

Company Registration Number: (England & Wales)

09035788

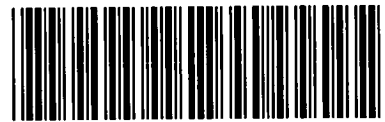
**DIOCESE OF CANTERBURY ACADEMIES TRUST**

**(A company limited by guarantee)**

**Annual report and financial statements**

**for the year ended 31 August 2019**

WEDNESDAY



\*A91LM5B4\*

A07

25/03/2020

#165

COMPANIES HOUSE

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Contents**

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 15
<b>Governance statement</b>	16 - 21
<b>Statement on regularity, propriety and compliance</b>	22
<b>Statement of Trustees' responsibilities</b>	23
<b>Independent auditors' report on the financial statements</b>	24 - 26
<b>Independent reporting accountant's report on regularity</b>	27 - 28
<b>Statement of financial activities incorporating income and expenditure account</b>	29 - 30
<b>Balance sheet</b>	31 - 32
<b>Statement of cash flows</b>	33
<b>Notes to the financial statements</b>	34 - 63

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	Rt Revd Trevor Willmott (resigned 31 May 2019) Dr John Moss Revd John Richardson Mr Julian Hills Rt Revd Rose Hudson-Wilkin QHC (appointed 30 November 2019)
<b>Trustees</b>	Revd John Richardson, Chairman Mr Graham Birrell Mr Quentin Roper Miss Kathryn Page Mrs Lorna Priddle (resigned 10 October 2018) Mrs Hayley Porter-Aslet (resigned 12 February 2019) Mr David Race (resigned 1 April 2019) Mrs Annie Wiles Mr Michael Wetherell Mr Humphrey Dawson Mr Matthew Johnson Ms Yvonne Roden Mr Andrew Warrilow
<b>Company registered number</b>	09035788
<b>Company name</b>	The Diocese of Canterbury Academies Trust
<b>Principal and registered office</b>	The Diocese of Canterbury Academies Trust Diocesan House Lady Wooton's Green Canterbury Kent CT1 1NQ
<b>Company secretary</b>	Ms Marian Scally
<b>Senior management team</b>	Mrs Annie Wiles, Chief Executive Officer (Accounting officer) Mrs Marian Dunning, Finance & Business Director
<b>Independent auditors</b>	Williams Giles Professional Services Ltd Chartered Accountants and Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
<b>Bankers</b>	Lloyds Bank Plc PO Box 1000 BX1 1LT

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report**  
**for the year ended 31 August 2019**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates 12 primary academies in Kent. Its academies have a combined pupil capacity of 3573. Funding allocations to 31st August 2019 were based on a collective roll of 3231.

<b>ACADEMY</b>	<b>CONVERSION DATE</b>	<b>NOR</b>	<b>PAN</b>
Archbishop Courtenay CE Primary School	September 2014	287	315
Kennington CE Junior Academy	November 2014	346	360
Charlton CE Primary School	March 2015	197	210
Reculver CE Primary School	July 2015	437	525
St Mary of Charity CE Primary School	August 2015	196	210
St George's CE Primary School	October 2015	404	420
Kingsnorth CE Primary School	November 2015	427	420
St Nicholas CE Primary Academy	June 2016	324	378
Temple Ewell CE Primary School	September 2016	146	140
Brenzett CE Primary School	October 2016	68	140
Charing CE Primary School	July 2017	107	140
All Souls' CE Primary School	April 2019	292	315

**Structure, governance and management**

**a. Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association, 31st March 2014 are the primary governing documents of the academy trust.

The Trustees of Diocese of Canterbury Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Diocese of Canterbury Academies Trust.

The trust is also known as **Aquila** which is its branding name. The name '**Aquila**' is translated from Latin or Hebrew as 'eagle' and reflects the sense of aspiration and hope found in Isaiah 40:31, '*...those who hope in the Lord will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not be faint.*'

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Structure, governance and management (continued)**

**c. Trustees' indemnities**

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 trust business, and provides cover up to £10,000,000.

**d. Method of recruitment and appointment or election of Trustees**

Members of the Trust at the point of incorporation comprised of the following:

Rt Revd Trevor Willmott (the Bishop of Canterbury Diocese) (retired 31/05/19)  
Dr John Moss (Dean of Education of Canterbury Christ Church University)  
Revd John Richardson (Chairman of the Trust)  
Mr Julian Hill (Secretary of Canterbury Diocese)

Each of the persons entitled to appoint Members shall have the right from time to time, by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

The Members with the written consent of the Diocesan Board of Education may agree by passing a special resolution in writing to appoint such additional Members as they think fit and may agree by passing a special resolution in writing to remove any such additional Members provided that such appointment or removal is in the interests of the Company.

**e. Policies adopted for the induction and training of Trustees**

The training and induction provided to new trustees will depend upon their existing experience. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are at most two or three new trustees a period, induction is informal and tailored specifically to the individual.

With the delegation of responsibility from the Trust Board to local governing bodies the priority for much of the training and development of Governors has been for those in academies. A comprehensive programme of training for members of local governing bodies has been established covering:

- managing data
- the role of Governors
- safeguarding
- financial management
- risk management

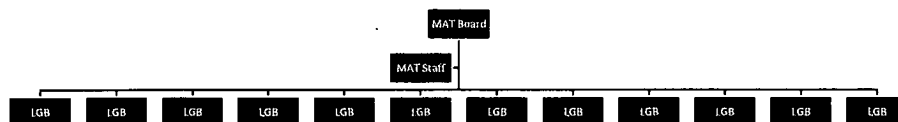
Additional support is also provided in the transition from member of an Interim Executive Board (IEB) to a local governing body.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Structure, governance and management (continued)**

**f. Organisational structure**



The main responsibilities of the Trust are prescribed in the Funding Agreements with the ESFA. The key responsibilities include:

- ensuring that grants from the ESFA are used only for the purposes intended
- approval of the annual budget
- balancing its budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- appointment of a Chief Executive Officer (as Accounting Officer)
- appointment of the Finance & Business Director (Finance Director) in conjunction with the Chief Executive Officer
- ensure regularity, propriety and value-for-money in relation to the management of public funds

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Company will be managed by the Trustees who may exercise all the powers of the Company.

The Academy Trust has defined the responsibilities of key committees and staff involved in the administration of Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- Trust Board
- Audit & Risk
- Finance and Resources

The main responsibilities of these Committees are set out in written terms of reference. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the Trust finances.

**Role of the Chief Executive Officer**

The Chief Executive Officer has overall responsibility for the Trust's activities including financial activities. As the Accounting Officer for the Trust, the Chief Executive Officer is personally responsible for:

- propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
- keeping of proper accounts
- prudent and economical administration
- avoidance of waste and extravagance
- ensuring value for money
- efficient and effective use of all available resources
- management of opportunities and risks

**Role of the Finance & Business Director (CFO)**

The Finance & Business Director works in close collaboration with the Chief Executive Officer, through whom they are responsible to the Trustees. The Finance & Business Director also has direct access to the trustees and

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Structure, governance and management (continued)**

governors. The main responsibilities of the Finance & Business Director are:

- day to day management of financial issues including the establishment and operation of a suitable accounting system for the Trust's central budget and individual academies
- management of the Academy financial position at a strategic and operational level within the framework for financial control determined by the members and directors
- preparation of budget plans in conjunction with the Chief Executive Officer and Head Teachers
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers
- liaising auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- the preparation of monthly management accounts, including income and expenditure reports, cash flow forecasts and a balance sheet
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance
- additional roles, some of which are not directly finance related, as outlined in the Finance & Business Director's job description

**Academy Local Governing Body responsibilities**

- the management of the academy is, through its Scheme of Delegation, the responsibility of its Local Governing Body, and, to the extent of the delegated powers vested in them, the committees created by the Local Governing Body
- the Local Governing Body delegates day to day responsibility for carrying out the policies and decisions of the Local Governing Body and its committees to the Head Teacher
- sub-committees of the Local Governing Body will act strictly within the remit allocated to them by the Local Full Governing Body
- management and administration duties undertaken by the Head Teacher and the members of the Academy Staff shall be carried out in accordance with the terms of this statement, and within the terms of their contract of employment
- it is the responsibility of the Local Governing Body (or Finance Committee where this is delegated) to set/recommend to the full governing body an annual budget for the academy for submission to the Trust Board which accords with the academy's aims and objectives, as set out in the current Academy Improvement Plan, and the legislative responsibilities undertaken by the Governing Body. Such approval should be clearly minuted by the Local Governing Body's Finance Committee (if appropriate) or the full Local Governing Body in sufficient time to allow prompt submission of the plan to the Education & Skills Funding Agency (ESFA) and the Trust Board
- the Head Teacher will prepare a recommendation for expenditure by reference to the anticipated budget provision of the academy, sufficiently in advance of each financial year, in order to allow due consideration and approval by the Local Governing Body (or Finance Committee). The Head Teacher will advise the Local Governing Body (or Finance Committee) on all areas of the academy budget
- the Local Governing Body (or Finance Committee) will, in each year, consider the recommendation of the Head Teacher and will set an Annual Budget. Acting with advice and knowledge acquired from any combination of the Local Governing Body, The Local Governing Body's committees, Head Teacher or staff. The Local Governing Body (or Finance Committee) will ensure that adequate long term budgeting is undertaken in order that the long term performance of the Academy may be maintained. This will be approved and authorised by the Board of the Trust.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Structure, governance and management (continued)**

**g. Arrangements for setting pay and remuneration of key management personnel**

Pay for key management personnel within the central team employees is based on similar pay grades within the Local Authority pay structure. Based on robust performance management targets the member of staff will receive a pay increase commensurate with their overall performance. National data benchmarks are used to set the targets and to drive the key performance indicators in the Aquila business plan. Trustees are not remunerated but are able to claim travel expenses in line with the Trust expenses policy. Head teachers have their performance management targets set by the LGB with external support from a consultant. All targets are moderated by the CEO to ensure consistency of challenge and expectation across the Trust. Head teachers may move up the leadership pay scale in the same way as senior leaders in maintained schools.

**h. Related parties and other connected charities and organisations**

Sponsored academies within Aquila are under the sponsorship of the Board of Education of the Diocese of Canterbury through a separate company 'The Diocese of Canterbury Academies Company Ltd (DCACL). DCACL holds the sponsorship funding for the sponsored academies and releases the money to Aquila when funding requests for specific projects have been approved. Additional challenge to the Aquila CEO is provided through the DCACL meetings.

Aquila is founded upon a partnership ethos and is currently building partnerships with:

- The Local Authority (LA) Kent including through engagement with the Kent procurement framework.
- Canterbury Christ Church University for provision of research driven CPD opportunities and to develop a bespoke School Direct training package for ITT.
- Ambition Leadership for Senior and Middle Leadership Training
- GL assessment for the provision of trust wide pupil and parent surveys
- NFER for trust wide standardised assessment tests
- Church of England Foundation for Educational Leadership for developing effective networks for sharing best practice across church school MATs.
- AMR for managing estates work and capital programme bids.
- Education Development Trust for peer review and improvement champion training
- Kent MAT Alliance – the trust is an active member of this group
- Edurio for the provision of Trust well-being surveys
- IoE – Educational Psychologist development and supervision
- Capita for the further development of our bespoke Trust assessment package
- Education Development Trust for the development of our peer review process including peer review and improvement champion training.
- DfE for the development of Kingsnorth as an English Hub.



**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Objectives and activities**

**a. Objects and aims**

The object of the Trust is restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- (ii) Other Academies whether with or without designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

The Trust aims to promote distinctive, inclusive communities of learning that seek to be underpinned by Christian values sourced in the Gospel narrative, enriching the whole educational experience. We aspire to excellence; to secure the best possible outcomes for children and young people, enabling them to fulfil their potential and make a worthwhile contribution to our diverse, dynamic society.

The Trust brings schools (and therefore children, staff and governors) into a deeper relationship with the Diocese, across all spheres of our mission and ministry. To achieve our vision we will balance autonomy with expectation, supporting schools in:

- striving towards ambitious and challenging goals, specifically an inspection judgement of good or outstanding in OfSTED and at least good under the new SIAMS inspection framework (church schools)
- serving children and young people in ways that relate to their humanity in all its fullness, equipping them in asking questions in a complex world, encouraging open-mindedness and an exploration of truth
- acknowledging and confronting their responsibility to safeguard the vulnerable and reaching out to those marginalised by society
- determining provision that stems from Christian principles
- modelling healthy, holistic relationships
- appointing and equipping determined, high quality staff
- nurturing teachers and school leaders, mindful of their vocation and well-being
- encouraging the dissemination of good practice and promoting mutual accountability
- enhancing learning and teaching by engaging in collaborative pedagogical projects, action research and professional development
- engaging in partnerships that operate for the benefit of the whole community
- demonstrating focused, effective local governance

The Board of Trustees and staff of Aquila believe that:

- ✓ the quality of education in our academies depends on the quality of our teachers
- ✓ strong leadership is needed at all levels to drive and sustain improvements
- ✓ we need to build openness, trust and respect across our academies
- ✓ we can offer development opportunities to good and outstanding schools to develop their strengths beyond the confines of a single organisation
- ✓ we should welcome into the Trust community schools who share our vision of high quality, inclusive education which will change the lives of children and young people across all communities.
- ✓ We have the drive and capacity to sponsor schools which are directed to academy status by the DfE
- ✓ We will operate a simple efficient low cost organisation
- ✓ We operate an effective and strong governance framework
- ✓ We welcome Church of England schools working in accordance with the principles, practices and

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Objectives and activities (continued)**

tenets of the Church of England both generally and in particular in relation to religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and other schools without designated religious character; but which recognise and support their individual ethos as being in line with Christian values.

**b. Vision**

Our vision for all schools is the same: to promote distinctive, inclusive communities of learning that seek to be underpinned by Christian values sourced in the Gospel narrative. We aspire to excellence; to secure the best possible outcomes for children and young people, enabling them to fulfil their potential and make a worthwhile contribution to our diverse, dynamic society.

**c. Objectives, strategies and activities**

The strategic aims and objectives for The Diocese of Canterbury Academies Trust are:

- Deliver positive, immediate support and interventions for academies through our increased expertise and capacity for school improvement, as well as connections with pedagogical projects, action research and professional development through Canterbury Christ Church University
- Secure options for centralised functions and economies of scale - operating with a central set of policies, centralised finance and employment, our directors will have freedom to achieve best value for money without being tied to specific providers
- Enable and encourage effective governance. Learner focused, skilled Local Governing Bodies will have a level of autonomy dependent on academy performance and expressed through a Scheme of Delegation.
- Promote mutual accountability and the sharing of complementary strengths - academies will be required to contribute their experiences, research findings and professional skills with other members.

**d. Public benefit**

The primary purpose of the Trust is the advancement of education of academies within the Diocese of Canterbury and the development of pupils who will make a positive contribution to society. Inextricably linked with this purpose is the aim of contributing to the public good. The Trust has plans to use its facilities to provide educational, sporting and other activities that will contribute considerable benefit to the local communities. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in defining the strategic direction of the Trust, and supporting its primary objectives.

**e. Equal Opportunities Policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which contribution and needs of all people are fully valued.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report**

**Achievements and performance**

The Trust aims to have all schools graded at least good in the first Ofsted inspection post conversion. During the academic year 2018-19 five schools had their first inspection post conversion. St Nicholas New Romney was graded as Good overall with personal development and behaviour graded as outstanding. Brenzett was graded as Good overall with personal development and behaviour, leadership and management and early years all graded as Outstanding. St George's and Kingsnorth both maintained their Good grading. Archbishop Courtenay Primary came out of Special Measures with a Requires Improvement grading. The Trust now has no schools with an inadequate grading, 3 schools are graded by Ofsted as outstanding, eight schools are graded as Good (including four converter academies).

In addition, the Trust targeted all schools to be at least Good in SIAMs inspection in the first inspection post conversion. This target was achieved during the academic year 2017-18 and maintained during the 2018-19 year/ Five schools are graded as Outstanding church schools and the remaining six schools are graded as Good. Schools inspected during 2017-18 are: Charing = Good, Kennington = Good, Temple Ewell = Outstanding, Kingsnorth = Outstanding, St Nicholas New Romney = Good with outstanding leadership. In addition, the Trust has worked with the five schools expecting SIAMs inspections during the academic year 2019-20 (along with all Trust schools) to ensure they are well-prepared for the new SIAMs inspection framework.

Overall Trust averages show that schools are improving at all key stages.

**The Aquila Early Years attainment data**

Our Early Years data for 2019 shows that GLD is above both Kent and National at 75.8%. The Prime learning goals are above both Kent and National at 81.2% and specific learning goals are also above Kent and National at 76.0%. specific learning goals show a three-year upward trend. All learning goals are above both Kent and National at 74.8%

Early years reading results are significantly above Kent and National at 84.1% (+ 7.2%), writing is above both Kent and national at 78.5% (+4.8%). For the mathematics related early learning goals – number is above both Kent and national at 84.4% (+4.6%), shape, space and measures is above Kent and National at 86.6 % (+5.3%)

**Year 1 phonics**

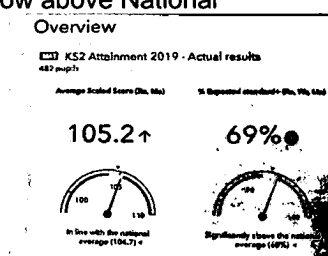
Our year 1 phonics results this year are above national at 83.3%. Phonics results in 2019 show nine schools exceeded the national scores. In four schools only 1 child failed to make the expected standard. All Aquila schools are engaging with the English Hub and results will continue to improve. By the end of year 2 this year 92.3% of pupils are working at or above the National standard. This is also showing a three-year upward trend.

**The Aquila Key Stage 1 attainment data**

Reading attainment is above national at expected, showing a three-year upward trend. Writing and maths in 2019 both show a slight dip for the first time after years of upward trends, the subjects are broadly in line in national results.

**Key Stage 2 attainment data**

The Trust has a three-year upward trend in KS2 combined at expected and FFT Aspire shows our combined attainment results are now above National



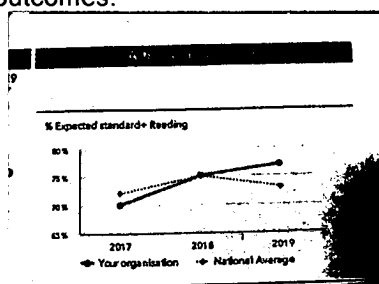
**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Trustees' report (continued)**  
for the year ended 31 August 2019

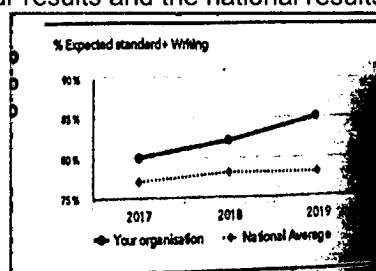
**Strategic report (continued)**

**Achievements and performance (continued)**

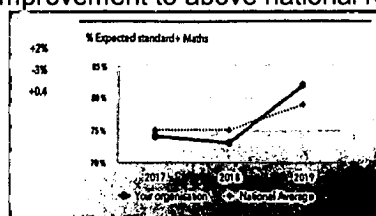
Reading at expected shows a three-year upward trend. In 2019 our schools bucked the national trend and continued to improve outcomes.



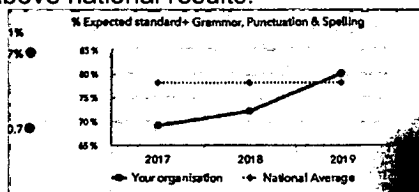
Writing is a particular strength and our attainment results show a three-year upward trend at expected, resulting in the gap between our results and the national results becoming even wider.



Our maths results in 2018 showed a slight dip of 0.6 % to 73.5%. However, the 2019 maths attainment results showed a significant improvement to above national results for the first time.



GPS - Results show a three-year upward trend at expected but this is still the weakest subject in the Trust, with the narrowest gap above national results.



Progress - Reading progress shows a three year upward trend and is now +0.7 for the Trust as a whole which is above National and LA results for 2019. Writing progress shows a three-year upward trend and is now 1.7 so well above both Kent and National writing progress for 2019. Maths progress picked up this year this year and is now 0.0 so in line with national but still better than Kent where progress was -0.4.

The Trust has a robust risk management strategy and maintains on-line risk registers covering all its major areas of activity. The key current risks are described below in the section on risk management. One academy faces the financial difficulties associated with a small school recovering from a rapidly falling roll before academisation. However this is being managed within the Trust and cash flow and budget monitoring is robust and carried out monthly.

The Trust will continue to ensure robust school level financial planning and budgeting arrangements are in place

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

to ensure local and Trust wide financial challenges are identified and addressed early. The Audit and risk committee examines the financial health of each academy at regular committee meetings. Trust staff monitor budget and cash flow forecasts on a monthly basis.

More detailed scrutiny is undertaken by the Finance & Resources six times a year, where information from review of management accounts is considered with other information from monitoring of financial activity by Trust and academy staff. These processes continue to be strengthened to ensure the Trust has the capacity to meet future financial challenges. Accounts are checked by the Chair of the Board and Chair of Finance and resources every month.

At the period end the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity. Future commitments to Operating Lease instruments are modest in comparison to total expenditure for each academy and for the Trust overall. The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note to the financial statements, represents a significant potential liability. However, as the member Trustees of the Trust consider that the Trust is able to meet its known annual deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

**a. Key performance indicators**

The year 2018-19 was the third year of a three-year business plan. KPIs had been set for the Trust to achieve robust targets over the time period.

		target	Results	Target achieved
Outcomes	GLD	Above national	75.6%	Yes
	Phonics	Above national	84.9%	Yes
	KS1 reading	Above national	75.5 %	Yes
	KS1 writing	Above national	71%	yes
	Ks1 Maths	Above national	75%	No – (0.8 below)
	KS2 combined	Above national	66.7%	Yes
	KS2 reading	Above national	74.9%	Yes
	KS2 writing	Above national	85.6%	Yes
	Ks2 maths	Above national	79.7%	Yes
PP outcomes	Phonics	Above Kent PP	69.1%	Awaiting Kent PP phonics results
	KS1 reading	Above Kent PP	65.4%	Yes ( Kent PP 59.1%)
	KS1 writing	Above Kent PP	60.3%	Yes ( Kent PP 5. 0%
	Ks1 Maths	Above Kent PP	66.7%	Yes (Kent PP 61.6%)
	KS2 combined	Above Kent PP	52.6%	Partialy – in line with Kent PP
	KS2 reading	Above Kent PP	63.9%	Yes ( Kent PP 62.8%)
	KS2 writing	Above Kent PP	71.5%	Yes ( Kent PP 70.1%)
Progress	R	Above national	0.7	Yes
	W	Above national	1.7	yes
	M	Above national	0.0	In line with national
ITT		100% recruitment	Target achieved	

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Financial review**

The Diocese of Canterbury Academies Trust is a Multi Academy Trust including exclusively primary phase academies. It has no other business or charitable activity apart from the delivery of education to children from the ages of 2 to 11 within the Diocese across Kent. At 31st August 2019 the Trust had 12 academies open. The vast majority of the Trust's income comes from the DfE via the Education Skills & Funding Agency (ESFA) in the form of recurrent grants to the Trust's academies (Revenue and Capital), the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31st August 2019 and the associated expenditure are shown within Restricted Funds in the Statement of Financial Activities.

The Trust has also received £20,351 relating to sponsor funding held by the trust sponsor and received funds of £261,044 for the set up and delivery of the English Hub located at Kingsnorth CEP.

Devolved formula capital funding totalling £200,980 was received by the Trust for each academy and £25,560 received by DCACL upon conversion of All Souls' CEP. The Trust was 28% successful with all bids for Condition Improvement Funding. A total of £571,341 was received by 31st August 2019 relating to 2 projects within 2 academies. The scope of the projects was roof x 1 and windows/doors x1. The balances of the funding will be received in 2019/20. One academy obtained a Salix Loan for £13,940 to improve their lighting with energy efficient LED units. Revenue funds and external contributions of £20,624 were transferred into capital funding for specific projects.

During the period ended 31st August 2019 total expenditure of £14,576,084 was covered by recurrent grant funding from the ESFA, together with incoming resources of £15,014,701. The excess of income over expenditure for the period (excluding restricted fixed asset funds and the restricted pension reserve) was £438,617. This reflects robust budget management and provides the first year foundation for reserves set aside to meet future priorities and capital projects. All of these surpluses relate to income and expenditure within academies in the period 31st August 2019.

At 31st August 2019 the net book value of fixed assets was £37,177,636 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services for pupils of the Academy.

The fund brought forward from local authority upon conversion is £55,621 and is shown as Unrestricted Funds in note 3.

The Trust has introduced the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit of £265,000 is included within the Statement of Financial Activities in note 29 to financial statements.

Finance Procedures and regulations are set out within the Trust's Finance Policy and Financial Organisational Scheme of Delegation. These set out the framework for financial management, including financial responsibilities of Trustees, Trust staff, local governing bodies and Head Teachers. Procedures and guidance on purchasing and procurement are described in Trust Finance Policy.

The Trust has engaged additional support services from their accountants, Williams Giles to undertake a

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

programme of internal checks on financial controls and processes within its academies.

The Trust has a strategic approach to robust financial management and budgetary control. The Trust aims to increase central Executive and services throughout this growth. The contribution charge for 2018-19 was 5% of General Annual Grant income, amounting to £544,233.54.

**a. Reserves policy**

The Academy Trust adopts a pragmatic approach to Academy reserves. The Finance & Resources committee monitor the level of reserves at each meeting and will examine reserve levels of the Trust central Executive in detail annually. The review encompasses the nature of income and expenditure streams, the need to match revenue income with commitments through budgetary control and also the various elements and strategic uses for different layers of reserves. Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. While the financial arrangements for academies are less complex each local governing body is required to undertake an examination of its level of reserves as part of its financial management arrangements.

The Trust does not pool academy reserves. The minimum revenue reserve we would expect to see carried forward would be 2% of recurring income. There is no maximum limit but we will need the local governing body to give reasons if they are planning to agree to increase the carried forward revenue balances above 7%. For example building up a reserve to meet a substantial one off cost such as replacement of IT equipment or a capital project.

**b. Investment policy**

The Trust does not hold any significant investments at this stage.

**c. Principal risks and uncertainties**

Risk assessment and management is an essential part of the process of engaging with schools as prospective academies. Detailed due diligence is carried out for all potential Trust academies. This is used to inform decisions on prospective Trust academies. Each conversion of a school into an academy is managed by an external Project Manager who ensures that any potential risk is discussed with the Trust.

The Trust board has established comprehensive risk assessment and management arrangements using a consolidated risk management software. All known risks associated with the Executive of the Trust are included in the risk register along with an assessment of likelihood, impact and details of any mitigating action. Ownership of risks is identified to each academy and this is reviewed termly by the LGB.

Aquila's Risk Register identifies 9 major areas of potential risk underpinned by 64 associated threats. These risks broadly fall into the following categories:

- **Finance:** the impact of reductions in academy funding on sustainability and the ability to deliver services to the appropriate level
- **Human Resources and Governance:** the impact of the loss of key academy or central staff and the impact of poor performing staff
- **Education:** lack of improvement in educational performance or attendance, breakdown in relationship with an academy principal and changes to national assessment criteria
- **Premises and facilities management:** unaffordable building maintenance programmes, failure of academy building fabric and variable premises management expertise within academies
- **Overall risk for all Directors:** failure to deliver undermines confidence of academy governors and staff in the Trust and changes in central government policy undermines Aquila's business model

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

**d. Disabled employees**

The Trust operates equal opportunities for all staff and will make reasonable adjustments to accommodate any disabled staff.

**e. Employee Consultation**

All employees have been consulted on the change of school status resulting in them becoming an employee of Aquila. They have been supported in their deliberations by representatives of their unions.

**Plans for future periods**

The Trust will continue to strive to provide outstanding education and improve the levels of performance and progress at all levels. To achieve this we will aim to attract high quality teachers and support staff and develop our employees to achieve their potential. The Trust aims to grow beyond the 11 academies open and plans to have 13 academies converted by 31st January 2020. By this time, it is anticipated that cluster arrangements will be in place for groups of academies geographically located. Improvement targets for each academy, at the outset, will be for each academy converting with a 'required to improve' or worse Ofsted judgement to be 'good' within 18 months. The quality of financial administration is expected to show similar improvement within 18 months of opening.

**Funds held as custodian on behalf of others**

The Trust or its trustees do not hold any funds on behalf of others.

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy's equal opportunities policy, the Academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy's offices.



**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

**Auditors**

The auditors, Williams Giles Professional Services Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance and Resources committee.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



**Rev. John Richardson**  
Chair



**Mrs Annie Wiles**  
Trustee & CEO

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Governance Statement**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Diocese of Canterbury Academies 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 Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Diocese of Canterbury Academies 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.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Revd John Richardson, Chairman	6	6
Mr Graham Birrell	5	6
Mr Quentin Roper	6	6
Miss Kathryn Page	0	6
Mrs Lorna Priddle	0	0
Mrs Hayley Porter-Aslet	4	6
Mr David Race	3	3
Mrs Annie Wiles	6	6
Mr Michael Wetherell	5	6
Mr Humphrey Dawson	5	6
Mr Matthew Johnson	4	6
Ms Yvonne Roden	5	6
Mr Andrew Warrilow	5	6

The changes to the board composition since 2016/17 have been the resignation of Mrs Lorna Priddle, Mrs Hayley Porter-Aslet and Mr David Race. All other roles and responsibilities remain the same.

The Board recognises the vital importance of providing strong governance and decided to commission another external review of roles to be carried out during the 2018-19 academic year. In addition, the Trust has engaged with the process of IFCP and the report is now available,

The Trust uses financial data from its accounting software. In addition school performance data is reported from a number of sources. In July the Board receives the end of year results from Early Years, Year 1 phonics tests and the reported KS1 teacher assessment and test results. In addition, they receive the unvalidated KS2 results. In the autumn term, the data report is updated to include the validated KS results and the analysis of the progress and attainment of vulnerable groups from Kent Management Information. This covers every school in all key stages and the overall performance of the Trust as a whole. In every other meeting the over view of school effectiveness is updated to include progress towards achieving school and Trust targets, including current levels at age related and greater depth. These results are moderated within the Trust family of schools as well as through external moderation and use of standardised tests.

**Governance reviews:**

The Trust have commissioned its auditors to carry out an independent assessment of all potential related party transactions within the Trust. The Trust reviewed its governance arrangements early in 2019 and plans to utilise resources from the National Governance Association.

The board regularly reviews its committee structure to ensure it fulfils its statutory obligations. The Trust provide a comprehensive training package for new Trustees and Trustees are recruited on the basis of a skills audit and the needs of the Trust.

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to lead the development of strategic plans and provide leadership on financial, resource and personnel issues. The committee was established in 2015. The Chief Executive Officer and Finance & Business Director attend all meetings. The committee formally met 4 times throughout the year.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
John Richardson	4	4
Hayley Porter-Aslet	1	2
Matthew Johnson	4	4
Andrew Warrilow	1	1
Marian Scally	4	4
Annie Wiles	4	4

The **Audit and Risk Committee** is also a sub-committee of the main board of trustees. Its purpose is to undertake such activities as deemed necessary in order to provide assurance to the Trust Board regarding the management and identification of risk, and the sound management and control of the Trust's finances and other resources.

The committee is separate to the finance & resources committee but may have overlapping membership. It will take delegated responsibility on behalf of the board of directors for ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with all aspects of the law, relevant ESFA and other regulations and good practice.

The committee was established in 2015 and is attended by the Chief Executive Officer, Finance & Business Director and the Trust's accountants, Williams Giles where appropriate. The committee formally met twice throughout the year

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sam Page	2	2
John Richardson	2	2
Hayley Porter-Aslet	1	1
Marian Scally	2	2
Annie Wiles	2	2
David Race	1	1
Humphrey Dawson	2	2
Yvonne Roden	2	2

**Review of value for money**

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

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

- Having very stringent financial controls across the Trust, ensuring effective segregation of duties with all transactions. All purchases are made using the consolidated finance software. The purchasing and authorisation limits are in accordance with the Financial Scheme of Delegation as well as the ESFA and auditor's guidance and recommendations.
- Carrying out internal compliance visits using a recommended template from our auditors. Every academy has had a visit during the year and a report with recommendations has been provided to LGB's after scrutiny from our auditors.
- The accounting officer working closely with the Finance & Business Director to ensure that day to day operations and financial transactions are in line with the Trust's Finance Policy and Operations Handbook.

**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 on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diocese of Canterbury Academies Trust for the year 1 September 2018 to 31 August 2019 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 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's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Professional Services Ltd, the external auditors, to perform additional checks. In addition the Finance & Business Director carried out compliance visits at each academy and Williams Giles Limited performed a compliance visit at Trust level.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included a review of core financial areas at Trust level and each academy.

- testing of payroll and recruitment systems
- testing of purchase systems including income/expenditure
- testing of control account/ bank reconciliations
- testing of school trips
- testing of school meals
- testing of contracts and capital procurement

On an annual basis the reviewer reports to the board of trustees, through the Audit & Risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of effectiveness**

As accounting officer, the Chief Executive Officer 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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**

**(A company limited by guarantee)**

**Governance Statement (continued)**

11/12/19

Approved by order of the members of the board of Trustees on ~~11/12/19~~ and signed on their behalf by:



**Rev. John Richardson**  
Chair of Trustees



**Mrs Annie Wiles**  
Accounting Officer

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of Diocese of Canterbury Academies Trust I have considered my responsibility to notify the Academy 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 Academy, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

Other than the below 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.

At one school during the year, payments totalling £18,279 were made to staff in excess of their contractual pay. These amounts were not authorised in line with the Trusts scheme of delegation



**Mrs Annie Wiles**  
Accounting Officer  
Date: 11 December 2019



**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Statement of Trustees' responsibilities**  
**for the year ended 31 August 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published 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 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 2018 to 2019;
- 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 company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on its behalf by:



**Rev John Richardson**  
Chair of Trustees

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Independent auditors' Report on the financial statements to the Members of Diocese of Canterbury Academies Trust**

**Opinion**

We have audited the financial statements of Diocese of Canterbury Academies Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Independent auditors' Report on the financial statements to the Members of Diocese of Canterbury Academies Trust (continued)**

**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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

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

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

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

## **DIOCESE OF CANTERBURY ACADEMIES TRUST**

**(A company limited by guarantee)**

### **Independent auditors' Report on the financial statements to the Members of Diocese of Canterbury Academies Trust (continued)**

#### **Responsibilities of trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### **Use of our report**

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



**Alastair Crawford FCA (Senior statutory auditor)**

for and on behalf of

**Williams Giles Professional Services Ltd**

Chartered Accountants and Registered Auditors

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

20 December 2019

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Diocese of Canterbury Academies Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 3 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Canterbury Academies Trust during the year 1 September 2018 to 31 August 2019 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 Diocese of Canterbury Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diocese of Canterbury Academies Trust and 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 Diocese of Canterbury Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Diocese of Canterbury Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Diocese of Canterbury Academies Trust's funding agreement with the Secretary of State for Education dated 26 August 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity.
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Diocese of Canterbury  
Academies Trust and the Education & Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

At one school during the year, payments totalling £18,279 were made to staff in excess of their contractual pay. These amounts were not authorised in line with the Trusts scheme of delegation



**Alastair Crawford FCA**

**Williams Giles Professional Services Ltd**

Date: 20 December 2019

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)  
for the year ended 31 August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	76,713	(265,000)	4,533,622	4,345,335	640,426
Charitable activities		-	14,048,818	-	14,048,818	13,371,530
Other trading activities		591,888	265,711	-	857,599	833,235
Investments	6	31,571	-	-	31,571	3,387
<b>Total income</b>		<b>700,172</b>	<b>14,049,529</b>	<b>4,533,622</b>	<b>19,283,323</b>	<b>14,848,578</b>
<b>Expenditure on:</b>						
Raising funds		244,451	-	-	244,451	227,522
Charitable activities	8	-	15,013,360	1,074,268	16,087,628	16,018,929
<b>Total expenditure</b>		<b>244,451</b>	<b>15,013,360</b>	<b>1,074,268</b>	<b>16,332,079</b>	<b>16,246,451</b>
<b>Net income/(expenditure)</b>		<b>455,721</b>	<b>(963,831)</b>	<b>3,459,354</b>	<b>2,951,244</b>	<b>(1,397,873)</b>
<b>Transfers between funds</b>	20	<b>(49,049)</b>	<b>(107,224)</b>	<b>156,273</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>406,672</b>	<b>(1,071,055)</b>	<b>3,615,627</b>	<b>2,951,244</b>	<b>(1,397,873)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(1,339,000)	-	(1,339,000)	1,400,000
<b>Net movement in funds</b>		<b>406,672</b>	<b>(2,410,055)</b>	<b>3,615,627</b>	<b>1,612,244</b>	<b>2,127</b>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**for the year ended 31 August 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>	1,396,593	(4,554,000)	33,322,902	30,165,495	30,163,368
<b>Net movement in funds</b>	406,672	(2,410,055)	3,615,627	1,612,244	2,127
<b>Total funds carried forward</b>	<u>1,803,265</u>	<u>(6,964,055)</u>	<u>36,938,529</u>	<u>31,777,739</u>	<u>30,165,495</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 63 form part of these financial statements.



**DIOCESE OF CANTERBURY ACADEMIES TRUST**

(A company limited by guarantee)

Registered number: 09035788

**Balance sheet  
as at 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Fixed assets</b>			
<b>Tangible assets</b>	15	37,177,636	33,088,311
		<u>37,177,636</u>	<u>33,088,311</u>
<b>Current assets</b>			
<b>Stocks</b>	16	5,357	3,882
<b>Debtors</b>	17	420,378	853,160
<b>Cash at bank and in hand</b>		2,471,813	1,822,979
		<u>2,897,548</u>	<u>2,680,021</u>
<b>Creditors: amounts falling due within one year</b>	18	(1,216,588)	(1,021,877)
<b>Net current assets</b>		<u>1,680,960</u>	<u>1,658,144</u>
<b>Total assets less current liabilities</b>		<u>38,858,596</u>	<u>34,746,455</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(84,857)	(26,960)
<b>Net assets excluding pension liability</b>		<u>38,773,739</u>	<u>34,719,495</u>
<b>Defined benefit pension scheme liability</b>	27	(6,996,000)	(4,554,000)
<b>Total net assets</b>		<u><u>31,777,739</u></u>	<u><u>30,165,495</u></u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Balance sheet (continued)**  
as at 31 August 2019

	Note		2019 £	2018 £
<b>Funds of the Academy</b>				
<b>Restricted funds:</b>				
Fixed asset funds	20	36,938,529	33,322,902	
Restricted income funds	20	31,945	-	
			<hr/>	
Restricted funds excluding pension asset	20	36,970,474	33,322,902	
Pension reserve	20	(6,996,000)	(4,554,000)	
			<hr/>	
Total restricted funds	20		29,974,474	28,768,902
Unrestricted income funds	20		1,803,265	1,396,593
			<hr/>	<hr/>
<b>Total funds</b>			<b>31,777,739</b>	<b>30,165,495</b>
			<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:



Revd John Richardson  
Chair of Trustees

The notes on pages 34 to 63 form part of these financial statements.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Statement of cash flows  
for the year ended 31 August 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	22	<b>642,639</b>	<b>39,414</b>
<b>Cash flows from investing activities</b>	24	<b>(59,804)</b>	<b>(203,973)</b>
<b>Cash flows from financing activities</b>	23	<b>65,999</b>	<b>30,811</b>
<b>Change in cash and cash equivalents in the year</b>		<b>648,834</b>	<b>(133,748)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,822,979</b>	<b>1,956,727</b>
<b>Cash and cash equivalents at the end of the year</b>	25	<b>2,471,813</b>	<b>1,822,979</b>

The notes on pages 34 to 63 form part of these financial statements

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies**

The Diocese of Canterbury Academies Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The register office is The Diocese of Canterbury Academies Trust, Diocesan House, Lady Woottons Green, Canterbury, CT1 1NQ. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

A summary of the 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, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Diocese of Canterbury Academies Trust meets the definition of a public benefit entity under FRS 102.

These accounts are prepared in sterling rounded to the nearest pound.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**1.4 Expenditure**

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

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Tangible fixed assets**

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The buildings are situated on land, not owned by the Trust, and are occupied on a rolling supplemental agreement with the Diocese of Canterbury. The underlying land is subject to a variety of specific trusts and vests in a number of different parties represented by the Diocese of Canterbury. Whilst the Trust does not own the buildings, the Trustees do not regard the termination of the agreement to occupy as likely and therefore have reflected the fact that the Trust derives economic value from the buildings, which it is obliged to maintain and improve, by including them in the accounts. The buildings are valued at 75% of the latest insurance valuations or valuations provided by Kent County Council where formal ESFA valuations are not available. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land has been included. This treatment reflects the substance of the transaction, not the strict legal form of the transaction and places no restriction on either the Academy or the Diocese of the trust which own the land.

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.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

<b>Long-term leasehold property</b>	-	<b>2% straight line</b>
<b>Furniture and equipment</b>	-	<b>20% straight line</b>
<b>Computer equipment</b>	-	<b>25% straight line</b>
<b>Motor vehicles</b>	-	<b>25% straight line</b>

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.

**1.7 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.

**1.8 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.

**1.9 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.

**1.10 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.11 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 17. Prepayments are not financial instruments. Amounts due to the Academy'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 cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy 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.



**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.13 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
<b>Donations</b>				
Transfer from local authority on conversion	55,621	(265,000)	3,778,046	3,568,667
<b>Subtotal detailed disclosure</b>	<u>55,621</u>	<u>(265,000)</u>	<u>3,778,046</u>	<u>3,568,667</u>
<b>Donations</b>	21,092	-	13,000	34,092
<b>Capital Grants</b>	-	-	241,085	241,085
<b>CIF Funding</b>	-	-	501,491	501,491
<b>Subtotal</b>	<u>21,092</u>	<u>-</u>	<u>755,576</u>	<u>776,668</u>
	<u>76,713</u>	<u>(265,000)</u>	<u>4,533,622</u>	<u>4,345,335</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
<b>Donations</b>	49,681	-	49,681
<b>Capital Grants</b>	-	82,835	82,835
<b>CIF Funding</b>	-	507,910	507,910
	<u>49,681</u>	<u>590,745</u>	<u>640,426</u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**4. Funding for the Academy's direct costs - activities (activity 1)**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	11,406,072	<b>11,406,072</b>	11,111,639
Start up grants	62,952	<b>62,952</b>	6,000
Other DfE/ESFA grants	102,970	<b>102,970</b>	154,299
Pupil premium	952,142	<b>952,142</b>	936,364
Academy conversion grant	25,000	<b>25,000</b>	10,904
Universal Infant Free School Meals	405,953	<b>405,953</b>	352,835
ESFA - Sports Funding	311,276	<b>311,276</b>	203,580
English Hub Funding	261,044	<b>261,044</b>	-
	<hr/> 13,527,409	<hr/> <b>13,527,409</b>	<hr/> 12,775,621
<b>Other Government grants</b>			
Local authority income	521,409	<b>521,409</b>	595,909
	<hr/> 14,048,818	<hr/> <b>14,048,818</b>	<hr/> 13,371,530
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
<b>School trips</b>	213,315	-	<b>213,315</b>
<b>Catering income</b>	-	159,946	<b>159,946</b>
<b>Consultancy fees</b>	12,728	-	<b>12,728</b>
<b>Other income</b>	365,845	105,765	<b>471,610</b>
	<hr/> 591,888	<hr/> 265,711	<hr/> <b>857,599</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
School trips	213,741	-	213,741
Catering income	-	160,756	160,756
Consultancy fees	11,174	-	11,174
Other income	355,814	91,750	447,564
	<u>580,729</u>	<u>252,506</u>	<u>833,235</u>

**6. Investment income**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
Interest	<u>31,571</u>	<u>31,571</u>	<u>3,387</u>

**7. Expenditure**

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
<b>Expenditure on raising voluntary income:</b>				
School Trips	-	-	244,451	244,451
Other expenditure	-	-	-	-
<b>Direct costs:</b>				
Direct costs	9,455,166	-	793,644	10,248,810
Allocated support costs	2,730,509	1,043,115	2,065,194	5,838,818
	<u>12,185,675</u>	<u>1,043,115</u>	<u>3,103,289</u>	<u>16,332,079</u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

	<i>Staff Costs</i> 2018 £	<i>Premises</i> 2018 £	<i>Other</i> 2018 £	<i>Total</i> 2018 £
<b>Expenditure on raising voluntary income:</b>				
<b>School Trips</b>	-	-	227,522	227,522
<b>Direct costs</b>	9,180,438	-	1,114,299	10,294,737
<b>Allocated support costs</b>	2,722,730	996,990	2,004,472	5,724,192
	<u>11,903,168</u>	<u>996,990</u>	<u>3,346,293</u>	<u>16,246,451</u>

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
<b>Educational supplies</b>	16,087,628	16,087,628

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
<b>Educational operations</b>	1,361,000	14,657,929	16,018,929

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
<b>Educational operations</b>	10,248,810	5,838,818	16,087,628

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**9. Analysis of expenditure by activities (continued)**

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
<b>Educational operations</b>	<b>10,294,737</b>	<b>5,724,192</b>	<b>16,018,929</b>

**Analysis of direct costs**

	<b>Activities 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>Staff costs</b>	9,212,341	<b>9,212,341</b>	8,977,924
<b>Educational supplies</b>	381,994	<b>381,994</b>	590,485
<b>Staff development</b>	240,693	<b>240,693</b>	333,381
<b>Educational consultancy</b>	63,768	<b>63,768</b>	111,045
<b>Computer costs</b>	107,190	<b>107,190</b>	79,388
<b>Agency Supply</b>	242,824	<b>242,824</b>	202,514
	<b>10,248,810</b>	<b>10,248,810</b>	<b>10,294,737</b>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>LGPS Costs</b>	115,000	115,000	125,000
<b>Staff costs</b>	2,730,509	2,730,509	2,722,730
<b>Depreciation</b>	1,078,120	1,078,120	947,343
<b>Recruitment and support</b>	11,859	11,859	20,615
<b>Maintenance of premises and equipment</b>	72,073	72,073	204,478
<b>Cleaning</b>	135,785	135,785	114,357
<b>Rents &amp; rates</b>	159,188	159,188	176,214
<b>Light &amp; heat</b>	233,374	233,374	196,244
<b>Insurance</b>	69,373	69,373	68,425
<b>Security &amp; transport</b>	67,136	67,136	47,760
<b>Catering</b>	494,864	494,864	364,156
<b>Interest and charges</b>	24	24	(53,792)
<b>Computer costs</b>	248,980	248,980	268,487
<b>Printing, postage and stationery</b>	89,389	89,389	105,550
<b>Other support costs</b>	250,632	250,632	268,882
<b>Advertising and marketing</b>	8,477	8,477	3,190
<b>Project management costs</b>	446	446	92,252
<b>Governance costs</b>	73,589	73,589	52,301
	<u>5,838,818</u>	<u>5,838,818</u>	<u>5,724,192</u>

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
<b>Fees paid to auditors for:</b>		
- audit	22,250	20,750
- other services	32,728	13,950
	<u>54,978</u>	<u>34,700</u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
<b>Wages and salaries</b>	<b>8,889,592</b>	<b>8,765,913</b>
<b>Social security costs</b>	<b>751,140</b>	<b>701,226</b>
<b>Pension costs</b>	<b>2,257,935</b>	<b>2,216,806</b>
	<b>11,898,667</b>	<b>11,683,945</b>
<b>Agency staff costs</b>	<b>242,824</b>	<b>202,514</b>
<b>Staff restructuring costs</b>	<b>44,184</b>	<b>16,709</b>
	<b>12,185,675</b>	<b>11,903,168</b>

Staff restructuring costs comprise:

	2019 £	2018 £
<b>Severance payments</b>	<b>44,184</b>	<b>16,709</b>
	<b>44,184</b>	<b>16,709</b>

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

During the period there were non-statutory staff severance payments of £14,754 made to two individuals. Individually these comprised £8,896, £4,390 & £1,468.

**c. Staff numbers**

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

	2019 No.	2018 No.
<b>Teachers</b>	<b>181</b>	<b>158</b>
<b>Admin &amp; Support</b>	<b>338</b>	<b>347</b>
<b>Management</b>	<b>2</b>	<b>2</b>
	<b>521</b>	<b>507</b>



**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**11. Staff costs (continued)**

**d. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
<b>In the band £60,001 - £70,000</b>	<b>2</b>	<i>2</i>
<b>In the band £70,001 - £80,000</b>	<b>4</b>	<i>2</i>
<b>In the band £80,001 - £90,000</b>	<b>1</b>	<i>1</i>
	<b>=====</b>	<i>=====</i>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £202,118 (2018: £178,806)

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**12. Central services**

The Academy has provided the following central services to its academies during the year:

- human resources
- financial services
- legal services
- educational support services
- IT services

The Academy charges for these services on the following basis:

5% of GAG income

The actual amounts charged during the year were as follows:

	2019 £	2018 £
<b>Archbishop Courtney CE Primary School</b>	<b>56,245</b>	<b>57,206</b>
<b>Kennington Junior School</b>	<b>60,884</b>	<b>60,149</b>
<b>Charlton CofE Primary School</b>	<b>39,008</b>	<b>41,062</b>
<b>Reculver CofE Primary School</b>	<b>76,477</b>	<b>80,790</b>
<b>St Mary of Charity CEP School</b>	<b>39,223</b>	<b>39,865</b>
<b>St Georges CofE Primary School</b>	<b>78,032</b>	<b>79,856</b>
<b>Kingsnorth CofE Primary School</b>	<b>69,864</b>	<b>69,460</b>
<b>St Nicholas CofE Primary School</b>	<b>59,050</b>	<b>58,332</b>
<b>Charing Primary School</b>	<b>23,624</b>	<b>21,874</b>
<b>Brenzett Primary School</b>	<b>17,525</b>	<b>19,454</b>
<b>Temple Ewell CofE Primary School</b>	<b>28,231</b>	<b>27,533</b>
<b>All Souls' CofE Primary School</b>	<b>22,077</b>	<b>-</b>
<b>Total</b>	<b>570,240</b>	<b>555,581</b>

**13. Trustees' remuneration and expenses**

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

		2019 £	2018 £
<b>Annie Wiles</b>	<b>Remuneration</b>	<b>85,000 - 90,000</b>	<b>80,000 - 85,000</b>
	<b>Pension contributions paid</b>	<b>15,000 - 20,000</b>	<b>15,000 - 20,000</b>

During the year ended 31 August 2019, expenses totalling £3,579 were reimbursed or paid directly to 2 Trustees (2018 - £4,751 to 2 Trustees).

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**14. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2019 was £69,373 (2018 - £68,425). The cost of this insurance is included in the total insurance cost.

**15. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
<b>At 1 September 2018</b>	34,728,391	684,757	712,785	8,333	36,134,266
<b>Additions</b>	1,091,291	11,577	103,080	-	1,205,948
<b>Inherited on conversion</b>	3,678,862	55,387	43,797	-	3,778,046
<b>Reanalysis</b>	-	(104,482)	(163,984)	-	(268,466)
<b>At 31 August 2019</b>	39,498,544	647,239	695,678	8,333	40,849,794
<b>Depreciation</b>					
<b>At 1 September 2018</b>	2,199,082	374,617	466,008	6,249	3,045,956
<b>Charge for the year</b>	784,189	139,887	153,108	836	1,078,020
<b>Reanalysis</b>	-	(187,616)	(264,202)	-	(451,818)
<b>At 31 August 2019</b>	2,983,271	326,888	354,914	7,085	3,672,158
<b>Net book value</b>					
<b>At 31 August 2019</b>	36,515,273	320,351	340,764	1,248	37,177,636
<b>At 31 August 2018</b>	32,529,309	310,140	246,777	2,085	33,088,311

A review of the fixed asset register for each school has been carried out in the year. Cost has been restated to reflect the current replacement valuation of assets in existence and depreciation will be charged on this amount to write the value of this cost off over the useful economic life of the asset. The net effect is to reduce the net book value by £183,352. This cost is included in support costs.

**16. Stocks**

	2019 £	2018 £
<b>Finished goods and goods for resale</b>	5,357	3,882

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**17. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	70,539	77,008
Other debtors	132,834	535,108
Prepayments and accrued income	217,005	241,044
	<u>420,378</u>	<u>853,160</u>

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

	2019 £	2018 £
Other loans	11,953	3,851
Trade creditors	182,413	109,975
Other taxation and social security	186,381	176,308
Other creditors	195,100	257,403
Accruals and deferred income	640,741	474,340
	<u>1,216,588</u>	<u>1,021,877</u>

	2019 £	2018 £
Deferred income at 1 September 2018	235,485	249,494
Resources deferred during the year	202,224	235,485
Amounts released from previous periods	(235,485)	(249,494)
<b>Deferred income at 31 August 2019</b>	<u>202,224</u>	<u>235,485</u>

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

	2019 £	2018 £
Other loans	<u>84,857</u>	<u>26,960</u>

Included within the above are amounts falling due as follows:

	2019 £	2018 £
<b>Between one and two years</b>		
Other loans	<u>20,053</u>	<u>3,851</u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**19. Creditors: Amounts falling due after more than one year (continued)**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Between two and five years</b>		
<b>Other loans</b>	<b>35,857</b>	<b>11,554</b>
	<u>          </u>	<u>          </u>
<b>Over five years</b>		
<b>Other loans</b>	<b>28,947</b>	<b>11,555</b>
	<u>          </u>	<u>          </u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Payable or repayable by instalments</b>	<b>7,703</b>	<b>11,555</b>
	<u>          </u>	<u>          </u>
	<b>7,703</b>	<b>11,555</b>
	<u>          </u>	<u>          </u>

During the previous period a loan was recieved from Salix Finance Limited repayable in equal installments ending on 01 March 2026. This loan attacts no interest.

On conversion Reculver CofE Primary School inherited two loans from Kent County Council. The first one was obtained to cover cashflow at an interest rate of 0.5% above the Bank of England base rate. This loan is unsecured and repayable by instalments.

The second loan is a capital loan that was obtained to build a new kitchen and Admin Building. This loan is interest bearing at a rate of 1%, is unsecured and repayable by instalments.

On conversion Kingsnorth Primary School inherited a loan from Kent County Council. The loan is a capital loan that was obtained to £46,060. This loan is interest bearing at a rate of 1%, is unsecured and repayable by instalments.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

Notes to the financial statements  
for the year ended 31 August 2019

**20. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	1,396,593	700,172	(244,451)	(49,049)	-	1,803,265
<b>Restricted general funds</b>						
General Annual Grant	-	11,406,072	(11,298,848)	(107,224)	-	-
Pupil Premium	-	952,142	(952,142)	-	-	-
Universal Infant Free School Meals	-	405,953	(405,953)	-	-	-
ESFA Sports funding	-	311,276	(311,276)	-	-	-
English Hub Funding	-	261,044	(229,099)	-	-	31,945
Local Authority Funding	-	521,409	(521,409)	-	-	-
Other ESFA Grants	-	190,922	(190,922)	-	-	-
Other generated income	-	265,711	(265,711)	-	-	-
Pension reserve	(4,554,000)	(265,000)	(838,000)	-	(1,339,000)	(6,996,000)
	<u>(4,554,000)</u>	<u>14,049,529</u>	<u>(15,013,360)</u>	<u>(107,224)</u>	<u>(1,339,000)</u>	<u>(6,964,055)</u>
<b>Restricted fixed asset funds</b>						
Assets donated on conversion	33,088,311	3,778,046	(1,078,120)	1,100,246	-	36,888,483
Salix loan	(30,811)	(69,850)	3,852	-	-	(96,809)
CIF Funding	265,402	571,341	-	(728,251)	-	108,492
Devolved Formula Capital	-	241,085	-	(215,722)	-	25,363
Other Capital donations	-	13,000	-	-	-	13,000
	<u>33,322,902</u>	<u>4,533,622</u>	<u>(1,074,268)</u>	<u>156,273</u>	<u>-</u>	<u>36,938,529</u>
<b>Total Restricted funds</b>	<u>28,768,902</u>	<u>18,583,151</u>	<u>(16,087,628)</u>	<u>49,049</u>	<u>(1,339,000)</u>	<u>29,974,474</u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**20. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total funds</b>	<b>30,165,495</b>	<b>19,283,323</b>	<b>(16,332,079)</b>	<b>-</b>	<b>(1,339,000)</b>	<b>31,777,739</b>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
<b>Archbishop Courtney CE Primary School</b>	<b>119,427</b>	<b>155,141</b>
<b>Kennington Junior School</b>	<b>110,925</b>	<b>126,646</b>
<b>Charlton CofE Primary School</b>	<b>38,545</b>	<b>(21,970)</b>
<b>Reculver CofE Primary School</b>	<b>604,408</b>	<b>480,277</b>
<b>St Mary of Charity CEP School</b>	<b>81,059</b>	<b>112,209</b>
<b>St Georges CofE Primary School</b>	<b>291,222</b>	<b>213,670</b>
<b>Kingsnorth CofE Primary School</b>	<b>103,949</b>	<b>36,360</b>
<b>St Nicholas CofE Primary School</b>	<b>98,826</b>	<b>136,467</b>
<b>Temple Ewell</b>	<b>1,864</b>	<b>19,484</b>
<b>Charing Primary School</b>	<b>19,488</b>	<b>(1,186)</b>
<b>Brenzett Primary School</b>	<b>(28,895)</b>	<b>(16,067)</b>
<b>All Soul's</b>	<b>110,737</b>	<b>-</b>
<b>Trust</b>	<b>283,655</b>	<b>155,562</b>
<b>Total before fixed asset funds and pension reserve</b>	<b>1,835,210</b>	<b>1,396,593</b>
<b>Restricted fixed asset fund</b>	<b>36,938,529</b>	<b>33,322,902</b>
<b>Pension reserve</b>	<b>(6,996,000)</b>	<b>(4,554,000)</b>
<b>Total</b>	<b>31,777,739</b>	<b>30,165,495</b>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
<b>Archbishop Courtney CE Primary School</b>	880,409	156,374	13,002	345,828	<b>1,395,613</b>
<b>Kennington Junior School</b>	995,702	125,070	36,365	282,643	<b>1,439,780</b>
<b>Charlton CofE Primary School</b>	553,321	89,354	20,028	150,417	<b>813,120</b>
<b>Reculver CofE Primary School</b>	1,469,969	199,248	38,172	238,389	<b>1,945,778</b>
<b>St Mary of Charity CEP School</b>	590,812	121,054	20,323	228,349	<b>960,538</b>
<b>St Georges CofE Primary School</b>	1,166,528	260,138	32,203	388,576	<b>1,847,445</b>
<b>Kingsnorth CofE Primary School</b>	1,127,917	220,431	33,284	357,807	<b>1,739,439</b>
<b>St Nicholas CofE Primary School</b>	924,469	204,393	14,001	272,036	<b>1,414,899</b>
<b>Temple Ewell</b>	493,054	76,151	14,232	126,517	<b>709,954</b>
<b>Charing Primary School</b>	357,193	68,884	7,446	134,398	<b>567,921</b>
<b>Brenzett Primary School</b>	270,797	58,267	6,553	115,058	<b>450,675</b>
<b>All Soul's Trust</b>	382,168	56,330	8,843	79,336	<b>526,677</b>
	-	1,209,811	-	232,309	<b>1,442,120</b>
<b>Academy</b>	<b>9,212,339</b>	<b>2,845,505</b>	<b>244,452</b>	<b>2,951,663</b>	<b>15,253,959</b>



**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**20. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
<b>General Funds</b>						
- all funds	1,547,771	633,797	(279,823)	(505,152)	-	1,396,593
<b>Restricted general funds</b>						
<b>General Annual Grant</b>	85,455	11,111,639	(11,600,336)	403,242	-	-
<b>Pupil Premium</b>	-	936,364	(936,364)	-	-	-
<b>Other DFE/ESFA grants</b>	-	171,203	(171,203)	-	-	-
<b>Other government grants</b>	-	595,909	(595,909)	-	-	-
<b>Generated Funds</b>	-	252,506	(252,506)	-	-	-
<b>KCC Loan</b>	(16,700)	-	16,700	-	-	-
<b>UIFSM</b>	-	352,835	(352,835)	-	-	-
<b>Sports Funding</b>	-	203,580	(203,580)	-	-	-
<b>Pension reserve</b>	(5,123,000)	-	(831,000)	-	1,400,000	(4,554,000)
	(5,054,245)	13,624,036	(14,927,033)	403,242	1,400,000	(4,554,000)
<b>Restricted fixed asset funds</b>						
<b>Assets held for depreciation</b>	31,723,964	-	(1,130,586)	2,494,933	-	33,088,311
<b>Devolved formula capital</b>	494,071	82,835	-	(576,906)	-	-
<b>Sports England Capital Grant</b>	29,400	-	-	(29,400)	-	-
<b>Capital Donation from the Diocese</b>	16,717	-	-	(16,717)	-	-
<b>KCC Capital Loan</b>	(90,991)	-	90,991	-	-	-

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**20. Statement of funds (continued)**

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Other Capital Grants</b>	1,049,738	-	-	(1,049,738)	-	-
<b>Salix Loan</b>	-	-	-	(30,811)	-	(30,811)
<b>CIF Funding</b>	446,943	507,910	-	(689,451)	-	265,402
	<u>33,669,842</u>	<u>590,745</u>	<u>(1,039,595)</u>	<u>101,910</u>	<u>-</u>	<u>33,322,902</u>
<b>Total Restricted funds</b>	<u>28,615,597</u>	<u>14,214,781</u>	<u>(15,966,628)</u>	<u>505,152</u>	<u>1,400,000</u>	<u>28,768,902</u>
<b>Total funds</b>	<u>30,163,368</u>	<u>14,848,578</u>	<u>(16,246,451)</u>	<u>-</u>	<u>1,400,000</u>	<u>30,165,495</u>

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

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
<b>Tangible fixed assets</b>	289,148	-	36,888,488	37,177,636
<b>Current assets</b>	1,514,117	1,236,581	146,850	2,897,548
<b>Creditors due within one year</b>	-	(1,204,636)	(11,952)	(1,216,588)
<b>Creditors due in more than one year</b>	-	-	(84,857)	(84,857)
<b>Provisions for liabilities and charges</b>	-	(6,996,000)	-	(6,996,000)
<b>Total</b>	<u>1,803,265</u>	<u>(6,964,055)</u>	<u>36,938,529</u>	<u>31,777,739</u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
<b>Tangible fixed assets</b>	-	-	33,088,311	33,088,311
<b>Current assets</b>	2,414,622	-	265,402	2,680,024
<b>Creditors due within one year</b>	(1,018,026)	-	(3,851)	(1,021,877)
<b>Creditors due in more than one year</b>	-	-	(26,960)	(26,960)
<b>Provisions for liabilities and charges</b>	-	(4,554,000)	-	(4,554,000)
<b>Total</b>	<u>1,396,596</u>	<u>(4,554,000)</u>	<u>33,322,902</u>	<u>30,165,498</u>

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

	<b>2019 £</b>	<b>2018 £</b>
Net income/(expenditure) for the year (as per Statement of financial activities)	<u>2,951,244</u>	<u>(1,397,873)</u>
<b>Adjustments for:</b>		
Depreciation charges	1,078,020	1,010,600
Dividends, interest and rents from investments	(31,571)	(3,387)
Decrease in stocks	(1,475)	-
Increase in debtors	432,781	(229,596)
Increase/(decrease) in creditors	(102,536)	450,226
Capital grants from DfE and other capital income	(825,426)	(590,745)
Defined benefit pension scheme obligation inherited	265,000	-
Defined benefit pension scheme cost less contributions payable	838,000	831,000
Net (loss) on assets and liabilities from local authority on conversion	(3,778,046)	-
Introduction of Salix Loan	-	(30,811)
Net effect of Revaluation	(183,352)	-
<b>Net cash provided by operating activities</b>	<u>642,639</u>	<u>39,414</u>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**23. Cash flows from financing activities**

	2019 £	2018 £
Cash inflows from new borrowing	69,850	30,811
Repayments of borrowing	(3,851)	-
<b>Net cash provided by financing activities</b>	<b>65,999</b>	<b>30,811</b>

**24. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	31,571	3,387
Purchase of tangible fixed assets	(916,801)	(798,105)
Capital grants from DfE Group	825,426	590,745
<b>Net cash used in investing activities</b>	<b>(59,804)</b>	<b>(203,973)</b>

**25. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	2,471,813	1,822,979
<b>Total cash and cash equivalents</b>	<b>2,471,813</b>	<b>1,822,979</b>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**26. Conversion to an academy trust**

On 1 April 2019 All Soul's CofE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Canterbury Academies Trust from Kent County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	3,678,862	3,678,862
Other tangible fixed assets	-	-	99,814	99,814
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	55,621	-	-	55,621
<b>Pension Liability Inherited on Conversion</b>	-	(265,000)	-	(265,000)
<b>Net assets/(liabilities)</b>	<u>55,621</u>	<u>(265,000)</u>	<u>3,778,676</u>	<u>3,569,297</u>

**27. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £191,407 were payable to the schemes at 31 August 2019 (2018 - £253,965) and are included within creditors.

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**27. Pension commitments (continued)**

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

The 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 employer's pension costs paid to TPS in the year amounted to £895,078 (2018 - £1,366,806).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**27. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £832,000 (2018 - £850,000), of which employer's contributions totalled £641,000 (2018 - £658,000) and employees' contributions totalled £ 191,000 (2018 - £192,000). The agreed contribution rates for future years are 20 per cent for employers and 5.5-12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2019 %	2018 %
<b>Rate of increase in salaries</b>	<b>3.75</b>	<b>3.8</b>
<b>Rate of increase for pensions in payment/inflation</b>	<b>2.25</b>	<b>2.3</b>
<b>Discount rate for scheme liabilities</b>	<b>1.85</b>	<b>2.65</b>
<b>Inflation assumption (CPI)</b>	<b>2.25</b>	<b>2.3</b>
<b>Commutation of pensions to lump sums</b>	<b>50</b>	<b>50</b>

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

	2019 Years	2018 Years
<i>Retiring today</i>		
<b>Males</b>	<b>22.1</b>	<b>23.1</b>
<b>Females</b>	<b>24</b>	<b>25.2</b>
<i>Retiring in 20 years</i>		
<b>Males</b>	<b>23.7</b>	<b>25.3</b>
<b>Females</b>	<b>25.8</b>	<b>27.5</b>

**Sensitivity analysis**

	2019 £000	2018 £000
<b>Discount rate +0.1%</b>	<b>14,546,000</b>	<b>11,444,000</b>
<b>Discount rate -0.1%</b>	<b>15,224,000</b>	<b>11,974,000</b>
<b>Mortality assumption - 1 year increase</b>	<b>15,185,000</b>	<b>12,086,000</b>
<b>Mortality assumption - 1 year decrease</b>	<b>14,584,000</b>	<b>11,338,000</b>
<b>CPI rate +0.1%</b>	<b>14,918,000</b>	<b>11,737,000</b>
<b>CPI rate -0.1%</b>	<b>14,844,000</b>	<b>11,676,000</b>

**DIOCESE OF CANTERBURY ACADEMIES TRUST**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**27. Pension commitments (continued)**

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

	<b>At 31 August 2019 £</b>	<b>At 31 August 2018 £</b>
<b>Equities</b>	<b>5,602,000</b>	<b>4,874,000</b>
<b>Gilts</b>	<b>59,000</b>	<b>55,000</b>
<b>Other Bonds</b>	<b>742,000</b>	<b>635,000</b>
<b>Property</b>	<b>959,000</b>	<b>885,000</b>
<b>Cash and other liquid assets</b>	<b>220,000</b>	<b>219,000</b>
<b>Absolute return fund</b>	<b>639,000</b>	<b>484,000</b>
<b>Total market value of assets</b>	<b>8,221,000</b>	<b>7,152,000</b>

The actual return on scheme assets was £338,000 (2018 - £287,000).

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

	<b>2019 £</b>	<b>2018 £</b>
<b>Current service cost</b>	<b>1,352,000</b>	<b>(1,361,000)</b>
<b>Past service cost</b>	<b>(174,000)</b>	<b>-</b>
<b>Interest income</b>	<b>423,000</b>	<b>168,000</b>
<b>Interest cost</b>	<b>(318,000)</b>	<b>(293,000)</b>
<b>Administrative expenses</b>	<b>3,000</b>	<b>(3,000)</b>
<b>Total amount recognised in the Statement of financial activities</b>	<b>1,286,000</b>	<b>(1,489,000)</b>

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

	<b>2019 £</b>	<b>2018 £</b>
<b>At 1 September</b>	<b>11,706,000</b>	<b>11,192,000</b>
<b>Current service cost</b>	<b>1,187,000</b>	<b>1,361,000</b>
<b>Interest cost</b>	<b>318,000</b>	<b>293,000</b>
<b>Employee contributions</b>	<b>191,000</b>	<b>192,000</b>
<b>Actuarial losses/(gains)</b>	<b>1,485,000</b>	<b>(1,281,000)</b>
<b>Benefits paid</b>	<b>(98,000)</b>	<b>(51,000)</b>
<b>Past service costs</b>	<b>165,000</b>	<b>-</b>
<b>At 31 August</b>	<b>14,954,000</b>	<b>11,706,000</b>



**DIOCESE OF CANTERBURY ACADEMIES TRUST****(A company limited by guarantee)****Notes to the financial statements  
for the year ended 31 August 2019****27. Pension commitments (continued)**

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>7,152,000</b>	<b>6,069,000</b>
<b>Interest income</b>	<b>199,000</b>	<b>168,000</b>
<b>Actuarial losses</b>	<b>146,000</b>	<b>119,000</b>
<b>Employer contributions</b>	<b>638,000</b>	<b>655,000</b>
<b>Employee contributions</b>	<b>191,000</b>	<b>192,000</b>
<b>Benefits paid</b>	<b>(98,000)</b>	<b>(51,000)</b>
<b>At 31 August</b>	<b>8,228,000</b>	<b>7,152,000</b>

**28. 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.

**29. Related party transactions**

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

During the period the trust made purchases of £6,471 (2018 - £6,104) in respect of room hire and catering from Gillingham Football Club Limited a company connected with Marian Scally, via her brother Paul Scally who is a director of Gillingham Football Club Limited. No amounts were outstanding as at 31 August 2019 (2018 - £nil).

In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.