flow Statement
For the year ended 31 August 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	26	794	(765)
Returns on investments and servicing of finance	27	3	11
Capital expenditure and financial investment	27	(323)	(175)
Increase/(Decrease) in cash in the year		474	(929)

Reconciliation of Net Cash Flow to Movement in Net Funds
For the year ended 31 August 2015

	2015 £000	2014 £000
Increase/(Decrease) in cash in the year	474	(929)
Movement in net funds in the year	474	(929)
Net funds at 1 September 2014	460	1,389
Net funds at 31 August 2015	934	460

The notes on pages 28 to 49 form part of these financial statements.

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy trust and its subsidiary undertakings. The results of the subsidiaries 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 and paragraph 397 of the SORP.

1.2 Group accounts

The Group financial statements consolidate the results of the parent undertaking and its subsidiary undertakings. Turnover and profits arising on trading between group companies are excluded.

1.3 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

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

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

Charitable activities are costs incurred in the academy trust's educational operations.

Governance costs include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

1.6 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 one year from the date of approval of the financial statements.

1.7 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.

1.8 Turnover

Turnover comprises revenue recognised by the academy trust in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.9 Intangible fixed assets and amortisation

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 at the following rates:

Goodwill	-	Over term of deferred consideration
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The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.10 Tangible fixed assets and depreciation

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

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

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Land & buildings on conversion	-	0.65% - 10%
Land & buildings post conversion	-	2% - 5%
Plant and machinery	-	25%
Furniture & equipment	-	10% - 25%
Computer equipment	-	20% -33%

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 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.

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 32, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. Voluntary Income

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	2	11	13	25
Similar incoming resources	82	72	154	243
	<u>84</u>	<u>83</u>	<u>167</u>	<u>268</u>

3. Activities for generating funds

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Lettings	238	-	238	109
Income from facilities	393	5	398	532
Catering	96	-	96	88
School trips	47	-	47	79
Uniform income	36	-	36	37
	<u>810</u>	<u>5</u>	<u>815</u>	<u>845</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

4. Income from the subsidiaries' trading activities

The academy trust's subsidiary Buckle Under Limited, was incorporated on 28 August 2014 and the period to 31 August 2015 has been consolidated into this year's accounts. The company had no income or expenditure during the period to 31 August 2015.

The academy trust's subsidiary Buckle Under Limited, has a wholly owned trading subsidiary, City View Pre-school & Nurseries Limited. A summary of that company's trading results is shown below; the trading results are taken from the draft unapproved financial statements for period ended 31 August 2015.

Audited accounts for City View Pre-school & Nurseries Limited and Buckle Under Limited will be filed with the Registrar of Companies in due course. The academy trust's board of trustees have been able to approve the group financial statements prior to the finalisation of the other group entities' accounts because they have received sufficient assurance that any subsequent changes will have no material impact on the consolidated results.

	4 month period ended 31 August 2015 £000	2014 £000
Trading income		
Fees by grants	118	-
Fees by parents	36	-
	<u>154</u>	
Trading expenses		
Staff costs	(124)	-
Depreciation	(1)	-
Other administration expenses	(25)	-
	<u>(150)</u>	
Net profit for the period	<u>4</u>	<u>-</u>

In the group Statement of financial activities, eliminations in respect of intra-group transactions have been made on consolidation.

5. Investment income

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Bank interest	<u>3</u>	<u>-</u>	<u>3</u>	<u>11</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

6. Funding for Academy's educational operations

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
DfE/EFA grants				
General Annual Grant (GAG)	-	8,369	8,369	7,773
Capital grants	-	33	33	77
Other DfE/EFA grants	-	678	678	625
	-	9,080	9,080	8,475
Other government grants				
Other government grants	70	1,144	1,214	666
	70	1,144	1,214	666
	70	10,224	10,294	9,141

7. Costs of activities for generating funds

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Lettings	19	-	19	9
Catering	18	-	18	19
School trips	47	85	132	156
Uniform	-	33	33	34
	84	118	202	218

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

8. Resources expended

	Staff costs	Non Pay Expenditure		Total	<i>Total</i>
		Premises	Other costs		
	2015	2015	2015	2015	2014
	£000	£000	£000	£000	£000
Costs of activities for generating funds	-	-	202	202	218
Subsidiary trading expenses	-	-	147	147	-
	<u>-</u>	<u>-</u>	<u>147</u>	<u>147</u>	<u>-</u>
Academy trust's educational activities:					
Direct costs	6,493	593	1,544	8,630	7,742
Support costs	1,883	594	979	3,456	2,915
	<u>8,376</u>	<u>1,187</u>	<u>2,523</u>	<u>12,086</u>	<u>10,657</u>
Governance	-	-	14	14	17
	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>17</u>
	<u>8,376</u>	<u>1,187</u>	<u>2,886</u>	<u>12,449</u>	<u>10,892</u>

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

	Total £	Individual items above £5,000	
		Amount £	Reason
Fixed asset losses	480,222	480,222	Demolished inherited primary school
Unrecoverable debts	19,097	12,500	Incorrect invoice raised historically

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

9. Charitable activities - academy trust's educational activities

	Total funds 2015 £000	Total funds 2014 £000
Direct costs		
Wages and salaries	5,410	5,048
National insurance	398	376
Pension cost	685	663
Depreciation	650	631
Educational supplies	133	68
Examination fees	209	157
Staff development	42	38
Educational consultancy	870	614
Other direct costs	176	97
Technology costs	57	50
	8,630	7,742
Support costs		
Wages and salaries	1,403	1,245
National insurance	78	70
Pension cost	402	310
Depreciation and goodwill amortisation	47	33
Technology costs	62	54
Recruitment and support	31	35
Maintenance of premises and equipment	225	313
Cleaning	30	30
Rates	86	89
Heat and light	153	163
Insurance	61	60
Security and transport	20	15
Catering	215	203
Advertising	31	56
Non-educational professional services	95	143
Bank interest and charges	3	3
Other support costs	34	93
Loss on disposal of tangible fixed assets	480	-
	3,456	2,915
	12,086	10,657

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10. Governance costs

	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Auditors' remuneration	10	10	8
Auditors' non audit costs	4	4	9
	<u>14</u>	<u>14</u>	<u>17</u>

11. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £000	<i>2014 £000</i>
Amortisation - intangible fixed assets	13	-
Depreciation of tangible fixed assets:		
- owned by the academy trust	686	664
Operating lease rentals:		
- plant and machinery	27	20
- other operating agreements	138	110
	<u>138</u>	<u>110</u>

12. Auditors' remuneration

	2015 £000	<i>2014 £000</i>
Fees payable to the academy trust's auditor and its associates for the audit of the academy trust's annual accounts	10	8
Fees payable to the academy trust's auditor and its associates in respect of:		
The auditing of accounts of other group entities	3	-
All other non-audit services not included above	4	-
	<u>4</u>	<u>-</u>

13. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration, including employer's pension contributions and other benefits was as follows:

	2015 £000	<i>2014 £000</i>
Mr. P. Karnavas, Principal and Accounting Officer	140-145	135-140
Mrs. R. Cox, Staff Trustee	40-45	40-45
Mr. M. Harris, Staff Trustee	50-55	45-50

During the year, no trustees received any reimbursement of expenses (2014 - £NIL).

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14. Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £393 (2014 - £391). The cost of this insurance is included in the total insurance cost.

15. Staff

a. Staff costs

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	6,715	6,232
Social security costs	476	446
Pension costs	1,087	973
	<u>8,278</u>	<u>7,651</u>
Supply teacher costs	78	56
Staff restructuring costs	20	5
	<u>8,376</u>	<u>7,712</u>

b. Staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payments totalling £20,000. Individually, the payment was £20,000.

c. Staff numbers

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

	2015	2014
	No.	No.
Teachers	123	101
Administration and support	124	109
Management	8	10
	<u>255</u>	<u>220</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £ 60,001 - £ 70,000	2	2
In the band £ 70,001 - £ 80,000	1	0
In the band £ 110,001 - £ 120,000	0	1
In the band £ 120,001 - £ 130,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £46,134 (2014 - £35,562).

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16. Intangible fixed assets

	Goodwill £000
Group	
Cost	
Additions	201
At 31 August 2015	201
Amortisation	
Charge for the year	13
At 31 August 2015	13
Net book value	
At 31 August 2015	188

17. Tangible fixed assets

	Land & buildings £000	Plant and machinery £000	Furniture & equipment £000	Computer equipment £000	Total £000
Group					
Cost					
At 1 September 2014	19,871	-	129	210	20,210
Additions	13	9	29	104	155
Disposals	(515)	-	-	-	(515)
At 31 August 2015	19,369	9	158	314	19,850
Depreciation					
At 1 September 2014	2,090	-	9	43	2,142
Charge for the year	624	1	17	44	686
On disposals	(35)	-	-	-	(35)
At 31 August 2015	2,679	1	26	87	2,793
Net book value					
At 31 August 2015	16,690	8	132	227	17,057
At 31 August 2014	17,781	-	120	167	18,068

Included in land and buildings is freehold land at valuation of £1,443,770 (2014 - £1,443,770), which is not depreciated.

The academy trust's transactions relating to land and buildings included:

- The land and buildings disposal is the demolition of 40% of the primary school, as agreed with the EFA. The EFA are building a new primary school and the transfer of ownership is explained in note 30.

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	Land & buildings £000	Furniture & equipment £000	Computer equipment £000	Total £000
Academy trust				
Cost				
At 1 September 2014	19,871	129	210	20,210
Additions	-	21	103	124
Disposals	(515)	-	-	(515)
At 31 August 2015	19,356	150	313	19,819
Depreciation				
At 1 September 2014	2,090	9	43	2,142
Charge for the year	624	16	44	684
On disposals	(35)	-	-	(35)
At 31 August 2015	2,679	25	87	2,791
Net book value				
At 31 August 2015	16,677	125	226	17,028
At 31 August 2014	17,781	120	167	18,068

18. Principal subsidiaries and associates

a. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Buckle Under Limited	United Kingdom	100 %	Ordinary
City View Pre-school & Nurseries Limited	United Kingdom	100 %	Ordinary

b. Principal associates

Company name	Country	Percentage Shareholding	Description
Tuition Extra (Kent) Limited	United Kingdom	49 %	Ordinary

The aggregate of the share capital and reserves as at 31 August 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Buckle Under Limited	1	-
City View Pre-school Nurseries Limited	63,516	4,154

The aggregate amount of capital and reserves as at 31 August 2015, and the profit or loss for the year ended on that date of the associate, Tuition Extra (Kent) Limited, was not available for disclosure but is deemed to be immaterial to the group financial statements.

19. Fixed asset investments

Included in Fixed asset investments is an investment in Ambition House Limited. 8% of the ordinary share holding is held by Buckle Under Limited.

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20. Stocks

	Group		Academy trust	
	2015	2014	2015	2014
	£000	£000	£000	£000
Goods for resale	18	-	18	-

21. Debtors

	Group		Academy trust	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade debtors	142	190	135	190
Other debtors	78	53	77	53
Prepayments and accrued income	275	250	273	250
	495	493	485	493

22. Creditors:
Amounts falling due within one year

	Group		Academy trust	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade creditors	146	180	142	180
Corporation tax	10	-	-	-
Other taxation and social security	146	134	142	134
Other creditors	196	111	151	111
Accruals and deferred income	293	50	252	50
	791	475	687	475

	Group	Academy trust
	£000	£000
Deferred income		
Deferred income at 1 September 2014	33	15
Resources deferred during the year	130	97
Amounts released from previous years	(33)	(15)
Deferred income at 31 August 2015	130	97

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22. Creditors:
Amounts falling due within one year (continued)

The deferred income above relates to the following:

	2015	2014
	£000	£000
School trips, music lessons and bus passes	40	15
EFA Universal Free School Meals	12	-
EFA rates grant	28	-
Property rent	2	-
Other	15	-
KCC Early years funding	33	18
	<u>130</u>	<u>33</u>

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

	Group		Academy trust	
	2015	2014	2015	2014
	£000	£000	£000	£000
Amounts owed to other participating interest	180	-	-	-

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24. Statement of funds - Group

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General funds	430	1,121	(1,026)	-	-	525
Restricted funds						
General Annual Grant (GAG) note (i)	-	8,414	(8,323)	(91)	-	-
Other DfE/EFA grants note (ii)	48	630	(609)	-	-	69
Other government grants note (iii)	-	1,080	(1,075)	-	-	5
Other restricted income note (iv)	-	155	(61)	-	-	94
Pension reserve note (v)	(2,328)	-	(191)	-	20	(2,499)
	(2,280)	10,279	(10,259)	(91)	20	(2,331)
Restricted fixed asset funds note (vi)						
DfE/EFA capital grants	781	33	(55)	-	-	759
Capital expenditure from revenue	270	-	(23)	91	-	338
Other activities	17,017	-	(1,086)	-	-	15,931
	18,068	33	(1,164)	91	-	17,028
Total restricted funds	15,788	10,312	(11,423)	-	20	14,697
Total of funds	16,218	11,433	(12,449)	-	20	15,222

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.
- (ii) The other DfE/EFA grants fund is used to track non-GAG grant money received from the DfE/EFA and connected bodies, and includes Pupil Premium.
- (iii) The other government grants fund is used to track grants provided by government departments and includes the Schools Standard Funds.
- iv) The other restricted income fund is used to account for other special grants received from public bodies and school fund income, together with related expenditure.
- (v) The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.
- (vi) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. A transfer of £91k 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 2015.

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24. Statement of funds - Group (continued)

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

25. Analysis of net assets between funds - Group

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	30	-	17,028	17,058	18,068
Intangible fixed assets	188	-	-	188	-
Current assets	581	865	-	1,446	953
Creditors due within one year	(94)	(697)	-	(791)	(475)
Creditors due in more than one year	(180)	-	-	(180)	-
Provisions for liabilities and charges	-	(2,499)	-	(2,499)	(2,328)
	<u>525</u>	<u>(2,331)</u>	<u>17,028</u>	<u>15,222</u>	<u>16,218</u>

26. Net cash flow from operations - Group

	2015 £000	2014 £000
Net incoming resources before revaluations	(1,016)	(627)
Returns on investments and servicing of finance	(3)	(11)
Amortisation of intangible fixed assets	13	-
Depreciation of tangible fixed assets	686	-
Deficit on disposal of tangible fixed assets	480	-
Capital grants from DfE	(33)	(77)
(Increase)/decrease in stocks	(18)	11
Increase in debtors	(2)	(175)
Increase/(decrease) in creditors	496	(8)
FRS pension cost less contributions payable	157	37
FRS 17 pension finance cost	34	85
Net cash inflow/(outflow) from operations	<u>794</u>	<u>(765)</u>

27. Analysis of cash flows for headings netted in cash flow statement - Group

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	<u>3</u>	<u>11</u>

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27. Analysis of cash flows for headings netted in cash flow statement - Group (continued)

	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(191)	-
Purchase of tangible fixed assets	(155)	(252)
Purchase of unlisted and other investments	(10)	-
Capital grants from DfE	33	77
Net cash outflow capital expenditure	(323)	(175)

28. Analysis of changes in net funds - Group

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	460	474	-	934
Net funds	460	474	-	934

29. 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 amounted to £(10,041,000) (2014: £(468,000)).

30. Contingent assets

The EFA incurred costs in respect of a new primary school building which will be transferred to the academy trust upon completion. This is expected to be transferred during 2015 - 2016.

31. Capital commitments

At 31 August 2015 the academy trust had capital commitments as follows:

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	102	-

32. 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 County Council. Both are defined benefit schemes.

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

Contributions amounting to £118,272 were payable to the scheme at 31 August 2015 (2014 - 109,874) and are included within creditors.

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32. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £953,729 (2014: £847,217).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The group has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £419,000, of which employer's contributions totalled £321,000 and employees' contributions totalled £98,000. The agreed contribution rates for future years are 19.8% for employers and between 5.5% and 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.

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32. Pension commitments (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	6.70	2,145	6.70	1,847
Bonds	3.60	347	3.60	319
Property	5.90	425	5.90	276
Gilts	3.00	32	3.00	33
Cash	2.90	82	2.90	115
Target Return Portfolio	5.90	136	5.90	117
Total market value of assets		<u>3,167</u>		<u>2,707</u>
Present value of scheme liabilities		<u>(5,666)</u>		<u>(5,035)</u>
Deficit in the scheme		<u><u>(2,499)</u></u>		<u><u>(2,328)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(5,666)	(5,035)
Fair value of scheme assets	<u>3,167</u>	<u>2,707</u>
Net liability	<u><u>(2,499)</u></u>	<u><u>(2,328)</u></u>

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

	2015 £000	2014 £000
Current service cost	(478)	(360)
Interest on obligation	(207)	(220)
Expected return on scheme assets	<u>173</u>	<u>135</u>
Total	<u><u>(512)</u></u>	<u><u>(445)</u></u>
Actual return on scheme assets	<u><u>68</u></u>	<u><u>240</u></u>

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32. Pension commitments (continued)

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

	2015	2014
	£000	£000
Opening defined benefit obligation	5,035	4,475
Current service cost	478	360
Interest cost	207	220
Contributions by scheme participants	98	88
Actuarial Gains	(125)	(92)
Benefits paid	(27)	(16)
	<u>5,666</u>	<u>5,035</u>
Closing defined benefit obligation	<u>5,666</u>	<u>5,035</u>

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

	2015	2014
	£000	£000
Opening fair value of scheme assets	2,707	2,110
Expected return on assets	173	135
Actuarial gains and (losses)	(105)	67
Contributions by employer	321	323
Contributions by employees	98	88
Benefits paid	(27)	(16)
	<u>3,167</u>	<u>2,707</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £367,000 (2014 - £387,000).

The group expects to contribute £325,000 to its Defined benefit pension scheme in 2016.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

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32. Pension commitments (continued)

Adjustment to discount rate: +0.1%0.0%-0.1%	£'000	£'000	£'000
- Present value of total obligation	5,539	5,666	5,796
- Projected service cost	463	474	485
Adjustment to mortality age rating assumption:	+1 Year	None	-1 Year
- Present value of total obligation	5,817	5,666	5,519
- Projected service cost	486	374	462

The five year history of experience adjustments for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(5,666)	(5,035)	(4,475)	(3,731)	(2,621)
Scheme assets	3,167	2,707	2,110	1,519	1,048
Deficit	(2,499)	(2,328)	(2,365)	(2,212)	(1,573)
Experience adjustments on scheme liabilities	-	523	-	-	-
Experience adjustments on scheme assets	(105)	67	166	62	(38)

33. Operating lease commitments

At 31 August 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group and Academy trust	2015 £000	2014 £000	2015 £000	2014 £000
Expiry date:				
Within 1 year	34	-	4	21
Between 2 and 5 years	-	-	40	84

34. 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.

35. Ultimate 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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36. 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 a trustee 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 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 £74,194 was received from EKLA and expenditure of £7,706 was incurred. £26,320 was transferred from EKLA being the The Canterbury Academy's share of the Schools Direct Allocation. At the 31 August 2015 EKLA owed the academy trust £12,368.

Appeti Tennis Limited (company number 04673995)

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

At the 31 August 2015 Appeti Tennis Limited owed the academy trust £33,741.

The academy trust has adopted the exemption from disclosure of related party transactions under Financial Reporting Standard 8 on the basis of its subsidiary undertakings being wholly owned.