

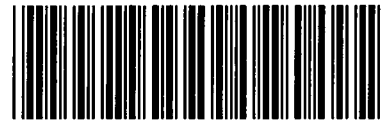
The Canterbury Academy

(A company limited by guarantee)

Directors' Report and Financial Statements

For the Year Ended 31 August 2018

SATURDAY



A7LBY2HD

A19

22/12/2018

#11

COMPANIES HOUSE

The Canterbury Academy
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Statement of trustees' responsibilities	22
<i>Independent auditors' report on the financial statements</i>	23 - 24
Independent reporting accountant's assurance report on regularity	25 - 26
Consolidated statement of financial activities incorporating income and expenditure account	27
Consolidated balance sheet	28
Multi-academy trust balance sheet	29
Consolidated statement of cash flows	30
Notes to the financial statements	31 - 61

The Canterbury Academy
(A company limited by guarantee)

Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2018

Members	Mrs. D. Wells Mrs. J. Keay resigned 7.9.2018 Mr. R Field Mrs. J. Larkinson resigned 31.8.2018 Mr. A. Milton resigned 31.8.2018 Mrs. J. Parsons (appointed 5.6.18) Mr. A. Doyle (appointed 5.6.18) Mrs. G. Baker (appointed 19.7.18)
Trustees	Mrs. D. Wells (resigned 31.12.17) Mrs. J. Keay, Vice Chair Mr. P. Karnavas (resigned 31.12.17) Mrs. R. Cox, Staff Trustee Mr. R. Field, Chair Mrs. R. Giles, Co-opted Mr. N. Guthrie, Chair of Finance, Buildings and Personnel Mrs. R. Hobbs, Parent Trustee (resigned 2.8.18) Mrs. J. Larkinson Mr. C. May, Staff Trustee Mr. A. Milton Mrs. H. Wiles, parent trustee (resigned 3.10.18) Mrs. A. Weinell Mr. J. Stevens Mrs. C. Hicks (resigned 22.2.18) Mr. N. Winterflood Co-opted Mr. D. Chamberlain Co-opted Mr. J. Watson, Executive Principal and Accounting Officer (appointed 1.1.18)
Company registered number	07345430
Principal and registered office	Knight Avenue Canterbury, Kent CT2 8QA
Clerk to the Board of Directors	Mrs. D. Scott
Senior management team	Mr. J. Watson, Trust Executive Principal Mrs. B. Farrell, Trust Executive Vice Principal – Primary Phase Mrs. C. Crane, Trust Executive Vice Principal Mrs. L. Andrew, Chief Finance Officer
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne, Kent ME10 4BJ
Bankers	The Royal Bank of Scotland 14 Rose Lane Canterbury, Kent CT1 2ST

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

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 2018

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 Multi Academy Trust 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 of The Canterbury Primary School and The Canterbury Academy (secondary phase and sixth form).

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.

Principal Activities

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

The Canterbury Primary School has a pupil capacity of 420 and had 348 on roll at the summer census. The Canterbury Primary School was rebuilt as part of the PSBP and opened in September 2015 as a two form entry with additional classes in Class R and Year 3. The intention was to grow incrementally by adding a new Class R each year so that the school would be fully two forms of entry by September 2020. Due to its popularity the school moved to two forms of entry in September 2017.

The Primary School also has an ASD SRBP (Autistic Spectrum Disorder Specialist resourced base provision) which was built on the primary site during the academic year 2015/16, which opened in April 2016 to students already on roll in the primary school with ASD. The commissioned provision for 2016/17 was for 6 – 8 places, during 2017 – 18 there were 11 children in the provision. From September 2018 it will offer (at least) 15 places.

The Canterbury Academy (secondary phase) has a PAN of 210 in each year group. The Secondary School also has a commissioned provision for a SEN Speech and Language SRBP. This presently has 24 students (15 of which are commissioned places through KCC). The Secondary and Sixth Form School roll was 1649 at the school summer census.

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

- a. City View Preschool & Nursery Ltd (Operated by Buckle Under Ltd)
- b. The Canterbury Primary
- c. The Cavendish Centre (Autistic spectrum disorder specialist resourced base provision at the primary school site)
- d. The Canterbury Academy (secondary phase)
- e. The Speech and Language specialist resource base provision at the Secondary School
- f. The 6th form (the only non-selective 6th form in Kent to grow in successive years -2014-2015, 2015-2016, 2016 – 17, 2017 – 18. It is now recognised as the largest school based sixth form in Kent and sixth largest in the country.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Principal Activities – cont.

- g. A range of Alternative Curriculum Provision (ACP) including
 - i. 14-16 ACP PRU under commission to local area
 - ii. A range of sold service ranging from KS2-KS5
- h. Extended and Community Service including
 - i. The Canterbury Youth Commission since July 2018 and now The Ashford Youth Commission, Since August 2018
 - ii. Children's University
 - iii. Schools Games Organiser

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

The Canterbury Academy also has offsite centres, or access to offsite centres, for post 14 engagement and the provision of a genuine comprehensive post 16 post levels 1-3 across general, vocational and occupational qualification including Phoenix House (Herne Bay for Alternative Curriculum PRU); The Riverside Youth and Community Centre. To assist in its building programmes and the increase of numbers on roll, The Canterbury Academy has temporary access to parts of the former Chaucer School site which currently houses a post 16 Performing Arts College as well as other provision. As of September 2018 the Canterbury Academy will launch in its own stage school based on the Chaucer Campus. This will be run through the Trust's Trading Arm, Buckle Under Ltd.

The Canterbury Multi Academy Trust is thus best presented as a service provider with a variety of divisions each with their own head and their own structure. There is a Trust executive structure which embraces and coordinates all the component parts of the company.

Method of Recruitment and Appointment or Election of Trustees

When the company was formed in 2010, the 5 members and original signatories for the company were also trustees. The DFE now advise all Academy Trusts that the majority of members should not be trustees as well. During this academic year one trustee resigned, but remained as a member and a further 3 members have been appointed, allowing 3 of the original members to step down, but remain as trustees.

The members may appoint up to 15 trustees, which includes no more than 3 employees, 1 of which will be the Executive Principal, and a minimum of 2 parent trustees. Parent trustees must be a parent of a registered student at one of the academies at the time of appointment. In addition to this, the trustees may appoint up to 3 co-opted trustees.

At the year-end there were 13 trustees in total (1 members, 6 appointed by the members, 3 co-opted by the members, the Executive Principal plus 2 other members of staff).

In addition to this trustees are now looking to recruit between 2 – 4 local governors to add capacity to each local governing body during 2018/19. An advert was placed in the local paper during the summer holidays and on the academy website.

Policies and Procedures Adopted for the Induction and Training of Trustees

The board of trustees has established an induction pack which is sent to all new trustees with their appointment letter. The training and induction provided for new trustees will depend on their existing experience. When necessary, induction will include training in charity, educational, legal and financial matters. All trustees are provided with the information needed (including policies, minutes, budgets etc.) to undertake their role.

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

During 2017 -18 the academy ran four training sessions open to all directors; Ofsted preparation in September 2017; Safeguarding, PPG, Finance, health and safety and appraisals in November 2017; Induction to new directors in March 2018 and a Data session in July 2018.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Organisational Structure

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

- The Canterbury Primary School local governing body meet termly
- The Canterbury Academy (secondary phase) local governing body meet termly
- The Sixth Form local governing body meet termly
- The CEE local governing body met termly during 2017/18, this will decrease to four meetings a year during 2018/19
- The member group met three times during 2017/18 and plan to meet twice in 2018/19
- The Finance, Buildings and Personnel Committee met 4 times during the year
- The Audit & Risk committee met 3 times during the year
- Safeguarding committee meet twice during the year, this will increase to four meetings during 2018/19
- ASD SRBP Steering group met once and will meet twice during 2018/19
- SLCN SRBP Steering group met once and will meet twice during 2018/19

The full board of trustees meet 7 times a year. Smaller boards (now referred to as local governing bodies) were established at the end of 2014/15 to allow a more focused approach to monitoring and evaluating the work of the academy's component parts. Trustees delegate specific responsibilities to committees and local governing bodies, the activities of which are reported to and discussed at full governing body meetings. Day to day management of the academy is undertaken by the Executive Principal of The Academy Trust, supported by the Senior Management Team. The Executive Principal of The Canterbury Academy Trust is also the Accounting Officer.

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

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

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

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

Arrangements for setting pay and remuneration of Key Management Personnel

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

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

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

Trade union facility time

There are no members of staff, either part or full time that are paid for being a Union representative.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

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.

Connected Organisations, including Related Party Relationships

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

- The Academy has City View Pre-school and Nurseries Limited, a private company, on the primary school site, with many of the children progressing through to Class R of The Canterbury Primary School. The Canterbury Academy established a subsidiary company, Buckle Under Limited, which acquired the entire share capital of City View Pre-school & Nurseries Limited on 30 April 2015. The nursery on site is therefore under the indirect management of the academy, providing greater integration of service, improved partnership working and better progression to The Canterbury Primary School as it grows in size and also to provide educational opportunities through placements for the secondary school students studying childcare.
- In September 2010 a class of Year 7 children from St. Nicholas Special School started to attend The Canterbury Academy daily and this arrangement continues to develop and improve. This relationship works extremely well, and is part of the academy's inclusive philosophy, and in 2014 St Nicholas opened a post 16 unit on site, paying for adjustments to accommodation in the EEC to allow it. There have been two St Nicholas classes based on the old Chaucer Site. Consultation will take place at the start of 2018 – 19 to create satellite provision for 16 primary aged pupils at The Canterbury Primary School.
- St Nicholas School and The Lift Executive, chaired by the Head of St Nicholas School, now use the Trust's Professional Learning and Community Centre for all their CPD and most meetings.
- Since September 2012 The Canterbury Academy (secondary phase) has worked in partnership with Simon Langton Grammar School for Boys, promoting academic excellence through its grammar band. 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.
- From September 2017, The Canterbury Academy continued as a Lead Associate School for the Royal Shakespeare Company's Associate Schools Programme working with 10 Associate Schools: Canterbury Primary School, Heme Bay Junior School, St Gregory's Catholic Primary, Canterbury Road Primary, Ethelbert Road Primary, Lynsted & Norton Primary, Rochester Grammar School, The Orchard School, Folkestone Academy, Towers School & Sixth Form. These schools range from primary to secondary and include grammars, comprehensives and a special school for pupils with Emotional and Behavioural Difficulties (EBD) needs.

In March we presented a successful production of "Julius Caesar" at the Marlowe Theatre in Canterbury with all the schools involved presenting a scene each to create a joint production. From this production, 2 children from each school formed a new cast and presented a new production of "Macbeth" for the Playmaking Festival at The Royal Shakespeare Theatre in Stratford-upon-Avon in July 2018.

In March we hosted an RSC First Encounters touring production of "Julius Caesar" that was watched by 190 Year 8 pupils. In June 2018 Jon Watson and Robert Palmer attended a one day conference entitled, "Raising Achievement and Aspirations Through Shakespeare" at the Royal Shakespeare Theatre in Stratford-Upon-Avon at which they spoke about the positive impact the RSC has had on The Canterbury Academy.

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

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Connected Organisations, including Related Party Relationships – cont.

In July 2018, The Canterbury Academy was selected to continue as a Lead Associate School for a further 2 year cycle of the programme. Following a recruitment process, the schools joining us as Associate Schools are Norton Knatchbull School, Brenzett Primary School, St Peters Primary School, Dane Court Grammar School and continuing with us The Canterbury Primary School, Ethelbert Road Primary School, Canterbury Road Primary School, St Gregory's C of E Primary School, Folkestone Academy, and Towers School.

- The Canterbury Academy was successful in retaining the Youth Commission for another 5 years taking us up to 30th November 2021. The Youth Commission covers the entire Canterbury District including centre based and detached youth work. We have entered into a Service Level Agreement (SLA) with the Canterbury City Council to deliver on our behalf, they cover the Lucerne and Spring Lane Estate. The commission requires the academy to deliver on set Key Performance Indicators (KPI's) that the Academy are judged against, to show how the Academy is performing. In addition to this, since August 2018 The Canterbury Academy now oversees Ashford Youth Commission up until 30th November 2021, we are currently building relationships with partners across the Ashford District to turn this into a success.
- The Canterbury Academy was asked by KCC to take on management responsibility for the 14 – 16 ACP PRU based at Riverside, Phoenix House and Wincheap in April 2012 and improved the provision sufficiently to enable it to be removed from special measures in November 2013. The academy continues to provide KS4 provision for an increased number of students permanently removed from local schools, commissioned by the Canterbury Inclusion Service at Riverside and Phoenix House. This year the number has been reduced back down to 32, in an attempt to streamline the numbers of students accessing ACP in the area. This is not a reflection of the service provided by The Canterbury Academy, but simply an attempt to prevent as many students being referred. 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 two years (April 2013-2014, April 2014-2015). April 2015-2016 had a 2% increase to £367,200, April 2016/17 saw a further 2% increase to £374,544. Due to increased numbers April 2017/18 payment was £503,137 and April 2018/19 payment was £436,951. The forecast for 2019/20 is £402,996
- The Canterbury Academy Trust has an Enterprise & Employability College (EEC) on site, which began operation in September 2013. It offers practical learning to students in a range of industry sectors, including a commercial hair salon, construction suite and a range of catering outlets. The EEC now contains a refurbished Independent Study Centre which was developed in anticipation of increased students joining the academy post 16. It also houses The Far Academy. The Trust has set up a trading arm (Buckle Under Limited, company number 09189564) to enable commercial developments which will increase the range of experiences and opportunities available to the students as well as the development of relationships which will be financially beneficial to the academy.
- Adult Education has been part of the campus since 2006 and works with the school to ensure that courses are available to suit the needs of the local community.
- There is a sports facility, 'Lifestyle Fitness'. Refurbishment of changing rooms took place in August 2017 approximate cost £65K.
- The Canterbury Academy has sporting links with Gillingham Football Club, Kent Crusaders, Aire Trampoline, AFD Limited, Canterbury Gym Club, Boughton Golf Club and Marathon Sports. These relationships enable the academy to develop elite post 16 sport provision and also provide enrichment activities for students' pre-16.
- The Trust has a tennis dome on the academy sites which is inhabited by Appeti Tennis, who are still interested in pursuing the possibility of expanding the facility with increased court space. A Tennis School was created, with 10 students enrolled in the school in 2017/18. 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 secondary phase, 6th Form and the community.
- Kent Language School is a private language school that works with students at the academy, as well as other primary schools in the area.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Connected Organisations, including Related Party Relationships – cont.

- The Canterbury Academy is a partner of the East Kent Learning Alliance. The Executive Principal of the trust is the Chair of the board of directors for EKLA. The East Kent Learning Alliance includes the three teaching school partnerships which includes Dane Court Grammar School, Herne Junior School and The Canterbury Primary School. The Academy will work with EKLA in its primary aim in delivering NPQ, ITT and SLE programmes to staff. The teaching school receives a separate annual core grant and an evaluation of how these funds are spent takes place yearly and is reported separately.

Bev Farrell, Principal of The Canterbury Primary School was also awarded the status of National Leader in Education. The DfE collates impact and evaluation information separately regarding the NLE/NSS grant

- 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 2017-18, and in collaboration with the Centre for Innovation in Mathematics Teaching at Plymouth University, John Heffernan has delivered a Post-ITT Teacher Subject Specialism Training programme at CHS for secondary teachers. The aim of the programme is to develop the mathematics subject knowledge and pedagogy of non-specialist teachers of mathematics and teachers planning to teach mathematics so that they are capable and confident to teach mathematics up to GCSE Higher level. 8 secondary teachers, including 1 from The Canterbury Academy (secondary phase) registered to take part in this programme.

John Heffernan continued to be seconded to The Further Mathematics Support Programme for 1 day each week throughout the academic year 2017-18 to act as an assistant area coordinator for the South East. His role is to develop working relationships with the mathematics departments in schools and colleges in the South East area and to liaise with local Mathematics Education Strategic Hubs, Higher Education Institutions (HEI) and other appropriate local agencies to promote the uptake of A level mathematics and Further Mathematics. The Canterbury Academy has benefited significantly from this arrangement with extension and enrichment opportunities being made available to mathematics students at both key stage 4 and key stage 5.

John is the Level 3 Lead for the Kent and Medway Maths Hub, responsible for the coordination of level 3 provision throughout the area and is a member of the hub senior leadership team.

- Based at The Canterbury Academy, the Canterbury Academy Sports Partnership is committed to providing high quality physical education and sporting opportunities across the schools within the local area. The partnership is a network of teachers and staff who care passionately about the sporting participation of students in their schools. It consists of 30 primary, secondary and special schools. The partnership delivers the national School Games programme and offers a comprehensive buy-in scheme to support primary schools achieve the recommended outcomes of the sport premium funding. This year the partnership have offered more packages to local schools to support them with new guidelines and pre-requisites set by Kent Sport and the Youth Sport Trust. The School Sports Partnership also works with National Governing Bodies and other agencies assisting the development of coaches, officials, volunteers and the wider workforce. The partnership is now managed by our School Games organiser, Gemma Edwards who was appointed on 3rd July, 2017.
- The Canterbury PTA is a registered charity that has continued to run the school lottery as well as a few small projects this year. It is intended to grow both its fund raising and profile next year.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Objects and Aims

The principal object of the company is to advance education. The Canterbury Academy Multi Academy Trust is a school for all the

talents offering a comprehensive education and a wealth of opportunity. It achieves this objective by providing a state education, free of charge, to students aged 4 to 19.

The Trust'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
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Objects and Aims – cont.

These are our key beliefs

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

These are our key values

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

Teaching and Learning

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

House System

The House System continues to instil a concept of identity and healthy competition, so that all talents can be recognised and all achievements rewarded – 'as much as possible, as often as possible for as many as possible'; it continues to help students to take responsibility for the success of their house and their wider community. The improved profile and identity of the house system continues to have a positive effect on the students, who feel that it has helped to bring the community together. The number of house points and rewards show an improving trend year on year with more students being engaged and receiving rewards. In a year when the rewards system was changed, it is pleasing to note that the number of reward points accrued by students was significantly higher than the previous year. Moreover, the number of behaviour points accrued, was significantly lower. This is evidence that in general, the majority of students are engaged in lessons and show a positive attitude to learning.

The Multi Academy Trust maintains its fundraising with its adopted charity, The Friends of North Kigezi diocese, to raise money to help provide food, shelter and education to this part of Africa. It has also committed to help raise funds for a planned maternity unit in the village. Charity days are run through the house system. Various other fund raising drives took place, throughout the year, helping individual causes as well as Sport Relief.

Inter-house competitions were introduced, by the Head of House who was covering maternity leave and whilst the uptake for these were lower than expected, it is hoped that as they become more familiar, more students will participate.

Summer Fest, celebrating its tenth anniversary, was again, another successful day, providing opportunities for sports participation in the morning and a wide variety of cultural activities in the afternoon. Do Your Thing Week ran again, with many new activities included. There are plans in place to develop this week for the upcoming year, to maximise participation and broaden the opportunities available. A good consistent range of activities was captured by a professional film maker. A highlights video will now be shared across many celebration events to showcase the depth of talent in our young people across the Trust.

Our school newsletter has grown from strength to strength. It celebrates success in line with the four pillars and is very well received amongst staff and pupils. This has grown into a community newsletter, which now goes out to the various stakeholders of the Academy Trust.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Banding Assessment/Langton Link (secondary phase)

Since September 2012 students have been advised to sit a banding assessment test which places them into ability bands. This enables the school to engineer a comprehensive ability profile. If more students apply to join the school than places available, then those taking the banding assessment are considered before those who have not taken it. The academically able students have studied a curriculum in English, Maths and Science which is equivalent to that studied at the Simon Langton Boys School. Both schools use the same schemes of work and resources to support their teaching and learning and staff attend joint training sessions. Parents have been very supportive of the Banding Assessment with 315 students sitting it in November 2017 (for entrance into the school September 2018).

Extended Services

The Extended Service Team now delivers;

Youth and community work, via the youth team, including evening open access, additional needs groups and the Bike Project, as well as holiday provision including residential.

The Canterbury Primary School, delivers holiday provision 9-3 during set times throughout the year.

Pace Sports now deliver on behalf of The Canterbury Academy during set times throughout the holiday periods.

We continue to run Children's University in modules throughout the year on Saturday mornings.

Transition week is still running for one week every summer holiday to help year 6 students to transition to year 7.

Marketing and Advertising

The academy's advertising and marketing has successfully attracted increased numbers to the school compared with the previous academic year. We continue to advertise on local radio, newspaper and through flyers to local schools. We have launched an academy Twitter page and continue to use our Facebook pages for regular student success announcements. Within the Corporate Services team we have continued to attract new external revenue and give the Academy a corporate identity which is now recognised in the area and associated with excellence in customer service.

Public Benefit

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

- We continue to grow our external lettings across the academy. We now hire facilities at Chaucer and the primary campus, including the newly built community cafe and professional learning and community centre.
- Our relationship with Concorde International is strong and we are welcoming more groups of visitors each year.
- Facilities are hired out regularly to a number of local organisations – Slimming World, Weight Watchers, Pinetree, Mediaid, Neighbourhood Watch and Bollywood Blast.
- We have hosted several prestigious events including the Lord Mayors dinner and dance and the Armed Forces Day Concert in association with The Royal British Legion.
- In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

Disabled Employees

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy trust. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust 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 Trust 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 trustees, or external sources – school community, external agencies or individuals. Our students see our schools 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.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

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 trust.

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

STRATEGIC REPORT

Achievement and Performance

Examination Results

Primary school

At The Canterbury Primary School 2017/18 results have been very positive in Early Years, Key Stage 1 & 2. Early Years Foundation Stage results once again continues to be significantly above Local Authority (LA) and National Average (NA) in all areas and there have been good improvements in Literacy and Numeracy attainment. 75% of pupils achieved a Good Level of Development. Key Stage 1 continues to show consistency in attainment in reading, writing and maths. The cohort was larger this year due to our continuing expansion and the level of SEN need was higher than the previous year.. Pupil attainment at exceeding level continues to be exceptional this year. It is predicted these results will be at least in line with National averages. Year 1 phonics has shown a slight improvement in attainment this year but is predicted to be below national averages. There was an increase of 15 pupils taking the test this year compared to 2018. Key Sage 2 results continue to build upon the previous successes and improved once again at 'Expected' level. We achieved 73% combined compared to a national average of 64%. This also improved on the 71% from last year for the school. Our Spelling, Punctuation and Grammar results were the strongest they have ever been and we are above the NA for the second year by 5% achieving 83% at expected level. Reading achieved 81% which is 6% above NA, Writing achieved 79% which is 1% above NA and Maths achieved 81% which is 5% above NA. It is pleasing to note that the 'dip' in exceeding/greater depth attainment has recovered from 2017 and has improved from 2% combined to 17% which we predict will be above the NA.

Secondary School

Our headline figure as of September 3rd 2018 stands at 47% in maths and English 'Basics' at 4+, and 26% at Level 5+, (the new strong pass). Our grade 5 + 'Basics' is better than last year and our grade 7-9 (old A-A*) in English, maths and across all subjects has improved for the second year in a row. Although, the DFE may publish lower than this at first due to students on roll and appeals.

This appears good if compared to similar types of school in Kent. We are awaiting their table checking exercise to open, so we can confirm our figures.

Our Progress 8 Score (now the key measure as of summer 2016) is likely to be negative (as it was last year but in line with national averages over three years). However, this is largely a consequence of 20% of the year group not doing 8 subjects. Although our 'live' Progress 8 score (national comparisons) will not be available until the Autumn term, these will confirm our position when compared to schools and their students nationally. It should be noted that 35 students did not follow a P8 curriculum; as we offer a 3-year Key Stage 4.

External factors that affected results:

23 new qualifications and specifications with unknown grade boundaries.

Grade boundary hike of 16 marks in foundation math's

Grade boundary hike of 6 marks in English.

Sixth form

In the sixth form the progress scores for the A level students came in at -0.32 with the applied general progress at -0.2. This means on average our students are achieving the equivalent of D at A Level and a grade A or Distinction at vocational subjects. The maths and English GCSE retakes achieved very positive results of 0.13 and 0.35 respectively with both being significantly above national average. The sixth form destination figure also came out exceptionally positive with a 92% positive destination compared to the national 88%. A large number of students this year have been very successful in achieving outstanding A and BTEC qualifications, allowing them to progress to university.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

City and Coastal College

The Local Authority have published an action plan for alternative curriculum providers in Kent, with targets to be achieved by 2018. The table below shows comparisons against the action plan and the trends year-on-year. Improvements are being made in most areas, although attendance remains a primary focus area in the college's SiP. It must be remembered that every young person in the college, has had significant disruption to their secondary and, in some cases, their primary education.

The initial role of the college is to stabilise the students and place them on an appropriate pathway, to securing a suitable post-16 destination. It is with significant pride that the college can report that all students who attended in year 11, will progress on to a positive post-16 destination – this is and, continues to be the primary target for each student and all other areas are focused upon subsequently.

% of Students	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Improved Attendance	71	76 ↑	100 ↑	78 ↓	40 ↓	31 ↓
Positive Post-16 Destination	75	76 ↑	100 ↑	87 ↓	95 ¹ ↑	100 ² ↑
Permanently Excluded	100	100 –	0 ↑	0 –	0 –	0 –
Fully Reintegrated	10	12 ↑	30 ↑	20 ↓	10 ↓	21 ↑

¹2016-17 – 3 students discounted are 1 x Illness, 1 x YOI, 1 x Pregnant

²2017-18 – 1 student discounted due to persistent non-attendance

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

Pillar of academic excellence achievements 2017/18

Canterbury Primary School (CPS)

The academic pillar was able to work very closely on enrichment opportunities and High Achievers (HA) at CPS. In particular;

- Literacy agenda- visit from University of Kent Poets.
- Author in residence spent an introductory day with Year 5 and 6, will continue in 21/18/19 one day a month.
- Year 6 visited Canterbury Christ Church University for a taster day on Going to University
- Tim Fox spoke to Year 5 parents about the academic pillar in the secondary phase and the Langton Link.

Middle School

The focus for KS3 has been closing the progress gap between HA students and non HA students. This is now closing significantly in both years 7 and 8. Strategies have included;

- Science, English and maths enrichment weeks.
- Top 25 progress students visiting Canterbury Christ Church University and the University of Kent in Years 7-9
- Over 100 enrichment activities on the provision map.
- Author in residence set up for Years 7 and 8.
- Kent Literacy outreach programme for Year 8.

Senior School

The focus has been to maintain excellent progress for the Langton Link students (approximately 30% of the cohort).

- 2017-18- 100% A*-C for the Langton cohort.
- 20 % improvement on grades of 4 and above in maths and English.
- Outstanding results for early entry Year10 English literature, 60% grade 5 and above, 97% grade 4 and above, Statistics 95 % grade 4 and above.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Sixth Form

The focus for the last few years has been to increase numbers attending Higher Education destinations;

- 123 students offered places at university (115 last year)
- 300% increase in numbers attending Kent University in the last two years.
- More students applying to Russell group destinations.
- 10 % improvement in A*-C results in Year 13.

Once again we are delighted with the performance and success of students throughout the Trust.

Pillar of Sport Achievements 2017/18

- Ross Johnstone (Year 11) was selected to represent the Kent FA U16 football squad.
- Elliot Bailey (Year 14) received national recognition in the Elite Academy Basketball League by being named Player of the Week and has gained a place at a top Canadian University.
- Tom Paterson (Year 7) was selected for the Kent under 14 golf squad.
- Archie Hatcher (Year 7) has been selected to represent Kent Schools at football.
- Jamie Keir (Year 8) won the Kent cross country championships for his age group.
- Oliver Richards (Year 11) and Ulrich Neinaber (Year 8) represented Kent in national tennis competitions.
- Brandon Dunkerley (Year 13) represented The United Kingdom at ju-jitsu in an under 19 category.
- The sixth form basketball academy progressed to the national semi-finals after a convincing 87-66 win over Derby.
- The school set up an equestrian team who were outstanding in their first district competition.
- Jonathan Brown (Year 13) and Jesse Sazant received major honours in the national basketball awards.
- Jonathan Brown was also selected for the GB under 18 basketball team.
- A team of gymnasts from Canterbury Primary School and Academy secondary phase performed very well at The British Schools Gymnastics Milano Team National Finals.
- A Canterbury Academy (secondary phase) Tennis Team defeated King's School in a county cup game.
- Dan King (Year 8) won the Kent Sport Trap Championship.
- Elliot Jones (Year 9) was presented with his county badge for representing the Under 25 Kent Indoor Bowls Association.
- There were wins for our Year 7, Year 9 and sixth form teams in the county basketball competitions.
- Our Year 7 football team took on Simon Langton in the district final and came away with a 5-0 victory.
- Charley Collins (Year 7) was selected for both the Kent and South East England basketball teams.
- Cameron Lombard (Year 13) won the Kent Schools Individual Golf Competition and went on to represent England in national tournaments.
- Lewis Marsh (Year 9) has made the top 40 in national table tennis rankings.
- Bradley Goldsack (Year 11) and Taylor Chandler (Year 13) have both represented Kent in county age group cricket this summer. Ed Taylor (Year 12) has represented Sussex.
- The under 19 cricket team reached the county cup final. The under 15 cricket team made it to the county cup semi-finals.
- Tamara Fournillier-Onadeko (Year 10) was selected for the Great Britain under 16 basketball squad.
- Jordan Gillmore (Year 10) has been selected for a specialist day release programme by Millwall Football Club.
- Jimmy Witt (Year 11) was selected by Gillingham Football Club to be part of their two year apprenticeship programme.
- An Under 13 team from the Academy (secondary phase) won the Kent School Games Beach Volleyball Competition.

Pillar of Performing Arts achievements 2017/18

- Our professional performing arts training centre (The Chaucer Campus) is now in its third year, in which we welcome the largest number of Year 12 performing arts students ever. The specialist provision on this site has attracted other companies and dance schools and is proving a great draw in terms of out-of-hours hire. There are now 143 students across all five of our Sixth Form Performing Arts Programmes in Years 12 and 13, our highest number by nearly 20%.
- Our Sixth Form Stage School was launched in Sept 2018, giving 15 students the opportunity to have full-time, 40-hour per week training in all aspects of the performing arts. Each student pays £500 per term to access this, with scholarships and bursaries available.
- A full complement of 7 scholarships to the Pauline Quirke Academy were awarded to Academy students in KS2-4 over the year, enabling them to access high-profile performing arts training on Saturdays at our Chaucer Campus.
- Cooper Stout (Year 11) was recently cast in a recurring role two separate, full-scale television series on the CBBC channel.
- Ava Goodman (Year 7) has recently been engaged in professional modelling contracts (on an international scale) with both Stella McCartney and Clarke's shoes.
- Charlotte Brown (former Sixth Form Acting Programme student) has recently appeared in the BBC drama Vanity Fair.
- Sydney Denning (Year 13 Dance) was awarded a place to train in street dance with the IMD Legion (as seen on Britain's Got Talent) in London.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

- On Wednesday 4th July Edward Onions and Sadie Stedman, along with some 180 other students nationwide, performed Shakespeare's tragedy "Macbeth" on the stage of the Royal Shakespeare Theatre, Stratford-upon-Avon as part of the Royal Shakespeare Company's Associate Schools Playmaking Festival. The Festival comprises nine ensembles from the four corners of England including Canterbury.
- As of July 2018, Maizy Theze (current Y11) is now overall champion in street dance with IDO UK.
- Niamh Smith (Y10) was cast in Matthew Bourne's touring production of CINDERELLA, and performed the piece during its run at the Marlowe Theatre.
- The Year 13 Acting Programme won the 2018 Made In Kent competition at the Canterbury Festival, and will be performing their original piece of theatre at the festival this autumn.
- The Junior Institute for Performing Arts (KS3) took part in National Theatre Connections with a performance of the play These Bridges in April, and despite being the youngest group in the competition received rave reviews from the judging panel.
- In April, Robbie White, Jack Whitnell, Louis Black (Year 12 Music Programme) were put together by International Management to form a brand new London-based boy band - having had photo shoots, styling sessions etc. Within just over a month their band – named Dream Land Society - has had 25,000 views on their online videos, and amassed over 30,000 followers on social media platforms.
- In March, Michael Maple (Year 12 Dance Programme) was offered a Full Artistic Scholarship to train at The School of Ballet Theatre UK in Leicestershire! This means that 100% of his yearly school fees will be paid for the duration of the full-time course.
- In March 2018, our Y7 and Y8 students performed in 'The Ides of March' as part of the Royal Shakespeare Company's agreement with us as Lead Associate School.
- In November 2017, Tegwen Evans-Forrest (Y13) appeared on BBC1 for Children In Need.
- In September and October 2017, Roberta Cashman (Year 10) worked with a group of young people across the country as part of a theatre workshop development programme, which culminated in a performance at the RADA Studios in London on Saturday 14th October. Supported by external professionals, Roberta and the other young people were responsible for developing the content, direction and production of a sixty minute performance.
- In October 2017, Adelaide Parker (Year 12 Musical Theatre) competed in the British Baton Twirling Federation's Autumn Championships in Torbay, where she was crowned National Champion in five categories.
- In October 2017, the Primary Institute for Performing Arts was launched, which mirrors our Sixth Form and Junior Institute programmes – for talented KS2 students. This has been a roaring success, with our most talented pupils receiving free weekly tuition in singing, acting and dance – as well as spotlight performances in our many high-profile events!
- In March, over 60 students on the Dance and Musical Theatre Programmes took part in Move It 2018, the largest dance and performing arts exhibition in the UK. Held at London's Excel Centre, the students performed four times, including once on the prestigious Main Stage, in front of thousands of guests. Not only that, they acted as student ambassadors to help staff promote our courses at CPA, and there was national interest in our new Stage School model, which offers full-time, 40-hour-per-week training in Dance and Musical Theatre from September.
- In January 2018, the National Youth Theatre visited the school to audition the acting programme students. We are thrilled to celebrate Ross Panton (Yr12), Dan Martins Quintal (Yr13) and Robert Dunk (Yr13) who were successful, this is a great achievement as NYT audition thousands of young people across the country and only very few get accepted.

Pillar of Practical Learning achievements 2017/18

The Practical learning pillar alongside the academic pillar has applied for another two year project which has been successful working with schools from Latvia, Munich, Italy and the Czech Republic, working on a media project and creating awareness of the different opportunities across Europe. The project was aimed at encouraging 6th form students to think about studying and working in Europe.

It has also been a successful year for results across the pillar subjects with more students going to University and onto Apprenticeships. Some successful students:

Jess Sellwood - Foundation Degree Special Education needs and inclusion at CCCU
Chanelle Loader Teaching Assistant at Pilgrims Primary school
Megan Hann and Keeley Wrench Nursing at CCCU
Rory O Shea - Lloyds Bank Apprenticeship
George Charters - IT apprenticeship with NHS
Rosie Longhurst - Chef at Chestfield Barn

The most recent development is the Academy being the first school to partner with The Peter Jones Enterprise Academy to be able to offer their courses as part of the 6th form provision. We are now starting our pilot year with the Peter Jones Academy, we have a recorded video for recruitment purposes to advertise the partnership.

The EEC Practical Learning and Enterprise Awards evening took place on the 12th June 2018, and was a successful evening. The guest speaker was Sue Dunn and 70 students across the Academy Trust were celebrated. Casey Warren won the award for Practical learning student of the year.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Financial review and position

Most of the group's recurrent income is received by the parent company, in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

The SoFA shows group consolidated figures (see accounting policy 1.1) and total group incoming resources for the year were £13.8m. The significant reduction in group income compared to £20.4m in the prior year has arisen because of the impact of certain one-off transactions such as capital grants and donations reflected in the prior year figures (explain in more detail in note 2).

Core funding for educational operations has increased significantly during 2017/18; as shown on the SoFA and in more detail in note 3 to the financial statements, funding for educational operations has risen to £12.6m from £12.3m in 2016/17, largely because of an increase in core General Annual Grant (GAG) funding from the ESFA, which was up by £506k.

Total group resources expended amounted to £14.4m, a reduction on £15m in the prior year. Since this total expenditure is in excess of incoming resources the SoFA reports net expenditure for the year of £614k. It is important to note that this net expenditure does not represent in any way the day to day operating result of the group. The restricted fixed asset fund is shown separately on the SoFA and this reports a net expenditure of £739k (after transfers); the movement on unrestricted and other restricted fund is therefore a combined net income (again after transfers) of £126k.

Even this figure does not reveal the true operating result of the group since the expenditure figure of £14.4m includes pension charges of £557k. These form part of the movement on the trust's Local Government Pension Scheme (LGPS) reserve during the year.

The movement in group revenue funds is therefore not immediately obvious from the SoFA due to the influence of the other items described in this review.

During 2017/18 group revenue funds have increased by £682k (2017: reduction of £137k). Most of this increase relates to the academy trust itself, although City View, the main other trading entity of the group, has also achieved a profit during 2017/18. The surplus achieved by the academy trust is welcome and has been achieved after a significant amount of work to reduce costs. It has also been necessary to return the academy trust, and wider group, to a more secure financial position.

The SoFA reports an overall increase in group funds of £485k after a large actuarial gain of £1.1m; this forms part of the movement on the LGPS deficit along with the pension charges referred to above. In total, therefore, the pension deficit carried on the balance sheet has reduced by £542k during the year. This remaining deficit does not mean that an immediate liability crystallises; it results in a cash flow effect in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the academy trust have been fixed until 1 April 2020.

The pension reserve is the only fund of the academy trust in deficit, although as disclosed in note 22 the trust's subsidiary undertaking, Buckle Under Limited, has a net liability position on its own financial statements.

In total the group had funds of £26.5m as at 31 August 2018. These can be summarised as follows:

	The Canterbury Academy (TCA) unrestricted funds £000s	TCA restricted revenue funds £000s	TCA pension £000s	Restricted fixed asset £000s	City View £000s	Buckle Under £000s	Total £000s
Brought forward 1.9.2017	169	86	(4,379)	30,349	25	(188)	26,062
In-year movement	342	587	542	(739)	60	(7)	485
Carried forward at 31.8.2018	211	1,673	(3,837)	29,610	85	(195)	26,547

TCA revenue funds: £884k

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Going Concern

As noted in the financial review and position section on the previous page, both the group and the academy trust's own financial positions have improved considerably during 2017/18.

Based on the fund balances carried forward into 2018/19, giving consideration to forecasts for the coming year, and after making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators

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

Financial and Risk Management Objectives and Policies

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

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.

Fund raising

Currently, the only fund raising is through the school lottery and traditional school events (Christmas fair, etc.). We do not work with any commercial or professional fund raisers and have had no complaints. Our fund raising is limited to the school community and all procedures are in place to ensure no undue pressure is put on anyone.

Reserves Policy

At the start of the 2017/18 a reserves policy was written and reserves in the range of £250K - £750K was agreed for 2017/18. The academy will look to build its reserves up over a period of time. At 31 August 2018 the academy trust had revenue funds of £884k, and, although lower, the overall group carried revenue funds of £774k into 2018/19. The group is therefore meeting the reserves policy written at the beginning of the financial year and the trustees will review on-going requirements in view of the improved financial position.

Investment Policy

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

Plans for future periods

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

Absolute priority 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.

Absolute priority 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 absolute priority 1 (above) can be better met.

In June 2017 The Canterbury Primary School received Teaching School status, with Bev Farrell becoming a NLE.

The Canterbury Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

Plans for future periods – cont.

Absolute priority 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.'

Absolute priority 4:

To maximise all advantages and opportunities to provide the highest possible quality environment, accommodation, resources, ethos and customer service to enable all our learners to achieve and our community to benefit from that which the academy provides.

Executive summary:

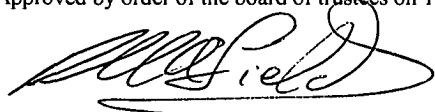
- The two nurseries have been deemed 'good'; the primary school was been deemed 'good' (2016-2017) and disappointed not to have achieved 'outstanding; and, The Canterbury Academy returned to 'good' in October 2017, with an exceptional report published in November 2017.
- The Canterbury Academy, as part of The Canterbury Academy Trust, will operate as an integrated service, and aim to provide a genuine comprehensive option in the increasingly competitive and unfair Kent selective system by offering 'schools for all the talents', which will further develop the 4/5 pillars of excellence and which recognises and rewards the positive so that its offer better meets the needs of its wide range of learners.
- The Canterbury Primary School has successfully become a Teaching School and Bev Farrell, its head, has become a National Leader of Education (NLE).
- The Canterbury Academy has expanded officially by 1FE (September 2017) and become a genuine comprehensive alternative for the children and parents of east Kent. It will develop the partnership with Simon Langton Grammar School for Boys so as to further lift aspiration. It will seek additional and improved accommodation.
- The 6th form will offer a comprehensive option by radically reforming its offer and developing its own college system to position itself to attract all learners.
- The Trust will develop itself as the hub of The Canterbury City & Coastal College 14-24 alternative curriculum Inclusion provision for students excluded or disengaged from other schools, whilst pioneering the vision of enterprise and employability education through the 6th form in partnership with The Peter Jones Enterprise Academy, launching in September 2018.
- The Canterbury Primary School and The Canterbury Academy will seek ways to work ever more closely together for pupil progress, for professional development and the enhancement of the 4/5 pillars and the maintenance of 'youth, community and extended service'.
- The Canterbury Academy Trust will continue its youth, community and extended service by offering opportunities to children of all ages and to the local community on a campus which is open and available 16 hours/day; 7 days/week and 50 weeks/year.
- The Canterbury Academy Trust will seek to develop its network and seek possible partners.
- The Canterbury Academy Trust's Trading arm, 'Buckle Under Ltd', will pursue enterprise and it will generate funds for the academy and the community charity will engage in fund raising.
- The Canterbury Academy Trust will become more business-like, but education should never be seen as a business. Thus, The Canterbury Academy Trust will continue as a collection of component parts which, working together, will maintain its moral purpose and offer the learners and the families of Canterbury and east Kent outstanding comprehensive education and outstanding opportunities to improve the life chances of children and to help in the community.

Auditors

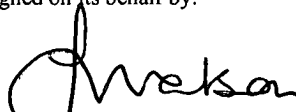
In so far as the trustees are aware:

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

Approved by order of the board of trustees on 17 December 2018 and signed on its behalf by:



Mr. R. Field, Chair of Trustees



Mr. J. Watson, Executive Principal and Accounting Officer

The Canterbury Academy
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Canterbury Multi Academy Trust 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 Executive Principal, as Accounting Officer, for ensuring financial controls conform to 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 Multi Academy Trust and the Secretary of State for Education.

They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

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

During the academic year 2017 – 18 there were four trustee resignations from Debbie Wells, Phil Karnavas, Caroline Hicks and Rebecca Hobbs. In October 2018 Hannah Wiles also resigned. The trustees have agreed that during 2018/19 it will increase the size of its local governing bodies through the appointment of local governors.

Governance reviews:

In November 2015 the Board of Directors commissioned a governance review by an external adviser. The following now takes place annually following recommendations made:

- Committee/local governing body effectiveness.
- Performance management of trustees/governors

In May 2017 The Canterbury Primary School during its Ofsted inspection was judged 'good' in all areas. In October 2017 The Canterbury Academy (secondary phase) Ofsted inspection was also judged 'good' in all areas.

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 trust's finances and resources, including proper planning, monitoring and probity. Management accounts are produced and reported to trustees on a monthly basis.

The Canterbury Academy
(A company limited by guarantee)

Governance Statement

Financial projects this year have included:

- ICT Refresh across campus
- New Build Furniture
- Multi-Use Games Area (MUGA) built on the primary school site
- Professional Learning and Community Centre (PLCC)
- Upgrade of site security
- Upgrade of site signage
- Installation of new water tank –Frank Hooker
- New carpets- Enterprise

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mrs. J. Keay,	3	4
Ms. D. Wells, Vice Chair of Trustees	1	2
Mr. P. Karnavas, Exec Principal and Accounting Officer	0	2
Mr. A. Milton	2	4
Mr. N. Guthrie Chair Finance, Buildings and Personnel	4	4
Mr. R. Field, Chair of Trustees	4	4
Mr. N. Winterflood	2	4
Mr. J. Watson	4	4

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

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. A. Milton	3	3
Mr. N. Guthrie	3	3
Mr. D. Chamberlain	2	3

Review of Value for money

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

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

- The academy has become income generating to ensure that services can continue. Income generation happens in a variety of ways and includes hiring of the academy's resources and facilities by outside individuals or groups, e.g. the school hall has been used for wedding receptions; the selling of services, e.g. the academy will release staff to provide a service for other organisations; entering into commercial relationships which bring benefit to the academy, e.g. linking with foreign language schools and providing experiences for overseas students for a fee; setting up a range of provision which can be sold to other schools who wish to include and engage some of their learners more effectively. All of these together bring significant income into the academy.
- The school has invested in alternative curriculum provision (ACP) at a lower cost than that which was previously provided by the local authority and for which the academy is paid a commission (see below). It also has the advantage of enabling more students to benefit from this provision and for other schools to buy into it, which increases revenue to the academy. Students who are placed on ACP also have better destination routes and engage in education for longer and The Canterbury Academy has not permanently excluded any students for the last two academic years.

The Canterbury Academy
(A company limited by guarantee)

Governance Statement

Review of Value for money – cont

- The academy has continued with its policy of appointing non-teaching staff to a variety of roles. This represents a saving in terms of salary, whilst enabling a better service since non-teaching pastoral specialists can focus fully upon their role. This also has the effect of allowing teaching staff to fully focus upon their classroom practice. This model also improves the delivery of many vocational courses as instructors are better equipped to deliver relevant experience. The academy has also entered into a variety of contractual arrangements to provide a service and these range from providing construction courses to small A level language lessons. The 3 major advantages to the academy of these arrangements is buying expertise, enabling a flexibility of provision and a saving of on-costs.
- Due to budget reductions, anticipated austerity measures and the National Fair Funding Formula the leadership and management of the academy have taken steps to reduce expenditure. They include the non-replacement of staff where possible, the increase in teaching loads of the SLT and the ending of some third party provider SLAs for post 16 courses and a review of all SLAs to improve value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Canterbury Multi Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The Academy Trust is responsible for all aspects of its financial management and should demonstrate public accountability and value for money within its education provision. In April 2017 Burgess Hodgson were appointed as the independent internal auditor for the academy.

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

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

Burgess Hodgson, a firm of chartered accountants, carried out three visits this academic year:

- i. 13 November 2017: the core tests carried out included purchasing, aged creditors, payroll, VAT return, sales, aged debtors, bank statements, fixed asset register, risk register, purchase ledger and verified invoices.
- ii. 10 & 13 April 2018: the core tests included purchasing, aged debtors, bank statements, payroll, purchase ledger, banking, VAT return. A further review took place in the following areas, HR procedures, pensions, new employees, appraisals and succession planning.

The Canterbury Academy
(A company limited by guarantee)

Governance Statement

- iii. 19 July and 9 August 2018 visits focused on the GDPR team, data asset register, policies and agreements, staff training and continuing compliance.

The conclusion from all visits were there were no significant issues identified and all recommendations have been actioned.

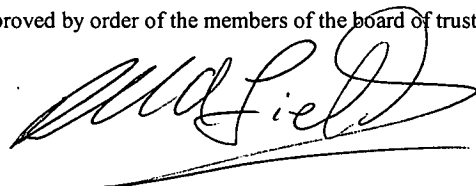
Review of Effectiveness

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

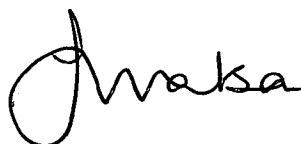
- the work of the external auditors;
- the work of the independent internal auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 17 December 2018 and signed on their behalf, by:



Mr. R. Field
Chair of Trustees



Mr. J. Watson
Executive Principal and Accounting Officer

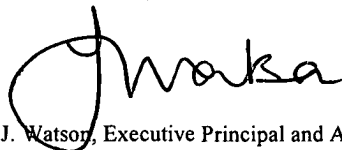
The Canterbury Academy
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi-academy trust, or material non-compliance with the terms and conditions of funding under the multi-academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Mr. J. Watson, Executive Principal and Accounting Officer

Date: 17 December 2018

The Canterbury Academy
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 charitable group will continue in business.

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

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

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

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



Mr. R. Field
Chair of Trustees

Date: 17 December 2018

The Canterbury Academy
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of The Canterbury Academy (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent multi-academy trust's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

The Canterbury Academy
(A company limited by guarantee)

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

Matters on which we are required to report by exception

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

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

- the parent multi-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 multi-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.

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the multi-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 multi-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 multi-academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of

UHY Kent LLP

Chartered Accountants and Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

20 December 2018

The Canterbury Academy
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Canterbury Academy during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Canterbury Academy's funding agreement with the Secretary of State for Education dated 1 October 2010, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Canterbury Academy for the year ended 31 August 2018 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 & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *20 December 2018*

The Canterbury Academy
(A company limited by guarantee)

Consolidated statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	7,023	11,952	44,934	63,909	6,867,168
Charitable activities	3	487,968	12,118,981	-	12,606,949	12,319,901
Teaching schools	35	-	66,000	-	66,000	-
Other trading activities	4	1,042,884	2,985	-	1,045,869	1,158,977
Investments	5	1,161	-	-	1,161	4,944
Total income		1,539,036	12,199,918	44,934	13,783,888	20,350,990
Expenditure on:						
Raising funds	4	730,262	-	-	730,262	939,799
Charitable activities	6	701,174	11,943,192	941,763	13,586,129	14,061,615
Teaching schools	35	-	65,966	-	65,966	-
Total expenditure	7	1,431,436	12,009,158	941,763	14,382,357	15,001,414
Net income / (expenditure) before taxation		107,600	190,760	(896,829)	(598,469)	5,349,576
Taxation		(15,301)	-	-	(15,301)	(7,290)
Net income / (expenditure) before transfers		92,299	190,760	(896,829)	(613,770)	5,342,286
Transfers between Funds	22	3,411	(160,909)	157,498	-	-
Net income / (expenditure) before other recognised gains and losses		95,710	29,851	(739,331)	(613,770)	5,342,286
Gains on revaluations of fixed assets	16	-	-	-	-	6,596,591
Actuarial gains on defined benefit pension schemes	28	-	1,099,000	-	1,099,000	914,000
Net movement in funds		95,710	1,128,851	(739,331)	485,230	12,852,877
Reconciliation of funds:						
Total funds brought forward	22	5,691	(4,292,824)	30,349,547	26,062,414	13,209,537
Total funds carried forward		101,401	(3,163,973)	29,610,216	26,547,644	26,062,414

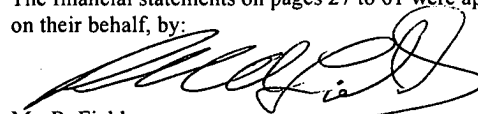
The notes on pages 31 to 61 form part of these financial statements.

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

Consolidated Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	15		16,808		23,726
Tangible assets	16		29,600,000		29,946,184
Investments	17		-		-
			<u>29,616,808</u>		<u>29,969,910</u>
Current assets					
Stocks	18	23,436		22,549	
Debtors	19	404,290		580,340	
Cash at bank and in hand	26	1,350,377		1,017,692	
			<u>1,778,103</u>	<u>1,620,581</u>	
Creditors: amounts falling due within one year	20	(965,267)		(1,059,077)	
Net current assets			<u>812,836</u>		<u>561,504</u>
Total assets less current liabilities			<u>30,429,644</u>		<u>30,531,414</u>
Creditors: amounts falling due after more than one year	21		(45,000)		(90,000)
Net assets excluding pension scheme liabilities			<u>30,384,644</u>		<u>30,441,414</u>
Defined benefit pension scheme liability	28		(3,837,000)		(4,379,000)
Net assets including pension scheme liabilities			<u><u>26,547,644</u></u>		<u><u>26,062,414</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	22	673,027		86,176	
Restricted fixed asset funds	22	29,610,216		30,349,547	
			<u>30,283,243</u>	<u>30,435,723</u>	
Restricted income funds excluding pension liability					
Pension reserve	22	(3,837,000)		(4,379,000)	
			<u>26,446,243</u>	<u>26,056,723</u>	
Total restricted income funds					
Unrestricted income funds	22		101,401		5,691
Total funds			<u><u>26,547,644</u></u>		<u><u>26,062,414</u></u>

The financial statements on pages 27 to 61 were approved by the trustees, and authorised for issue, on 17 December 2018 and are signed on their behalf, by:



Mr. R. Field
Chair of Trustees

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

Multi-academy trust Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	15		6,951		8,726
Tangible assets	16		29,590,082		29,932,567
Investments	17		1		1
			<u>29,597,034</u>		<u>29,941,294</u>
Current assets					
Stocks	18	23,436		22,549	
Debtors	19	528,957		655,851	
Cash at bank and in hand		1,232,996		933,998	
			<u>1,785,389</u>	<u>1,612,398</u>	
Creditors: amounts falling due within one year	20	(887,889)		(949,387)	
Net current assets			<u>897,500</u>		<u>663,011</u>
Total assets less current liabilities			<u>30,494,534</u>		<u>30,604,305</u>
Defined benefit pension scheme liability	28		(3,837,000)		(4,379,000)
Net assets including pension scheme liabilities			<u><u>26,657,534</u></u>		<u><u>26,225,305</u></u>
Funds of the academy					
Restricted funds :					
Restricted funds	22	673,027		86,176	
Restricted fixed asset funds	22	29,610,216		30,349,547	
			<u>30,283,243</u>	<u>30,435,723</u>	
Restricted funds excluding pension asset					
Pension reserve		(3,837,000)		(4,379,000)	
			<u>26,446,243</u>		<u>26,056,723</u>
Total restricted funds					
Unrestricted funds	22		211,291		168,582
Total funds			<u><u>26,657,534</u></u>		<u><u>26,225,305</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 17 December 2018 and are signed on their behalf, by:


Mr. R. Field
Chair of Trustees

The Canterbury Academy
(A company limited by guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	25	929,095	509,880
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,161	4,944
Purchase of intangible fixed assets		-	(9,558)
Purchase of tangible fixed assets		(597,505)	(2,668,631)
Capital grants from DfE Group		44,934	284,850
Capital funding received from sponsors and others		-	2,355,327
Net cash used in investing activities		(551,410)	(33,068)
Cash flows from financing activities:			
Repayments of borrowings		(45,000)	(30,000)
Net cash used in financing activities		(45,000)	(30,000)
Change in cash and cash equivalents in the year		332,685	446,812
Cash and cash equivalents brought forward		1,017,692	570,880
Cash and cash equivalents carried forward	26	1,350,377	1,017,692

The notes on pages 31 to 61 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 2018

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

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

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

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

1.2 Fund accounting

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

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

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

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

1.3 Income

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

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

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

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

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

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

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

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

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

1.5 Going concern

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

1.6 Basis of consolidation

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

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

1.7 Intangible fixed assets and amortisation

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

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

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

Goodwill	-	Over the term of deferred consideration
Computer Software	-	Over the license term
Other intangible fixed assets	-	

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

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

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

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

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

Freehold property	-	0.65% - 10%
Improvements to freehold property	-	2% - 14%
Furniture and fixtures	-	10% - 25% straight line
Plant and equipment	-	25% straight line

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

1.9 Revaluation of tangible fixed assets

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

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

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

1.10 Investments

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

(i) Subsidiary undertakings

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

(ii) Associated undertakings

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

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.11 Stocks

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

1.12 Debtors

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

1.13 Cash at Bank and in hand

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

1.14 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the multi-academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Amounts due to the multi-academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 20 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the multi-academy trust's wholly owned subsidiary are held at face value less any impairment.

1.16 Taxation

The multi-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 multi-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.

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.17 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi-academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.18 Agency arrangements

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

Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use a percentage of the allocation towards its own administration costs, however chooses not to do so. The funds received and paid and any balances held are disclosed in note 32.

1.19 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	7,023	11,952	-	18,975	12,689
Capital Grants	-	-	44,934	44,934	2,956,709
Fixed assets donated by the DfE/ESFA	-	-	-	-	3,897,770
	<u>7,023</u>	<u>11,952</u>	<u>44,934</u>	<u>63,909</u>	<u>6,867,168</u>
<i>Analysis of 2017 total by fund</i>	<u>5,749</u>	<u>6,940</u>	<u>6,854,479</u>	<u>6,867,168</u>	

3. Funding for the academy trust's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	10,279,055	10,279,055	9,773,280
Other DfE/ESFA grants	-	691,229	691,229	634,245
	<u>-</u>	<u>10,970,284</u>	<u>10,970,284</u>	<u>10,407,525</u>
Other government grants				
Local authority grants	5,239	537,273	542,512	777,984
Other government grants	-	487,599	487,599	523,249
	<u>5,239</u>	<u>1,024,872</u>	<u>1,030,111</u>	<u>1,301,233</u>
Other income from educational operations				
Other educational income	106,655	115,522	222,177	242,258
Educational trip income	162,370	-	162,370	89,373
Income from academies and schools	32,954	8,303	41,257	99,503
Catering income	180,750	-	180,750	180,009
	<u>482,729</u>	<u>123,825</u>	<u>606,554</u>	<u>611,143</u>
	<u>487,968</u>	<u>12,118,981</u>	<u>12,606,949</u>	<u>12,319,901</u>
<i>Analysis of 2017 total by fund</i>	<u>561,153</u>	<u>11,758,748</u>	<u>12,319,901</u>	

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

4. Trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Academy clubs and sport camp	28,250	-	28,250	25,337
Rental income	64,895	-	64,895	74,300
Lettings income	235,050	-	235,050	251,939
Sales of goods and services	43,802	2,985	46,787	55,886
Staff consultancy	190,047	-	190,047	286,498
Uniform income	44,728	-	44,728	36,581
Subsidiary income	424,313	-	424,313	422,358
Insurance claims	10,202	-	10,202	-
Other activities	1,597	-	1,597	6,078
	<u>1,042,884</u>	<u>2,985</u>	<u>1,045,869</u>	<u>1,158,977</u>
Fundraising trading expenses				
Uniform purchases	43,775	-	43,775	32,913
Rental expenditure	65,643	-	65,643	93,588
Subsidiary trading expenditure - City View	61,240	-	61,240	80,328
Subsidiary trading expenditure - Buckle Under	2,246	-	2,246	97,528
Academy and subsidiary - staff costs	552,215	-	552,215	597,242
Subsidiary - amortisation of goodwill	5,143	-	5,143	38,200
	<u>730,262</u>	<u>-</u>	<u>730,262</u>	<u>939,799</u>
Analysis of 2017 total by fund	<u>312,622</u>	<u>2,985</u>	<u>315,607</u>	<u>219,178</u>

In 2017, of the total income from trading activities, £1,155,563 was to unrestricted funds and £3,414 was to restricted funds.

In 2017, the total expenditure from trading activities, £939,799 was to unrestricted funds.

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	1,161	-	1,161	4,944
	<u>1,161</u>	<u>-</u>	<u>1,161</u>	<u>4,944</u>
Analysis of 2017 total by fund	<u>4,944</u>	<u>-</u>	<u>4,944</u>	

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

6. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations	9,819,923	3,766,206	13,586,129	14,061,615
<i>Analysis of 2017 total</i>	<i>10,446,449</i>	<i>3,615,166</i>	<i>14,061,615</i>	

Analysis of direct costs

	Total 2018 £	Total 2017 £
Staff expenses	85,135	127,031
Educational supplies	251,422	200,271
Examination fees	209,755	227,087
Technology costs	45,044	34,471
Educational consultancy	1,038,988	1,401,114
Other direct costs	249,580	140,634
Wages and salaries	5,565,796	5,883,368
National insurance	580,339	612,778
Pension cost	852,101	907,440
Depreciation	941,763	912,255
	9,819,923	10,446,449
<i>Analysis of 2017 total</i>	<i>10,446,449</i>	

Analysis of support costs

	Total 2018 £	Total 2017 £
Staff costs	2,643,466	2,589,970
Technology costs	77,707	72,801
Maintenance of premises and equipment	110,099	101,425
Cleaning and caretaking	30,172	21,999
Operating lease rentals	51,865	55,744
Rates	140,696	98,973
Energy	169,176	148,364
Security	57,479	41,756
Transport	20,745	24,757
Catering	238,596	246,420
Non-educational consultancy	41,458	55,247
Risk protection arrangement fees	42,020	36,037
Other support costs	126,699	109,663
Governance costs	16,028	12,010
	3,766,206	3,615,166
<i>Analysis of 2017 total</i>	<i>3,615,166</i>	

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	<i>Total</i> <i>2017</i> <i>£</i>
Fundraising/trading expenditure					
Direct costs	552,215	-	178,047	730,262	939,799
Support costs	-	-	-	-	-
Trust's educational operations:					
Direct costs	6,998,236	941,763	1,879,924	9,819,923	10,446,449
Support costs	2,643,466	507,622	615,118	3,766,206	3,615,166
Teaching schools	5,489	-	60,477	65,966	-
	<u>10,199,406</u>	<u>1,449,385</u>	<u>2,733,566</u>	<u>14,382,357</u>	<u>15,001,414</u>
<i>Analysis of 2017 total</i>	<u>10,590,798</u>	<u>1,324,772</u>	<u>3,085,844</u>	<u>15,001,414</u>	

8. Expenditure - Analysis of specific expenses

Gifts made by the trust	-	£615
Unrecoverable debts	-	£754
Cash losses	-	£345

9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	943,689	919,698
Amortisation of intangible fixed assets	6,918	38,348
Operating lease rentals	217,725	242,960
Loss on disposal of tangible fixed assets	-	149
Impairment of group goodwill	-	96,415
	<u>1,168,332</u>	<u>1,297,570</u>

10. Auditors' remuneration

	2018 £	2017 £
Fees payable to the multi-academy trust's auditor and its associates for the audit of the multi-academy trust's annual accounts	10,750	10,130
Fees payable to the multi-academy trust's auditor and its associates in respect of:		
The auditing of accounts of associates of the multi-academy trust	4,615	4,335
Audit-related assurance services	2,790	2,200
All other non-audit services not included above	150	665
	<u>17,305</u>	<u>17,330</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

11. Staff costs

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	7,449,881	7,995,960
Social security costs	709,359	745,483
Operating costs of defined benefit pension schemes	1,719,292	1,714,936
	<u>9,878,532</u>	<u>10,456,379</u>
Agency staff costs	310,874	134,419
Staff restructuring costs	10,000	-
	<u><u>10,199,406</u></u>	<u><u>10,590,798</u></u>

Staff restructuring costs comprise:

	2018	2017
	£	£
Severance payments	10,000	-
	<u><u>10,000</u></u>	<u><u>-</u></u>

b. Non-statutory/non-contractual staff severance payments

Total termination payments made in the year ended 31 August 2018 were £10,000 for one individual. This was a compromise agreement as compensation for loss of office.

c. Staff numbers

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

	2018	2017
	No.	No.
Management	8	5
Teachers	146	155
Administration and support	180	187
	<u>334</u>	<u>347</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Management	8	5
Teachers	129	139
Administration and support	124	149
	<u>261</u>	<u>293</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

11. Staff costs (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £ 60,001 - £ 70,000	3	2
In the band £ 70,001 - £ 80,000	0	1
In the band £ 80,001 - £ 90,000	0	1
In the band £ 90,001 - £ 100,000	1	0
In the band £ 130,001 - £ 140,000	0	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £37,064 (2017: £68,918).

e. Key management personnel

The key management personnel of the multi-academy trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi-academy trust was £602,104 (2017: £581,711).

12. Central services

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

13. Trustees' remuneration and expenses

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

		2018	2017
		£	£
Mr. J. Watson, Executive Principal and Accounting Officer - from 1 January 2018	Remuneration	60,000-65,000	<i>not a trustee</i>
	Pension contributions paid	10,000-15,000	<i>not a trustee</i>
Mr. P. Karnavas, Executive Principal and Accounting Officer - until 31 December 2017	Remuneration	45,000-50,000	<i>130,000-135,000</i>
	Pension contributions paid	5,000-10,000	<i>20,000-25,000</i>
Miss. R. Cox, Staff Trustee	Remuneration	35,000-40,000	<i>30,000-35,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Mr. C. May, Staff Trustee	Remuneration	40,000-45,000	<i>40,000-45,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>

During the year, no trustees received any benefits in kind (2017 - £Nil).

During the year ended 31 August 2018, expenses totalling £99 (2017 - £Nil) were reimbursed to 1 trustee (2017 - none).

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

14. Trustees' and Officers' Insurance

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

15. Intangible fixed assets

	Computer Software £	Goodwill £	Total £
Group			
Cost			
At 1 September 2017 and 31 August 2018	8,874	200,548	209,422
Amortisation			
At 1 September 2017	148	185,548	185,696
Charge for the year	1,775	5,143	6,918
At 31 August 2018	1,923	190,691	192,614
Carrying amount			
At 31 August 2018	6,951	9,857	16,808
<i>At 31 August 2017</i>	<i>8,726</i>	<i>15,000</i>	<i>23,726</i>
			Computer Software £
Multi-academy trust			
Cost			
At 1 September 2017 and 31 August 2018			8,874
Amortisation			
At 1 September 2017			148
Charge for the year			1,775
At 31 August 2018			1,923
Carrying amount			
At 31 August 2018			6,951
<i>At 31 August 2017</i>			<i>8,726</i>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

16. Tangible fixed assets

Group	Freehold property and improvements £	Furniture and fixtures £	Computer equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 September 2017	30,685,641	306,806	499,274	2,900,467	34,392,188
Additions	215,958	32,401	68,937	280,209	597,505
At 31 August 2018	30,901,599	339,207	568,211	3,180,676	34,989,693
Depreciation					
At 1 September 2017	4,098,460	104,051	243,493	-	4,446,004
Charge for the year	807,787	35,245	100,657	-	943,689
At 31 August 2018	4,906,247	139,296	344,150	-	5,389,693
Net book value					
At 31 August 2018	25,995,352	199,911	224,061	3,180,676	29,600,000
At 31 August 2017	26,587,181	202,755	255,781	2,900,467	29,946,184

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

Cost or valuation at 31 August 2018 is as follows:

Group	Freehold property and improvements £
At cost	24,305,008
At valuation:	
Year ended 31 August 2017, depreciated replacement cost.	6,596,591
	30,901,599

If the Freehold property and improvements had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2018 £	2017 £
Cost	24,305,008	24,089,050
Accumulated depreciation	(4,759,218)	(4,024,946)
Net book value	19,545,790	20,064,104

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

16 Tangible fixed assets (continued)

	Freehold property £	Furniture and fixtures £	Computer equipment £	Assets under construction £	Total £
Multi-academy trust					
Cost or valuation					
At 1 September 2017	30,685,641	269,313	490,287	2,900,467	34,345,708
Additions	215,958	32,401	68,937	280,209	597,505
At 31 August 2018	30,901,599	301,714	559,224	3,180,676	34,943,213
Depreciation					
At 1 September 2017	4,098,460	79,151	235,530	-	4,413,141
Charge for the year	807,787	32,096	100,107	-	939,990
At 31 August 2018	4,906,247	111,247	335,637	-	5,353,131
Net book value					
At 31 August 2018	25,995,352	190,467	223,587	3,180,676	29,590,082
At 31 August 2017	26,587,181	190,162	254,757	2,900,467	29,932,567

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

Cost or valuation at 31 August 2018 is as follows:

	Freehold property and improvements £
Multi-academy trust	
At cost	24,305,008
At valuation:	
Year ended 31 August 2017, depreciated replacement cost.	6,596,591
	30,901,599

The Freehold property and improvements were revalued on 31 March 2016 by Kier Group Plc on fair value using depreciated replacement cost.

If the Freehold property and improvements had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
Multi-academy trust		
Cost	24,305,008	24,089,050
Accumulated depreciation	(4,759,218)	(4,024,946)
Net book value	19,545,790	20,064,104

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

17. Fixed asset investments

		Shares in group undertakings £
Multi-academy trust		
Market value		
At 1 September 2017 and 31 August 2018		1
Historical cost		1

18. Stocks

	Group		Multi-academy trust	
	2018	2017	2018	2017
	£	£	£	£
Finished goods and goods for resale	23,436	22,549	23,436	22,549

19. Debtors

	Group		Multi-academy trust	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	95,685	146,831	118,735	141,903
Amounts owed by group undertakings	-	-	103,073	81,315
Other debtors	46,457	169,080	46,457	168,598
Prepayments and accrued income	262,148	264,429	260,692	264,035
	404,290	580,340	528,957	655,851

20. Creditors: Amounts falling due within one year

	Group		Multi-academy trust	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	179,613	177,207	174,923	174,526
Corporation tax	15,085	7,290	-	-
Other taxation and social security	173,104	182,205	171,734	179,426
Other creditors	221,233	265,624	176,233	205,492
Accruals and deferred income	376,232	426,751	364,999	389,943
	965,267	1,059,077	887,889	949,387

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

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

	Group		Multi-academy trust	
	2018	2017	2018	2017
	£	£	£	£
Deferred income				
Deferred income at 1 September 2017	138,771	101,315	138,771	101,315
Resources deferred during the year	109,835	146,071	105,235	146,071
Amounts released from previous years	(138,771)	(108,615)	(138,771)	(108,615)
Deferred income at 31 August 2018	<u>109,835</u>	<u>138,771</u>	<u>105,235</u>	<u>138,771</u>

The deferred income above related to the following income sources:

	2018	2017
	£	£
Subsidiary income sources	4,600	-
ESFA universal free school meals grant	24,727	19,247
ESFA rates grant	41,067	40,106
British Council Grant	-	40,971
Other grants	19,404	31,066
Property rent and letting deposits	2,625	-
Pupil income	17,412	7,381
	<u>109,835</u>	<u>138,771</u>

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

	Group		Multi-academy trust	
	2018	2017	2018	2017
	£	£	£	£
Other creditors	<u>45,000</u>	<u>90,000</u>	<u>-</u>	<u>-</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. Statement of funds - group

	Balance at 1 September 2017 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds							
General funds	168,584	1,114,723	(1,075,428)	-	3,411	-	211,290
Buckle Under	(2,172)	-	(2,246)	(216)	-	-	(4,634)
City View	24,827	424,313	(348,619)	(15,085)	-	-	85,436
Group adjustments	(185,548)	-	(5,143)	-	-	-	(190,691)
	<u>5,691</u>	<u>1,539,036</u>	<u>(1,431,436)</u>	<u>(15,301)</u>	<u>3,411</u>	<u>-</u>	<u>101,401</u>
Restricted funds							
General Annual Grant	-	10,279,055	(9,522,608)	-	(157,498)	-	598,949
Other DfE/ESFA	18,302	691,229	(678,560)	-	(9,000)	-	21,971
Other government grants	5,326	1,048,672	(1,050,480)	-	-	-	3,518
Other restricted	62,548	114,962	(134,544)	-	5,589	-	48,555
Teaching school	-	66,000	(65,966)	-	-	-	34
Pension reserve	(4,379,000)	-	(557,000)	-	-	1,099,000	(3,837,000)
	<u>(4,292,824)</u>	<u>12,199,918</u>	<u>(12,009,158)</u>	<u>-</u>	<u>(160,909)</u>	<u>1,099,000</u>	<u>(3,163,973)</u>
Restricted fixed asset funds							
Fixed asset fund	23,409,491	-	(939,988)	-	597,504	-	23,067,007
Capital grants	408,253	44,934	-	-	(440,006)	-	13,181
Revaluations	6,523,077	-	-	-	-	-	6,523,077
Intangible asset fund	8,726	-	(1,775)	-	-	-	6,951
	<u>30,349,547</u>	<u>44,934</u>	<u>(941,763)</u>	<u>-</u>	<u>157,498</u>	<u>-</u>	<u>29,610,216</u>
Total restricted funds	<u>26,056,723</u>	<u>12,244,852</u>	<u>(12,950,921)</u>	<u>-</u>	<u>(3,411)</u>	<u>1,099,000</u>	<u>26,446,243</u>
Total of funds	<u>26,062,414</u>	<u>13,783,888</u>	<u>(14,382,357)</u>	<u>(15,301)</u>	<u>-</u>	<u>1,099,000</u>	<u>26,547,644</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. Statement of funds - group (continued)

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/ESFA grants fund is used to track non-GAG grant money received from the DfE/ESFA and connected bodies.
- (iii) The other government grants fund is used to track grants provided by government departments.
- 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 £157,498 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 multi-academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of group by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
The Canterbury Academy (The Canterbury High School)	512,698	11,713
The Canterbury Primary School	371,619	243,047
Buckle Under Limited	(195,325)	(187,720)
City View Pre-School & Nurseries Limited	85,436	24,827
Total before fixed asset fund and pension reserve	774,428	91,867
Restricted fixed asset fund	29,610,216	30,349,547
Pension reserve	(3,837,000)	(4,379,000)
Total	26,547,644	26,062,414

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

Name of academy / group entity	Amount of deficit £
Buckle Under Limited	(195,325)

Buckle Under is the trust's direct subsidiary undertaking. This company was used to acquire the group's indirect subsidiary undertaking, City View Pre-School & Nurseries Limited in 2015. Until 1 September 2018, when Buckle Under began to trade, its only source of income has been dividends paid by City View. Buckle Under is showing net liabilities as at 31 August 2018 following the decision to impair the carrying value of its investment in City View in the year to 31 August 2017.

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

The net liability position in Buckle Under is manageable since most of the liabilities do not fall due within one year, and in the short term the academy trust has agreed to meet these on behalf of Buckle Under. The financial performance of City View has improved, which will enable dividends to be voted to Buckle Under so that this company can meet its own liabilities as these fall due. Buckle Under will generate its own sources of income from September 2018.

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. Statement of funds - group (continued)

Analysis of academies by cost

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

	Teaching and support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
The Canterbury Academy	5,951,686	1,814,144	225,207	2,875,221	10,866,258	11,613,046
The Canterbury Primary School	1,052,040	272,322	26,215	310,748	1,661,325	1,412,213
Central Trust	-	557,000	-	-	557,000	537,000
	<u>7,003,726</u>	<u>2,643,466</u>	<u>251,422</u>	<u>3,185,969</u>	<u>13,084,583</u>	<u>13,562,259</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. Statement of funds - group (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds							
General funds	228,957	1,299,722	(1,255,158)	-	(104,937)	-	168,584
Buckle Under Ltd	(1,059)	-	(1,113)	-	-	-	(2,172)
City View Pre-School & Nurseries Limited	831	422,358	(391,072)	(7,290)	-	-	24,827
Group adjustments	(50,933)	-	(134,615)	-	-	-	(185,548)
	<u>177,796</u>	<u>1,722,080</u>	<u>(1,781,958)</u>	<u>(7,290)</u>	<u>(104,937)</u>	<u>-</u>	<u>5,691</u>
Restricted funds							
General Annual Grant (GAG)	-	9,773,280	(9,782,099)	-	8,819	-	-
Other DfE/ESFA	35,528	633,886	(622,047)	-	(29,065)	-	18,302
Other government grants	8,393	1,286,453	(1,282,126)	-	(7,394)	-	5,326
Other restricted	6,854	80,812	(83,929)	-	58,811	-	62,548
Pension reserve	(4,756,000)	-	(537,000)	-	-	914,000	(4,379,000)
	<u>(4,705,225)</u>	<u>11,774,431</u>	<u>(12,307,201)</u>	<u>-</u>	<u>31,171</u>	<u>914,000</u>	<u>(4,292,824)</u>
Restricted fixed asset funds							
Fixed asset fund	17,681,684	-	-	-	5,736,533	-	23,418,217
Capital grants	55,282	6,854,479	(838,741)	-	(5,662,767)	-	408,253
Revaluations	-	-	(73,514)	-	-	6,596,591	6,523,077
	<u>17,736,966</u>	<u>6,854,479</u>	<u>(912,255)</u>	<u>-</u>	<u>73,766</u>	<u>6,596,591</u>	<u>30,349,547</u>
Total restricted funds	<u>13,031,741</u>	<u>18,628,910</u>	<u>(13,219,456)</u>	<u>-</u>	<u>104,937</u>	<u>7,510,591</u>	<u>26,056,723</u>
Total of funds	<u>13,209,537</u>	<u>20,350,990</u>	<u>(15,001,414)</u>	<u>(7,290)</u>	<u>-</u>	<u>7,510,591</u>	<u>26,062,414</u>

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	9,857	-	6,951	16,808
Tangible fixed assets	9,916	-	29,590,084	29,600,000
Current assets	204,006	1,560,916	13,181	1,778,103
Creditors due within one year	(77,378)	(887,889)	-	(965,267)
Creditors due in more than one year	(45,000)	-	-	(45,000)
Provisions for liabilities and charges	-	(3,837,000)	-	(3,837,000)
	<u>101,401</u>	<u>(3,163,973)</u>	<u>29,610,216</u>	<u>26,547,644</u>

Analysis of net assets between funds - prior year

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

24. Net movement in funds of parent company

As permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, the Statement of Financial Activities of the parent company, The Canterbury Academy, is not presented as part of these accounts. The parent company's net movement in funds for the financial year was an increase of £432,229 (2017: an increase of £12,964,609).

As explained in the financial review section of the trustees' report and shown on the Statement of Financial Activities, the total group increase in funds in 2017/2018 is £485,230.

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

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

	Group	
	2018	2017
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(613,770)	5,342,286
Adjustment for:		
Depreciation charges	943,689	919,698
Loss on investments	-	49
Dividends, interest and rents from investments	(1,161)	(4,944)
Loss on the sale of fixed assets	-	149
Increase in stocks	(887)	(9,193)
Decrease in debtors	176,054	466,643
Decrease in creditors	(93,814)	(338,624)
Capital grants from DfE and other capital income	(44,934)	(2,640,177)
Defined benefit pension scheme cost less contributions payable	447,000	435,000
Defined benefit pension scheme finance cost	108,000	100,000
Defined benefit pension scheme finance cost	2,000	2,000
Amortisation of intangible fixed assets	1,775	38,348
Impairment of intangible fixed assets - Goodwill	5,143	96,415
Fixed assets donated by the DfE/ESFA	-	(3,897,770)
Net cash provided by operating activities	929,095	509,880

26. Analysis of cash and cash equivalents

	Group	
	2018	2017
	£	£
Cash in hand	1,350,377	1,017,692
Total	1,350,377	1,017,692

27. Capital commitments

At 31 August 2018 the group and multi-academy trust had capital commitments as follows:

	Group		Multi-academy trust	
	2018	2017	2018	2017
	£	£	£	£
Contracted for but not provided in these financial statements	-	466,533	-	466,533

28. Pension commitments

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2018

28. Pension commitments (continued)

Contributions amounting to £142,828 were payable to the schemes at 31 August 2018 (2017 - 147,019) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019. The government has warned of a rise in the employer rate, but has also indicated that any rise will be funded until March 2020 and will be thereafter reviewed.

The employer's pension costs paid to TPS in the period amounted to £730,000 (2017 - £785,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £556,000 (2017 - £510,000), of which employer's contributions totalled £426,000 (2017 - £402,000) and employees' contributions totalled £130,000 (2017 - £108,000). The agreed contribution rates for future years are 20% for employers and 5.5% - 12.5% for employees.

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

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

28. Pension commitments (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate +0.1%	218,000	217,000
Discount rate -0.1%	(223,000)	(217,000)
Mortality assumption - 1 year increase	(329,000)	(318,000)
Mortality assumption - 1 year decrease	318,000	318,000
CPI rate +0.1%	(24,000)	(33,000)
CPI rate -0.1%	23,000	33,000

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	3,971,000	3,593,000
Gilts	45,000	36,000
Corporate bonds	517,000	492,000
Property	721,000	627,000
Cash and other liquid assets	178,000	162,000
Other assets	395,000	196,000
Total market value of assets	5,827,000	5,106,000

The actual return on scheme assets was £236,000 (2017 - £700,000).

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

28. Pension commitments (continued)

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

	2018	2017
	£	£
Current service cost	(873,000)	(837,000)
Interest income	139,000	94,000
Interest cost	(247,000)	(194,000)
Total	(981,000)	(937,000)

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

	2018	2017
	£	£
Opening defined benefit obligation	9,485,000	8,844,000
Current service cost	873,000	837,000
Interest cost	247,000	194,000
Employee contributions	130,000	108,000
Actuarial gains	(1,002,000)	(322,000)
Benefits paid	(69,000)	(176,000)
Closing defined benefit obligation	9,664,000	9,485,000

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

	2018	2017
	£	£
Opening fair value of scheme assets	5,106,000	4,088,000
Interest income	139,000	94,000
Actuarial losses	97,000	592,000
Employer contributions	426,000	402,000
Employee contributions	130,000	108,000
Benefits paid	(69,000)	(176,000)
Administration cost	(2,000)	(2,000)
Closing fair value of scheme assets	5,827,000	5,106,000

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

29. Operating lease commitments

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

	2018 £	2017 £
Group		
Amounts payable - Land and buildings:		
Within 1 year	34,900	44,245
Amounts payable - other:		
Within 1 year	45,091	46,703
Between 1 and 5 years	38,518	56,358
Total	83,609	103,061

At 31 August 2018 the multi-academy trust had annual commitments under non-cancellable operating leases as follows:

Multi-academy trust		
Amounts payable - Land and buildings:		
Within 1 year	34,900	44,245
Amounts payable - other:		
Within 1 year	45,091	46,703
Between 1 and 5 years	38,518	56,358
Total	83,609	103,061

30. Other financial commitments

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

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

31. Related party transactions

Owing to the nature of the academy trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook (AFH) and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

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

(1) 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. J. Watson, a trustee and the Accounting Officer, is a director of EKLA, and until his appointment as Accounting Officer his predecessor, Mr. P. Karnavas, was also a director of EKLA. The Canterbury Academy is one of the members having provided a guarantee of up to £10.

During the year income of £111,982 (2017: £89,532) was received from EKLA and expenditure of £72,300 (2017: £22,123) was incurred. At the 31 August 2018 the academy trust was owed £35,633 (2017: £19,102) by EKLA and owed £1,498 (2017: £nil).

EKLA is a not-for-profit teaching school alliance and although no statement of assurance has been obtained all transactions have been at cost, and therefore the trustees are confident that in entering into these transactions the academy trust has complied with the requirements of the AFH 2017.

(2) Solar Shield Blinds Limited (company number 08328173).

Solar Shield Blinds Limited is owned by the brother of Mr. J. Watson, the Accounting Officer. During the year £3,377 of expenditure was incurred (2017: £14,407). There were no amounts outstanding at 31 August 2018 (2017: £nil).

- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr. Watson neither participated in, nor influenced.
- All expenditure during 2017/18 was made before Mr. J. Watson's appointment as Accounting Officer and trustee in December 2017. In accordance with 3.10.14 of the AFH the 'at cost' requirements of the AFH did not apply before Mr. Watson became Accounting Officer and a trustee, and are therefore not relevant to the transactions.

(3) Crusaders Community Basketball Limited (company number 07734517) (CCBL).

CCBL is 100% owned by an individual who sits on the board of directors of Buckle Under Limited, the academy trust's subsidiary undertaking, and who is also part of the academy trust's key management personnel. During the year £75,905 of expenditure was incurred by The Canterbury Academy. At the 31 August 2018 the academy trust owed £312 to CCBL.

In accordance with section 9.1.34 of the AFH, since Buckle Under is consolidated into the academy trust's group accounts the regularity requirement extends to this entity. During the year this was unfortunately overlooked and so no statement of assurance has been obtained to confirm whether the element above the £2,500 de minimis was provided 'at cost'. The 'at cost' requirements of the AFH do not apply to members of key management unless they also hold the position of trustee or member, and so they are only deemed to apply by virtue of the individual's directorship in Buckle Under Limited.

- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which the director in question neither participated in, nor influenced.
- With the exception of the statement of assurance noted above in entering into the transaction the academy trust has complied with the requirements of the AFH.
- The 'at cost' rules will be complied with for any similar transactions in the future.

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

31. Related party transactions (continued)

(4) Marathon Sports Foundation Limited (company number 06279459).

Marathon Sports Foundation Limited is majority owned by a director of City View Pre-School & Nurseries Limited, an indirect subsidiary undertaking of the academy trust. In accordance with section 9.1.34 of the AFH, since City View is consolidated into the academy trust's group accounts the regularity requirement extends to this entity. During the year this was unfortunately overlooked and so no statement of assurance has been obtained to confirm whether the element above the £2,500 de minimis was provided 'at cost'.

During the year income of £500 was received and £35,425 of expenditure was incurred by The Canterbury Academy. At the 31 August 2018 the academy trust owed £3,287.

In addition City View Pre-School & Nurseries Limited received income of £3,000 and incurred expenditure of £35,425 with Marathon Sports Foundation during the year.

- The academy trust made the purchases at arms' length following a competitive tendering exercise in accordance with its financial regulations.
- With the exception of the statement of assurance noted above in entering into the transaction the academy trust has complied with the requirements of the AFH.
- The 'at cost' rules will be complied with for any similar transactions in the future.

(5) Appeti Tennis Limited (company number 04679995).

Appeti Tennis Limited is owned by Mr. A. Doyle, a member of The Canterbury Academy since 5 June 2018.

During the year income of £20,000 was received and £27,187 of expenditure was incurred by The Canterbury Academy.

All expenditure was incurred before Mr. A. Doyle's appointment as Member. £3,333 of income was received during the period Mr. A. Doyle's held the position of Member.

In entering into the transaction the academy trust has therefore fully complied with the requirements of the AFH. Both Mr. Doyle and the trustees are fully aware that the 'at cost' rules of the AFH apply to any future expenditure transactions with Appeti Tennis.

At the 31 August 2018 the academy trust was owed £740 by Appeti Tennis Limited.

(6) Employment related transaction.

During the year the wife of Mr. J. Watson, a trustee and the Accounting Officer, was employed by the trust. Mrs. S. Watson was paid a salary under an employment contract for her role. Mrs. S. Watson has been employed by the trust for a number of years and was not considered a related party at the time of her appointment, and Mr. J. Watson had no involvement in her appointment. The Board of Trustees are comfortable that her salary provides value for money and is not at a preferential rate.

(7) Transactions with group entities.

The following disclosures are included in order to comply with s7.6.3 of the Academies Accounts Direction which states that related party transactions between a parent academy trust and its subsidiaries must be disclosed and that academy trusts cannot take up the exemption for such disclosures usually afforded in para 33.1a of FRS 102.

The following transactions took place with group entities during the year:

(a) City View Pre-School & Nurseries Limited (company number 06760600).

City View Pre-School & Nurseries Limited is an indirect subsidiary of The Canterbury Academy.

During the year £13,073 was received by The Canterbury Academy for recharged expenditure, with an equal movement on the inter-company loan balance between the two companies. It has been calculated that the academy trust waived further income for rent and staffing costs that have not been recharged to City View, to enable City View to establish itself in a more secure financial position. At the 31 August 2018 the academy trust was owed £39,379 (2017: £36,315).

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

31. Related party transactions (continued)

(b) Buckle Under Limited (company number 09189564).

Buckle Under Limited is a wholly owned subsidiary of The Canterbury Academy. During the year ended 31 August 2018 the academy trust made an advance of £45,000 to Buckle Under Limited and was owed £90,000 (2017: £45,000) at 31 August 2018.

32. Agency Arrangements

The academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year ended 31 August 2018, the trust received £76,279 discretionary bursary and £13,200 vulnerable bursary. The academy trust charge a 5% administration fee on the discretionary bursary and distributed £90,435 from the fund. The academy trust did not charge an administration fee on the vulnerable bursary and distributed £9,901 from the fund. Current year undistributed funds total £10,876 for discretionary bursary and £17,696 for vulnerable bursary included in other creditors as at 31 August 2018.

The academy trust distributes student bus passes to the students as an agent for Kent County Council. During the year ended 31 August 2018 the trust distributed £99,962 of bus pass income. £4,648 received in advance for 18/19 bus passes is included in other creditors as at 31 August 2018.

33. 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.

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

34. Principal subsidiaries

Buckle Under Ltd

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

Total assets as at 31 August 2018	£ 18,656
Total liabilities as at 31 August 2018	£ (185,700)
Total equity as at 31 August 2018	£ (167,044)

Turnover for the year ended 31 August 2018	£ 7,500
Expenditure for the year ended 31 August 2018	£ (2,463)
Profit for the year ended 31 August 2018	£ 5,037

City View Pre-School & Nurseries Limited

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

Total assets as at 31 August 2018	£ 128,357
Total liabilities as at 31 August 2018	£ (66,057)
Total equity as at 31 August 2018	£ 62,300

Turnover for the year ended 31 August 2018	£ 424,313
Expenditure for the year ended 31 August 2018	£ (363,704)
Profit for the year ended 31 August 2018	£ 60,609

The Canterbury Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

35. Teaching school trading account

	2018	2018	2017	2017
	£	£	£	£
Income				
Direct income				
DfE funding	66,000		-	
Total income		66,000		-
Expenditure				
Direct expenditure				
Direct staff costs	5,489		-	
Professional consultancy	60,000		-	
Staff expenses	477		-	
Total Direct expenditure	65,966		-	
Total expenditure		65,966		-
Surplus from all sources		34		-
Teaching school balances at 1 September 2017		-		-
Teaching school balances at 31 August 2018		34		-