

# **THE DIOCESE OF CANTERBURY ACADEMIES TRUST**

**(A company limited by guarantee)**

## **Annual Report and Financial Statements**

**For the period ended 31 August 2018**



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

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**Reference and Administrative Details**  
**For the period ended 31 August 2018**

<b>Members</b>	Rt Revd Trevor Willmott Dr John Moss Revd John Richardson Mr Julian Hills (appointed 22 November 2017)
<b>Trustees</b>	Revd John Richardson, Chairman <sup>1,2</sup> Mr John McParland (resigned 15 May 2018) Mrs Jo Hygate (resigned 15 May 2018) <sup>1</sup> Mr Graham Birrell Mr Quentin Roper Miss Kathryn Page <sup>2</sup> Mrs Lorna Priddle Mrs Hayley Porter-Aslet <sup>1,2</sup> Mr David Race <sup>2</sup> Mrs Annie Wiles <sup>1,2</sup> Mr Michael Wetherell (appointed 11 October 2017) Mr Humphrey Dawson (appointed 15 May 2018) Mr Matthew Johnson (appointed 15 May 2018) Ms Yvonne Roden (appointed 15 May 2018) Mr Andrew Warrilow (appointed 16 May 2018)  <sup>1</sup> Members of the Finance & Resources Committee <sup>2</sup> Members of the Audit & Risk Committee
<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>	Mrs Marian Dunning (known as Ms Marian Scally)
<b>Chief executive officer</b>	Mrs Annie Wiles
<b>Senior management team</b>	Mrs Annie Wiles, Chief Operations Officer (Accounting Officer) Mrs Marian Dunning, Director of Finance and Administration
<b>Independent auditors</b>	Williams Giles Limited Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
<b>Bankers</b>	Lloyds Bank plc PO Box 1000 BX1 1LT

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**Reference and Administrative Details of the Academy, its Trustees and Advisers**  
**For the period ended 31 August 2018**

**Advisers (continued)**

**Solicitors**

Lee Bolton Monier Williams  
1 The Sanctuary  
London  
SW1P 3JT

Stone King LLP  
91 Charterhouse Street  
Clerkenwell  
London EC1M 6HR

## **THE DIOCESE OF CANTERBURY ACADEMIES TRUST**

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### **Trustees' Report For the period ended 31 August 2018**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 11 primary academies in Kent. Its academies have a combined pupil capacity of 3258. Funding allocations to 31st August 2018 were based on a collective roll of 2,939.

<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

### **Structure, governance and management**

#### **a. Constitution**

The academy trust is a 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 The 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 are included in the Reference and Administrative Details on page 2.

#### **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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**c. 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)  
Dr John Moss (Dean of Education of Canterbury Christ Church University)  
Revd John Richardson (Chairman of the Trust)  
Mr Alasdair Hogarth (Chairman of the Diocesan Board of Education)

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.

**d. Policies and procedures 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.

**e. Pay policy for 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.

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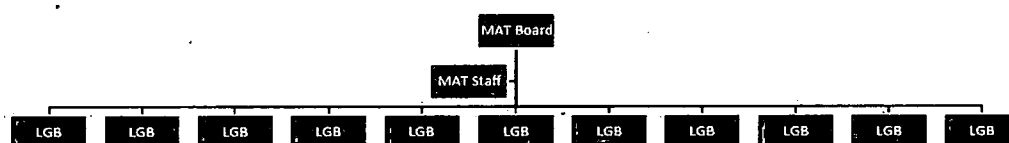
**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**f. Trade union facility time**

During the period ending 31 August 2018, there were no relevant union officials employed.

**g. Organisational structure**

Relationship between Trust Board and Academies;



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 Head of Finance & Business Services (Finance Director) in conjunction with the Chief Executive Officer
- ensure regularity, propriety and value-for-money in relation to the management of public funds

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

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.



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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**Role of the Chief Operations Officer**

The Chief Operations Officer has overall responsibility for the Trust's activities including financial activities. As the Accounting Officer for the Trust, the Chief Operations 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**

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 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

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**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.

**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 the early stages of engagement with the Kent procurement framework.
- Canterbury Christ Church University for provision of research driven CPD opportunities, supervision for senior school leaders and to develop a bespoke School Direct training package for ITT.
- Ambition Leadership for Senior and Middle Leadership Training
- PBM training for bespoke SEF support, audit and health check and training
- Achievement for All to raise the attainment of the lowest 20%
- GL assessment for the provision of trust wide pupil and parent surveys
- NFER for trust wide standardised assessment tests
- National Society for developing effective networks for sharing best practice across church school MATs.
- AMR for managing estates work and capital programme bids.

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**i. 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.

**Strategic report**

**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 for both OfSTED and SIAMS (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

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

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 church 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 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

**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.

**b. 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

**c. ACTION PLAN TO 31st AUGUST 2018**

The majority of the aims for 2017 -2018 will be working towards the three year aims. However, some will need to be focused on the further development of the Trust and the centralisation of services to schools so that funding going to schools can be prioritised on actions which will impact on pupil outcomes.

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**A. Connect**

Target position:

Consistent and clear understanding in the county of what Aquila offers, linked to schools' current evaluation. Trust is financially sustainable and able to support schools across the Diocese in a 'hub' model. Schools share all data freely. Data and progress meetings are held within hubs with Headteachers and Chairs of Governors to ensure clarity and shared ownership between schools.

Best practice is shared through effective school to school support, including subject leaders' networks and training. Staff share expertise and innovation for the benefit of all children. Links are maintained with 'non-Aquila' schools as the Trust is outward looking. Expertise employed centrally includes Ed. Psych. SaLT, Play Therapy etc.

This partnership work is fundamental to our ethos within Aquila.

Key Priority A	Action	Lead by	Success criteria	Cost	Timescale	Evaluation
Communication	Roll out Governor hub or similar to all governors and all schools	NM	All policies, communications and other relevant resources can be shared easily		Dec 2017	On-going as EGP
	Regular newsletter to all staff and Governors	NM	Positive feedback to newsletter	-	Seasonally	On-going as EGP
Improve teaching and learning	IRISConnect embedded in all schools to share best practice without travel expenses	AW	All schools use the technology for teaching, including the teaching library of resources. All teaching is graded at least good in all schools		July 2018	On-going as EGP
	Focused school improvement projects	AW	School led projects in reading, writing, spelling and maths result in improved data so all schools are above national for progress.	-	July 2018	Projects were in schools but not across the Trust
	Conference for all schools on Great Learners	AW	All schools engage with growth mindsets and 'the pit'. Children report being more confident independent learners. Data shows all schools are at least in line with national for attainment	£8,000	Sept 2017	Conference will become annual event as EGP

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

Key Priority A	Action	Lead by	Success criteria	Cost	Timescale	Evaluation
Develop relationships with parents	Parental surveys	AW	All parents in all schools are able to feedback. Results will be analysed for each school and across the Trust and trends analysed.	£8,000	Dec 2017	On-going as EGP. Needs more consistent timing
Improve Governance	Monitoring of LGB, training, sharing good practice. Appointment of 1 NLG	NM	Governance is strong in all Trust schools. Capacity is increased by sharing expertise. At least 1 NLG in place	£1,000	July 18	No NLG as applications not open. Still areas for improvement in governance
Sharing core staff	Employ Ed. Psych	AW	SEN pupils in our schools fully supported. Services traded to other schools beyond the Trust	£30,000	July 2018	Started 1 <sup>st</sup> September
Develop networks beyond the Trust	Working with the National Society to develop the MAT CEO training programme.	AW	National Society report success of MAT CEO programme in 2017-18	-	July 2018	Annie still involved but no longer chair as EGP
	Trust central staff engage with other Diocese MATs x 3 meetings per year	AW/ NM/ MS	Central staff work load reduced as sharing resources with other Diocese MATs	£500 (travel)	On-going	Using drop box. Swanwick conference

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**B. Nurture.**

**Target position:**

Well being is high for all staff and pupils within our schools supported by supervision for senior leaders. Parents feel valued as partners in their child's learning and as part of the school family. Coaching is fundamental to school improvement. All pupils are taught resilience and have aspirations. HR and H and S practices are robust and keep staff and pupils safe. Disadvantaged pupils are seen as core to the mission of the school and the Trust. Well being and mental health support is in place for all staff and pupils.

Key Priority B	Action	Lead by	Success criteria	Cost	Timescale	Evaluation
HT well-being	Supervision	AW/ CCCU	All HT access supervision and end of project report from CCCU is positive	£12,000	On-going	Supervision provided by Ed Pysch from September 2018
	Well-being days	DBE	HTs and SLT access well-being days	– (CSC)	X2 over year.	
Developing coaching	Embed Coaching into Appraisal in all school	MS / AW	All staff in all schools have access to a coach to develop their work place skills in a supportive environment	-		On-going as EGP
Develop growth mindsets	Great Learners Project in all schools	AW	P4C in all schools and progress data in all schools shows improvement on 2017 results	£9,500	July 2018	Project not started but other training in place
Develop thinking skills	Training and Conference	AW	50% of schools working on skills development. 30% of schools at early stages	£8,000	June 2018	St G's starting 3 <sup>rd</sup> year for accreditation. Lou training as Aquila trainer
Improve outcomes for lowest 20%	Achievement for All programme	AW	Disadvantaged pupils make better progress than 'all pupils'	£72,000	Sept 16-aug-18	AfA processes will continue in schools.
	Plans for development of AfA beyond end of current programme	AW	Continuation of a programme focused on DA engagement and progress			SSIF bid in place to fund this.

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**C. Aspire**

**Target position:**

CPD is in place for all staff and for members of the LGB. Good practice is shared between schools based on a hub model and across the Trust as a whole. NLGs are in place in every hub to provide proven effective governance support. All teaching in our schools will be good or better. Headteachers are able to focus on teaching as they are supported by an efficient, high quality, value for money suite of support services. Inspiration leadership will be shared across our academies. No school will have a long term vacancy. Robust systems and processes in place to ensure value for money including shared high level finance and other staff.

Key Priority C	Action	Lead by	Success criteria	Cost	Timescale	Evaluation
External reviews to validate SEF judgements	HMI (PBM) to review all schools in year 1 of joining.	AW	All schools graded as at least good by reviews	£2,000	On- going	External reviews completed but not all schools graded as good.
Develop capacity of school leaders to review schools	Supported peer reviews for all year 2 schools	AW	All schools graded as at least good by reviews	£3,000	On-going	On-going as EGP through EDT project
Leadership developed at all levels	Cohort of NPQML delivered	AW	SIPs report effective middle leaders in schools	-	June 2018	Cohort of SL and ML in 2018-19
Increase financial efficiency in schools	Increase centralisation of finance and HR function	MS	50% Schools go cashless. Action plan in place for full centralisation		July 2018	Charlton now cashless.
	Trial centralisation of finance with larger school	MS	Central team is able to full all roles currently provided within the schools	Cost neutral	Jan 2018	Business case paperwork took a long time. Redundancy is expensive.
	Employ additional part time finance officer	MS	1 additional staff member employed and trained	KR8 pro rata	November 2017	Jo employed part time.
	HR forum established	MS	Forum established and communication around HR expertise and experiences shared	-	October 2017	HR forum meets x6 per year.



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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**D. Learn**

Target position:

Consistently high quality teaching and learning across all schools. Trust services are seen as attractive by other schools. For our 'good' and 'outstanding' academies we will encourage and facilitate further development and also engage the academy in delivering school to school support within our family of Aquila academies. This will provide excellent opportunities for leadership development for key personnel in those academies. Links will be developed and high quality CPD will be organised. Aquila has a reputation for high quality school improvement services and building peer support models.

Aquila has developed a network of specialists, including finance, data and SBM, to form the core providers for school improvement.

Key Priority D	Action	Lead by	Success criteria	Cost	Timescale	Evaluation
Improve teaching and learning	CPD on core subjects	AW/ PBM	Outcomes at least national in 2017	£4,000	Term 2,3,4	Training gets very positive feedback and will be continued in 2018-19
	Supported visits to good and outstanding schools	LP	No RI teaching in schools	—	May 2016	On-going
High aspirations for all pupils	Develop a system of tracking progress for all pupils	AW	All pupils to be at least good in 2017	£3,000	October 2016	Continuing to develop the system
Accurate assessment	Develop tracking system with Capita	AW	Data is accurate and progress can be easily tracked	£3,000	October 2016	Continuing to develop the system
Develop parents as partners in learning	Starting together project	AW/ LR	Parents report high levels of satisfaction on transition to school. Children make rapid progress in EYFS	£1,900	October 2016	Project completed. Positive feedback
ITE of high quality to ensure future stream of new teachers	Cohort 1 training in place	AW/ CCCU	100% completion. 100% graded good or better as trainees 100% employment post training	—	July 2018	100% completion at good or better.
	Cohort 2 recruitment	TH	100% recruitment	£700	May 2018	Handed back 1 salaried place as school budget too tight.
	Aquila is prepared for teacher apprenticeships	AW/ CCCU	No drop in recruitment to ITT programme.	tbc	tbc	Information flow about this route into teaching is very slow.

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**E. Excel.**

Target position:

The Trust is financially sustainable with managed growth. Services support effective school leadership and management ensuring value for money and high standards across all our academies. The Trust is a model of best practice in all areas of operation and works beyond the immediate locality to share this expertise. Schools are pathfinders with outstanding progress and outcomes.

Key Priority E	Action	Lead by	Success criteria	Cost	Timescales	Evaluation
Financial best practice	Bulk purchasing of core services – energy, broad band,	MS	Schools save money	-	On-going	On-going
Analysis of data drives school improvement	Data training from Capita and Liz Windon	AW	LGB have full and accurate understanding of data presented in ASP. Good relationships with Capita re-established so schools get full value from SIMs licence and developments	£1,200	Nov 2017	Training completed. On-going as EGP
Training for staff at all levels	Full use made of apprenticeship programme	MS	Full value of apprentice levy utilised across the Trust	-	July 2018	On-going

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**F. Hope**

Target position.

Our disadvantaged pupils outperform students nationally. All pupils leave our schools well equipped for the next stage of their education. Our schools are seen as central to their communities. Spirituality is highly developed and central to the ethos and vision of the school. 100% of schools are good + within two years of joining the Trust. 100% of schools are outstanding at their second SIAMs. Trust has good relations with the Unions

Key Priority F	Action	Lead by	Success criteria	Cost	Timescales	Evaluation
Improve SIAMs judgements	Understanding Christianity	AW/RS	100% of schools at least good at SIAMs.	£135 / school	July 17	All schools are using UC
	Training on new RE curriculum and new SIAMs framework	NP		CSC		Selected schools only invited to training.
	REQM	AW/RS		CSC		
Improve outcomes for disadvantaged pupils	Robust PP impact reporting	JH	Monitoring of websites shows best practice reports	-	Dec 2017	
LGB are clear on vision of Trust	Training and attendance at meetings	NM	Vision of schools is aligned to our vision	-	Jan 2018	
Regular meetings with union personnel established	TURFA agreed	MS	TURFA signed by all recognised unions	-	October 2017	Signed by some unions
	X2 meetings per year with unions	AW/MS	Meetings held and quorate. Trust HR policies and handbook agreed with unions	-	November 2017	First meeting in autumn term 2018.

**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.

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**Achievements and performance**

**a. Key performance indicators**

The Trust aims to have all schools graded at least good in the first Ofsted inspection post conversion. During the academic year 2017- 18 four schools had their first inspection post conversion. Kennington was graded as Good overall with personal development and behaviour graded as outstanding. Charlton was graded as Good in all areas. St Mary of Charity and Reculver were both graded as Outstanding. The Trust now has 3 schools graded by Ofsted as outstanding, five schools are graded as Good (including three converter academies) and two sponsored academies are expecting their first inspection post conversion during 2019.

In addition, the Trust targets 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. 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.

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

The Aquila Early Years attainment data - Our Early Years data for 2018 shows that GLD is above both Kent and National at 76.9%. The Prime learning goals are above both Kent and National at 85.4% and specific learning goals are in line with Kent and above National at 75.4%. All learning goals are above both Kent and National at 75.4%.

Trends in Early Years data - We have a three year upward trend in GLD, specific learning goals and all learning goals. Prime learning goals showed a small drop last year and then an increase of 4.4% this year.

Year 1 phonics - Our year 1 phonics results this year are above national at 85.3%.

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 both expected and greater depth. Writing is above national at expected and greater depth but slightly below the Kent average at both levels .Maths is above national at expected and in line with national at greater depth.

Trends in Key Stage 1 data - Looking at the three year trends shows that the Trust is following the same pattern as the national data as reading shows with a slight dip this year. However the average increased from 73.4% in 2016 to 81.4% at expected in 2017. Writing is in line with national this year, having dipped slightly from 72.2 percent last year at expected. Greater depth has increased year on year and is now in line with national at 16.1%. Maths has a dip this year down from 81.4% to 78% so still above national at expected and at greater depth we have improved to in line with national. Science is showing a three year upward trend and is now standing at 88.4%, which is above national which stands at 82.8%.

Key Stage 2 attainment data - The Trust has a three year upward trend in KS2 combined at expected – now in line with Kent and above National. There is also a three year upward in KS2 combined at greater depth to in line with National. Reading at expected shows a three year upward trend remaining in line with National for all three years. Reading at greater depth has a three year upward trend from slightly below national in 2016-16to in line with national in 2018. Writing attainment results show a three year upward trend at expected and is now at 82%which is above both Kent and National. Writing at greater depth show a three year upward trend and at 25% is above both Kent and National. Having seen an 8% increase between 2016 and 17 in Maths attainment there was a slight dip of 0.6 % to 73.5%. This puts us slightly below Kent and National. Maths at greater depth shows a three year upward trend and is now at 23% so slightly below Kent and National.

GPS - Results show a three year upward trend at expected but this is still the weakest subject in the Trust. There has also been a three year upward trend at greater depth where there has been a 10% improvement.

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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

Progress - Reading progress shows a three year upward trend and is now 0.3 for the Trust as a whole which is above National and LA results for 2018. Writing progress shows a three year upward trend and is now 1.4 so well above both Kent and National writing progress for 2018. Maths progress dipped slightly this year and is now -0.1 so slightly below national but still better than Kent where progress was -0.3. Attainment in Science shows a three year upward trend. The Trust is now slightly above National.

Scaled scores - Reading – a three year upward trend now in line with Kent and National at 105. Maths – a three year upward trend. Now in line with Kent and National at 104. GPS – a three year upward trend but slightly below national at 105 (in 2016 the scaled scores for all subjects were below national and Kent).

The Trust has a risk management strategy and risk registers covering its major areas of activity. The key current risks are described below in the section on risk management. One academy faces financial difficulties associated with falling roll and lagged funding however this is being managed within the Trust and cash flow and budget monitoring is robust and carried out monthly.

From September 2016 the combined impact of increases in teachers' pension contributions, increasing national insurance contributions for school staff and a sharp reduction in the Education Services Grant meant academy funding has fallen in real terms.

The Trust will continue to ensure robust school level financial planning and budgeting arrangements are in place to ensure local and Trust wide financial challenges are identified and addressed early. The Trust examines the financial health of each academy at regular committee meetings and Trust staff monitor budget and cash flow forecasts on a monthly basis.

More detailed scrutiny is undertaken by the Finance & Resources Committee, at least termly, 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.

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.

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**Financial review**

This section must include a review of the financial performance and position during the period of the academy trust and any factors likely to affect these going forward, and a statement of the principal financial management policies adopted in the period. It must:

- clearly state the in-year surplus or deficit figure which should agree to the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds
- clearly state the actual position of reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31 August 2018
- include an explanation of the academy trust's reserves and investment policies.

The review should also include:

- the financial effect of significant events
- the principal sources of funding and how expenditure has supported the key objectives of the academy trust
- an explanation of the impact (if any) of a material pension liability arising from obligations to a defined benefit pension scheme or asset on the financial position of the academy trust.

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 2018 the Trust had 11 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 2018 and the associated expenditure are shown within Restricted Funds in the Statement of Financial Activities.

The Trust has also received £39,793 relating to sponsor funding held by the trust sponsor.

Devolved formula capital funding totalling £77,584 was received by the Trust for each academy and the Trust was 66% successful with all bids for Condition Improvement Funding. A total of £408,402 was received by 31st August 2018 relating to 4 projects within 3 academies. The scope of the projects were fencing x1, fire alarm x 1, roof x 1 and windows/doors x1. The balances of the funding will be received in 2018/19. One academy obtained a Salix Loan for £30,811 to improve their lighting with energy efficient LED units.

During the period ended 31st August 2018 total expenditure of £14,375,856 was covered by recurrent grant funding from the EFA, together with incoming resources of £14,257,833 and brought forward reserves. The excess of income over expenditure for the period (excluding restricted fixed asset funds and the restricted pension reserve) was £118,023.

At 31st August 2018 the net book value of fixed assets was £33,088,311 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 Trust has a deficit in the Local Government Pension Scheme in respect of its support staff, the deficit of £4,554,000 is included within the Statement of Financial Activities in note 26 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 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 2017-18 was 5% of General Annual Grant income, amounting to £555,581.

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**a. Going concern**

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

**b. 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

**Disabled Employees**

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

**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.

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**c. 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.

**d. Material investments policy**

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

**Plans for future periods**

**a. Future developments**

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.



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**Trustees' Report (continued)**  
**For the period ended 31 August 2018**

**Disclosure of information to auditors**

In so far 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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The auditors, Williams Giles 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 12 December 2018 and signed on its behalf by:



**Revd John Richardson, Chairman**  
**Chair of Trustees**



**Mrs Annie Wiles**  
**Trustee & CEO**

**THE 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 The 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 The 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.

**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 5 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Revd John Richardson, Chairman	5	5
Mr John McParland	1	3
Mrs Jo Hygate	2	3
Mr Graham Birrell	5	5
Mr Quentin Roper	4	5
Miss Kathryn Page	1	5
Mrs Lorna Priddle	4	5
Mrs Hayley Porter-Aslet	2	5
Mr David Race	4	5
Mrs Annie Wiles	5	5
Mr Michael Wetherell	3	5
Mr Humphrey Dawson	2	2
Ms Yvonne Roden	2	2
Mr Matt Johnson	1	1
Mr Andrew Warrilow	2	2

The changes to the board composition since 2016/17 have been the resignation of Mrs Jo Hygate and Mr John McParland. The board have appointed Ms Yvonne Roden, Mr Mike Wetherall, Mr Humphrey Dawson, Mr Matt Johnson and Mr Andrew Warrilow. All other roles and responsibilities remain the same.

The Board meeting of 7th February 2018 was observed by two members of the RSC team. They provided a very helpful review of the effectiveness of the Board, including the degree of challenge to the CEO. They gave three points for the further development of effectiveness for the Aquila Board. These have been actioned in the subsequent meetings. 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 will be available during 2018-19.

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.

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Governance Statement (continued)**

**Governance Reviews:**

The Audit & Risk committee completed an Assurance Validation Review in May 2016 which was submitted to the ESFA. We are implementing the recommendations and continue to review our governance arrangements on an annual basis. The Trust have commissioned its auditors to carry out an independent assessment of all potential related party transactions within the Trust. The Trust will be reviewing 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 once throughout the year. Attendance at this meeting was as follows:

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Revd John Richardson	4	4
Mrs Jo Hygate	3	3
Mrs Hayley Porter-Aslet	2	4
Mrs Marian Scally	4	4
Mrs Annie Wiles	4	4

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Governance Statement (continued)**

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 once throughout the year. Attendance at this meeting was as follows:

Trustee	Meetings attended	Out of a possible
Sam Page	1	3
Revd John Richardson	3	3
Mrs Hayley Porter-Aslet	2	3
Marian Scally	3	3
Mrs Annie Wiles	3	3
Mr David Race	2	3

**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 ongoing 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 The Diocese of Canterbury Academies Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Governance Statement (continued)**

**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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

The academy'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 Resources 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 Limited, the external auditor, 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's financial systems. In particular the checks carried out in the current period included:

- 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 external auditors report to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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**Governance Statement (continued)**

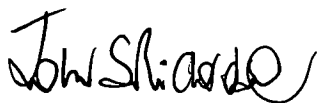
**Review of Effectiveness**

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 Audit & Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:



**Revd John Richardson**  
**Chair of Trustees**



**Annie Wiles**  
**Accounting Officer**

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Statement on Regularity, Propriety and Compliance**

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

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

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.



**Annie Wiles**  
**Accounting Officer**

Date: 12th December 2018

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Statement of Trustees' Responsibilities**  
**For the period ended 31 August 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 12 December 2018 and signed on its behalf by:



**Revd John Richardson**  
**Chair of Trustees**



**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**  
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**Independent Auditors' Report on the Financial Statements to the Members of The Diocese of Canterbury Academies Trust**

**Opinion**

We have audited the financial statements of The Diocese of Canterbury Academies Trust (the 'academy') for the period ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

**Other information**

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

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

**Independent Auditors' Report on the Financial Statements to the Members of The Diocese of Canterbury Academies Trust**

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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, 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.

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

**Independent Auditors' Report on the Financial Statements to the Members of The Diocese of Canterbury Academies Trust**

**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 Limited**

Chartered Accountants  
Statutory Auditor

12 Conqueror Court  
Sittingbourne  
Kent

ME10 5BH

Date: 21 December 2018

## **THE DIOCESE OF CANTERBURY ACADEMIES TRUST**

**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Canterbury Academies Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 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 The Diocese of Canterbury Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Diocese of Canterbury Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of The 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

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

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

**Conclusion**

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



Alastair Crawford FCA

**Williams Giles Limited**

Chartered Accountants  
Statutory Auditor

12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: 21 December 2018

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

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the period ended 31 August 2018**

	<b>Note</b>	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>Income from:</b>						
Donations & capital grants:						
Donations on conversion from local authority	2	-	-	-	-	5,658,137
Donations on transfer from another academy	2	-	-	-	-	820,236
Other donations and capital grants	2	49,681	-	590,745	640,426	1,617,422
Charitable activities	3	-	13,371,530	-	13,371,530	13,515,381
Other trading activities	4	580,729	252,506	-	833,235	776,217
Investments	5	3,387	-	-	3,387	3,894
<b>Total income</b>		<b>633,797</b>	<b>13,624,036</b>	<b>590,745</b>	<b>14,848,578</b>	<b>22,391,287</b>
<b>Expenditure on:</b>						
Raising funds	6	227,522	-	-	227,522	204,403
Charitable activities		52,301	14,927,033	1,039,595	16,018,929	16,060,835
<b>Total expenditure</b>	9	<b>279,823</b>	<b>14,927,033</b>	<b>1,039,595</b>	<b>16,246,451</b>	<b>16,265,238</b>
<b>Net income / (expenditure) before transfers</b>		<b>353,974</b>	<b>(1,302,997)</b>	<b>(448,850)</b>	<b>(1,397,873)</b>	<b>6,126,049</b>
Transfers between Funds	21	(505,152)	403,242	101,910	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(151,178)</b>	<b>(899,755)</b>	<b>(346,940)</b>	<b>(1,397,873)</b>	<b>6,126,049</b>
Actuarial gains on defined benefit pension schemes	26	-	1,400,000	-	1,400,000	2,146,000
<b>Net movement in funds</b>		<b>(151,178)</b>	<b>500,245</b>	<b>(346,940)</b>	<b>2,127</b>	<b>8,272,049</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,547,771	(5,054,245)	33,669,842	30,163,368	21,891,319
<b>Total funds carried forward</b>		<b>1,396,593</b>	<b>(4,554,000)</b>	<b>33,322,902</b>	<b>30,165,495</b>	<b>30,163,368</b>

**THE DIOCESE OF CANTERBURY ACADEMIES TRUST**

(A company limited by guarantee)

Registered number: 09035788

**Balance Sheet  
As at 31 August 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	16		33,088,311		33,300,805
<b>Current assets</b>					
Stocks	17	3,882		3,882	
Debtors	18	853,160		623,565	
Cash at bank and in hand		1,822,979		1,956,727	
		<u>2,680,021</u>		<u>2,584,174</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(1,021,877)</u>		<u>(576,823)</u>	
<b>Net current assets</b>			<u>1,658,144</u>		<u>2,007,351</u>
<b>Total assets less current liabilities</b>			<u>34,746,455</u>		<u>35,308,156</u>
<b>Creditors: amounts falling due after more than one year</b>	20		<u>(26,960)</u>		<u>(21,788)</u>
<b>Net assets excluding pension scheme liabilities</b>			<u>34,719,495</u>		<u>35,286,368</u>
Defined benefit pension scheme liability	26		<u>(4,554,000)</u>		<u>(5,123,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>30,165,495</u></u>		<u><u>30,163,368</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	21	-		68,755	
Restricted fixed asset funds	21	33,322,902		33,669,842	
		<u>33,322,902</u>		<u>33,738,597</u>	
Restricted income funds excluding pension liability					
		<u>33,322,902</u>		<u>33,738,597</u>	
Pension reserve		<u>(4,554,000)</u>		<u>(5,123,000)</u>	
Total restricted income funds			<u>28,768,902</u>		<u>28,615,597</u>
Unrestricted income funds	21		<u>1,396,593</u>		<u>1,547,771</u>
<b>Total funds</b>			<u><u>30,165,495</u></u>		<u><u>30,163,368</u></u>

The financial statements on pages 38 to 65 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:



**Revd John Richardson, Chairman  
Chair of Trustees**

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

**Statement of Cash Flows**  
**For the period ended 31 August 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<u>39,414</u>	<u>83,266</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		3,387	3,894
Purchase of tangible fixed assets		(798,105)	(1,397,789)
Capital grants from DfE Group		<u>590,745</u>	<u>1,579,551</u>
<b>Net cash (used in)/provided by investing activities</b>		<u>(203,973)</u>	<u>185,656</u>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		<u>30,811</u>	<u>-</u>
<b>Net cash provided by financing activities</b>		<u>30,811</u>	<u>-</u>
<b>Change in cash and cash equivalents in the period</b>		<b>(133,748)</b>	<b>268,922</b>
Cash and cash equivalents brought forward		<u>1,956,727</u>	<u>1,687,805</u>
<b>Cash and cash equivalents carried forward</b>	24	<u><u>1,822,979</u></u>	<u><u>1,956,727</u></u>



# **THE DIOCESE OF CANTERBURY ACADEMIES TRUST**

**(A company limited by guarantee)**

## **Notes to the Financial Statements For the period ended 31 August 2018**

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

#### **1.1 Basis of preparation of financial statements**

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

The Diocese of Canterbury Academies Trust constitutes a public benefit entity as defined by FRS 102.

#### **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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**Notes to the Financial Statements**  
**For the period ended 31 August 2018**

**1. Accounting Policies (continued)**

**1.3 Income**

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

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

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

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

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

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

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

**1.4 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

**Notes to the Financial Statements**  
**For the period ended 31 August 2018**

**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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 on the following bases:

Leasehold property	-	2% straight line
Furniture and fixtures	-	20% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	25% straight line

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

**1.6 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 Bank.

**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.

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

**Notes to the Financial Statements**  
**For the period ended 31 August 2018**

**1. Accounting Policies (continued)**

**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 and provisions**

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

**1.11 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 basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.12 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

**Notes to the Financial Statements**  
**For the period ended 31 August 2018**

**1. Accounting Policies (continued)**

**1.13 Pensions**

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

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. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 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 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.

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

**Notes to the Financial Statements**  
**For the period ended 31 August 2018**

**1. Accounting Policies (continued)**

**1.15 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations on conversion from local authority	-	-	-	-	5,658,137
Donations on transfer from another academy	-	-	-	-	820,236
Subtotal detailed disclosure	-	-	-	-	6,478,373
Donations	49,681	-	-	49,681	37,871
Capital Grants	-	-	82,835	82,835	732,870
CIF Funding	-	-	507,910	507,910	846,681
Subtotal	49,681	-	590,745	640,426	1,617,422
	49,681	-	590,745	640,426	8,095,795
Total 2017	143,607	(452,000)	8,404,188	8,095,795	

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	11,111,639	11,111,639	11,096,306
Start up grants	-	6,000	6,000	75,000
Other DfE/ESFA grants	-	154,299	154,299	76,210
Pupil premium	-	936,364	936,364	889,636
Academy conversion grant	-	10,904	10,904	15,216
Universal Infant Free School Meals	-	352,835	352,835	350,796
ESFA - Sports Funding	-	203,580	203,580	84,080
	-	12,775,621	12,775,621	12,587,244
<b>Other government grants</b>				
Local authority income	-	595,909	595,909	928,137
	-	595,909	595,909	928,137
	-	13,371,530	13,371,530	13,515,381
<i>Total 2017</i>	-	13,515,381	13,515,381	

**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
School trips	213,741	-	213,741	150,618
Catering income	-	160,756	160,756	138,433
Consultancy fees	11,174	-	11,174	13,016
Other income	355,814	91,750	447,564	474,150
	580,729	252,506	833,235	776,217
<i>Total 2017</i>	493,909	282,308	776,217	

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**5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	3,387	-	3,387	3,894
<i>Total 2017</i>	3,894	-	3,894	

**6. Expenditure on raising funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
School Trips	220,278	-	220,278	195,400
Other expenditure	7,244	-	7,244	9,003
	227,522	-	227,522	204,403
<i>Total 2017</i>	204,403	-	204,403	

**7. Direct costs**

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	590,485	590,485	618,311
Staff development	333,381	333,381	259,320
Educational consultancy	111,045	111,045	100,137
Computer costs	79,388	79,388	69,568
Printing, postage and stationery	-	-	17,382
Agency supply	202,514	202,514	324,326
Wages and salaries	7,149,303	7,149,303	7,030,198
National insurance	608,114	608,114	594,933
Pension cost	1,220,507	1,220,507	1,188,563
	10,294,737	10,294,737	10,202,738
<i>Total 2017</i>	10,202,738	10,202,738	



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**8. Support costs**

	Educational operations £	Total 2018 £	Total 2017 £
LGPS costs	125,000	125,000	130,000
Recruitment and support	20,615	20,615	9,493
Maintenance of premises and equipment	204,478	204,478	229,196
Cleaning	114,357	114,357	87,943
Rents & rates	176,214	176,214	133,862
Light & heat	196,244	196,244	185,123
Insurance	68,425	68,425	107,265
Security & transport	47,760	47,760	42,376
Catering	364,156	364,156	347,636
Interest and charges	(53,792)	(53,792)	31,323
Computer costs	268,487	268,487	272,803
Printing, postage and stationery	105,550	105,550	111,296
Other support costs	268,882	268,882	300,709
Advertising and marketing	3,190	3,190	6,321
Project Managements Costs	92,252	92,252	-
Governance costs	52,301	52,301	73,300
Wages and salaries	1,633,319	1,633,319	1,478,233
National insurance	93,112	93,112	88,680
Pension cost	996,299	996,299	1,221,409
Depreciation	947,343	947,343	1,001,129
	<u>5,724,192</u>	<u>5,724,192</u>	<u>5,858,097</u>
<i>Total 2017</i>	<u>5,858,097</u>	<u>5,858,097</u>	

During the period ended 31 August 2018, the academy incurred the following Governance costs:  
£52,301 (2017 - £73,300) included within the table above in respect of Educational Operations.

**9. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	227,522	227,522	204,403
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	9,180,438	-	1,114,299	10,294,737	10,202,738
Support costs	2,722,730	996,990	2,004,472	5,724,192	5,858,097
	<u>11,903,168</u>	<u>996,990</u>	<u>3,346,293</u>	<u>16,246,451</u>	<u>16,265,238</u>
<i>Total 2017</i>	<u>11,863,724</u>	<u>422,260</u>	<u>3,979,254</u>	<u>16,265,238</u>	

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**10. Analysis of expenditure by activities**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	10,438,938	5,530,541	15,969,479	16,060,835
<i>Total 2017</i>	<u>10,202,738</u>	<u>5,858,097</u>	<u>16,060,835</u>	

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**Notes to the Financial Statements**  
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**11. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	8,765,913	8,508,431
Social security costs	701,226	683,613
Operating costs of defined benefit pension schemes	2,216,806	2,409,972
	<u>11,683,945</u>	<u>11,602,016</u>
Agency staff costs	202,514	244,326
Staff restructuring costs	16,709	-
Severance payments	-	17,382
	<u><u>11,903,168</u></u>	<u><u>11,863,724</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	<u>16,709</u>	<u>17,382</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £16,709 (2017 - £17,382). Individually the payments were £11,274 made in May 2018, £3,567 made in November 2017 and £1,868 made in October 2017.

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	138	122
Admin & Support	347	307
Management	22	19
	<u>507</u>	<u>448</u>

**d. Higher paid staff**

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

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

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management

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**Notes to the Financial Statements**  
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**11. Staff costs (continued)**

team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £178,806 (2017: £176,142).

**12. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Annie Wiles	Remuneration	80,000-85,000	55,000-60,000
	Pension contributions paid	15,000-20,000	10,000-15,000

During the period ended 31 August 2018, expenses totalling £4,751 (2017 - £NIL) were reimbursed to 2 Trustees (2017 - NIL ).

**13. 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:

	2018 £	2017 £
Archbishop Courtney CE Primary School	57,206	57,613
Kennington Junior School	60,149	57,299
Charlton CofE Primary School	41,062	43,042
Reculver CofE Primary School	80,790	84,881
St Mary of Charity CEP School	39,865	40,280
St Georges CofE Primary School	79,856	85,308
Kingsnorth CofE Primary School	69,460	70,268
St Nicholas CofE Primary School	58,332	62,405
Charing Primary School	21,874	3,732
Brenzett Primary School	19,454	21,507
Temple Ewell CofE Primary School	27,533	28,638
<b>Total</b>	<b>555,581</b>	<b>554,973</b>

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

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

**15. Net pension interest**

	2018 £	2017 £
Interest income on pension scheme assets	168,000	109,000
Interest on pension scheme liabilities	(293,000)	(239,000)
	<u>(125,000)</u>	<u>(130,000)</u>

**16. Tangible fixed assets**

	Buildings on church land £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2017	34,003,386	663,659	8,333	660,784	35,336,162
Additions	725,005	22,299	-	52,001	799,305
Disposals	-	(1,200)	-	-	(1,200)
At 31 August 2018	<u>34,728,391</u>	<u>684,758</u>	<u>8,333</u>	<u>712,785</u>	<u>36,134,267</u>
<b>Depreciation</b>					
At 1 September 2017	1,504,513	238,866	4,166	287,812	2,035,357
Charge for the period	694,568	136,952	2,083	178,196	1,011,799
On disposals	-	(1,200)	-	-	(1,200)
At 31 August 2018	<u>2,199,081</u>	<u>374,618</u>	<u>6,249</u>	<u>466,008</u>	<u>3,045,956</u>
<b>Net book value</b>					
At 31 August 2018	<u>32,529,310</u>	<u>310,140</u>	<u>2,084</u>	<u>246,777</u>	<u>33,088,311</u>
At 31 August 2017	<u>32,498,873</u>	<u>424,793</u>	<u>4,167</u>	<u>372,972</u>	<u>33,300,805</u>

**17. Stocks**

	2018 £	2017 £
Uniform stock	<u>3,882</u>	<u>3,882</u>

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**18. Debtors**

	2018 £	2017 £
Trade debtors	77,008	50,563
VAT repayable	149,946	181,086
Other debtors	385,162	38,475
Prepayments and accrued income	241,044	253,634
	<u>853,160</u>	<u>523,758</u>

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

	2018 £	2017 £
Other loans	3,851	41,757
Trade creditors	109,975	140,362
Other taxation and social security	179,048	50,591
Other creditors	254,663	10,905
Accruals and deferred income	474,340	233,401
	<u>1,021,877</u>	<u>477,016</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	249,494	191,318
Resources deferred during the year	235,485	249,494
Amounts released from previous years	(249,494)	(191,318)
Deferred income at 31 August 2018	<u>235,485</u>	<u>249,494</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

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

	2018 £	2017 £
Other loans	26,960	21,788

Included within the above are amounts falling due as follows:

	2018 £	2017 £
<b>Between one and two years</b>		
Other loans	3,851	21,788
<b>Between two and five years</b>		
Other loans	11,554	-
<b>Over five years</b>		
Other loans	11,555	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	11,555	-

During the 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.

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**Notes to the Financial Statements**  
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**21. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	1,547,771	633,797	(279,823)	(505,152)	-	1,396,593
<b>Restricted funds</b>						
General Annual Grant	85,455	11,111,639	(11,600,336)	403,242	-	-
Pupil Premium	-	936,364	(936,364)	-	-	-
Other DFE/ESFA grants	-	171,203	(171,203)	-	-	-
Other government grants	-	595,909	(595,909)	-	-	-
Generated Funds	-	252,506	(252,506)	-	-	-
KCC Loan	(16,700)	-	16,700	-	-	-
UIFSM	-	352,835	(352,835)	-	-	-
Sports Funding	-	203,580	(203,580)	-	-	-
Pension reserve	(5,123,000)	-	(831,000)	-	1,400,000	(4,554,000)
	<u>(5,054,245)</u>	<u>13,624,036</u>	<u>(14,927,033)</u>	<u>403,242</u>	<u>1,400,000</u>	<u>(4,554,000)</u>
<b>Restricted Fixed Assets funds</b>						
Assets donated on conversion	31,723,964	-	(1,130,586)	2,494,933	-	33,088,311
Devolved formula capital	494,071	82,835	-	(576,906)	-	-
Sports England Capital Grant	29,400	-	-	(29,400)	-	-
Capital Donation from the Diocese	16,717	-	-	(16,717)	-	-
KCC Capital Loan	(90,991)	-	90,991	-	-	-
Other Capital Grants	1,049,738	-	-	(1,049,738)	-	-
Salix Loan	-	-	-	(30,811)	-	(30,811)
CIF Funding	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>
Total restricted funds	<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>
Total of funds	<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>

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.



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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Analysis of academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Archbishop Courtney CE Primary School	<b>155,141</b>	261,415
Kennington Junior School	<b>126,646</b>	98,643
Charlton CofE Primary School	<b>(21,970)</b>	(1,374)
Reculver CofE Primary School	<b>480,277</b>	542,404
St Mary of Charity CEP School	<b>112,209</b>	119,842
St Georges CofE Primary School	<b>213,670</b>	252,637
Kingsnorth CofE Primary School	<b>36,360</b>	31,126
St Nicholas CofE Primary School	<b>136,467</b>	137,128
Temple Ewell	<b>19,484</b>	43,215
Charing Primary School	<b>(1,186)</b>	10,311
Brenzett Primary School	<b>(16,067)</b>	37,597
Trust	<b>155,562</b>	83,585
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>1,396,593</b>	1,616,529
	<hr/>	<hr/>
Restricted fixed asset fund	<b>33,322,902</b>	33,669,842
Pension reserve	<b>(4,554,000)</b>	(5,123,000)
	<hr/>	<hr/>
Total	<b>30,165,495</b>	30,163,371
	<hr/> <hr/>	<hr/> <hr/>

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

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Archbishop Courtney CE Primary School	964,610	279,718	31,567	303,858	1,579,753	1,422,984
Kennington Junior School	938,037	287,369	45,677	220,714	1,491,797	1,299,952
Charlton CofE Primary School	608,998	192,414	23,357	160,647	985,416	976,589
Reculver CofE Primary School	1,534,051	348,480	70,123	349,305	2,301,959	2,383,744
St Mary of Charity CEP School	611,225	216,133	35,392	183,136	1,045,886	1,037,942
St Georges CofE Primary School	1,249,206	467,010	43,255	207,562	1,967,033	1,997,602
Kingsnorth CofE Primary School	1,138,195	358,309	70,422	160,643	1,727,569	1,712,839
St Nicholas CofE Primary School	869,323	346,713	39,443	206,425	1,461,904	1,489,909
Brenzett Primary School	278,241	96,783	60,689	96,580	532,293	489,103
Charing Primary School	304,592	126,342	20,375	106,045	557,354	92,840
Temple Ewell Primary School	478,239	139,050	8,958	118,527	744,774	744,530
Central	-	644,408	11,338	247,624	903,370	1,616,073
	<u>8,974,717</u>	<u>3,502,729</u>	<u>460,596</u>	<u>2,361,066</u>	<u>15,299,108</u>	<u>15,264,107</u>

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	<u>1,127,976</u>	<u>637,516</u>	<u>(217,721)</u>	<u>-</u>	<u>-</u>	<u>1,547,771</u>

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**Notes to the Financial Statements  
For the period ended 31 August 2018**

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

**Restricted funds**

General Annual Grant	246,260	11,093,728	(11,254,533)	-	-	85,455
Start up grants	-	75,000	(75,000)	-	-	-
Pupil Premium	-	889,636	(889,636)	-	-	-
Other DFE/ESFA grants	-	513,664	(513,664)	-	-	-
Other government grants	-	928,137	(928,137)	-	-	-
Generated Funds	-	286,202	(286,202)	-	-	-
KCC Loan	(16,700)	-	-	-	-	(16,700)
Other grants	-	15,216	(15,216)	-	-	-
Pension reserve	(5,733,000)	(452,000)	(1,084,000)	-	2,146,000	(5,123,000)
	<u>(5,503,440)</u>	<u>13,349,583</u>	<u>(15,046,388)</u>	<u>-</u>	<u>2,146,000</u>	<u>(5,054,245)</u>

**Restricted Fixed Assets funds**

Assets donated on conversion	25,900,456	6,824,637	(1,001,129)	-	-	31,723,964
Devolved formula capital	411,201	82,870	-	-	-	494,071
Sports England Capital Grant	29,400	-	-	-	-	29,400
Capital Donation from the Diocese	16,717	-	-	-	-	16,717
KCC Capital Loan	(90,991)	-	-	-	-	(90,991)
Other Capital Grants	-	1,496,681	-	-	-	1,496,681
	<u>26,266,783</u>	<u>8,404,188</u>	<u>(1,001,129)</u>	<u>-</u>	<u>-</u>	<u>33,669,842</u>
Total restricted funds	<u>20,763,343</u>	<u>21,753,771</u>	<u>(16,047,517)</u>	<u>-</u>	<u>2,146,000</u>	<u>28,615,597</u>
Total of funds	<u>21,891,319</u>	<u>22,391,287</u>	<u>(16,265,238)</u>	<u>-</u>	<u>2,146,000</u>	<u>30,163,368</u>

**A current year 12 months and prior year 12 months combined position is as follows:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	1,127,976	637,516	(217,721)	-	-	1,547,771
	-	633,797	(279,823)	(505,152)	-	(151,178)

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

**Restricted funds**

General Annual Grant	246,260	22,205,367	(22,854,869)	403,242	-	-
Start up grants	-	75,000	(75,000)	-	-	-
Pupil Premium	-	1,826,000	(1,826,000)	-	-	-
Other DFE/ESFA grants	-	684,867	(684,867)	-	-	-
Other government grants	-	1,524,046	(1,524,046)	-	-	-
Generated Funds	-	538,708	(538,708)	-	-	-
KCC Loan	(16,700)	-	16,700	-	-	-
Other grants	-	15,216	(15,216)	-	-	-
	-	352,835	(352,835)	-	-	-
	-	203,580	(203,580)	-	-	-
Pension reserve	(5,733,000)	(452,000)	(1,915,000)	-	3,546,000	(4,554,000)
	<u>(5,503,440)</u>	<u>26,973,619</u>	<u>(29,973,421)</u>	<u>403,242</u>	<u>3,546,000</u>	<u>(4,554,000)</u>

**Restricted Fixed Assets funds**

Assets donated on conversion	25,900,456	6,824,637	(2,131,715)	2,494,933	-	33,088,311
Devolved formula capital	411,201	165,705	-	(576,906)	-	-
Sports England Capital Grant	29,400	-	-	(29,400)	-	-
Capital Donation from the Diocese	16,717	-	-	(16,717)	-	-
KCC Capital Loan	(90,991)	-	90,991	-	-	-
Other Capital Grants	-	1,496,681	-	(1,049,738)	-	446,943
Salix Loan	-	-	-	(30,811)	-	(30,811)
CIF Funding	-	507,910	-	(689,451)	-	(181,541)
	<u>26,266,783</u>	<u>8,994,933</u>	<u>(2,040,724)</u>	<u>101,910</u>	<u>-</u>	<u>33,322,902</u>
	<u>20,763,343</u>	<u>35,968,552</u>	<u>(32,014,145)</u>	<u>505,152</u>	<u>3,546,000</u>	<u>28,768,902</u>
Total of funds	<u>21,891,319</u>	<u>37,239,865</u>	<u>(32,511,689)</u>	<u>-</u>	<u>3,546,000</u>	<u>30,165,495</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	33,088,311	33,088,311
Current assets	2,414,619	-	265,402	2,680,021
Creditors due within one year	(1,018,026)	-	(3,851)	(1,021,877)
Creditors due in more than one year	-	-	(26,960)	(26,960)
Provisions for liabilities and charges	-	(4,554,000)	-	(4,554,000)
	<u>1,396,593</u>	<u>(4,554,000)</u>	<u>33,322,902</u>	<u>30,165,495</u>

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

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

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	33,300,805	33,300,805
Current assets	1,678,613	472,979	432,582	2,584,174
Creditors due within one year	(130,842)	(404,224)	(41,757)	(576,823)
Creditors due in more than one year	-	-	(21,788)	(21,788)
Provisions for liabilities and charges	-	(5,123,000)	-	(5,123,000)
	<u>1,547,771</u>	<u>(5,054,245)</u>	<u>33,669,842</u>	<u>30,163,368</u>

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

	2018	2017
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,397,873)	6,126,049
<b>Adjustment for:</b>		
Depreciation charges	1,010,600	1,001,130
Dividends, interest and rents from investments	(3,387)	(3,894)
Decrease in stocks	-	143
Increase in debtors	(229,596)	(149,981)
Increase/(decrease) in creditors	450,226	(21,993)
Capital grants from DfE and other capital income	(590,745)	(1,579,551)
Defined benefit pension scheme obligation inherited	-	452,000
Defined benefit pension scheme cost less contributions payable	831,000	1,084,000
Net (loss) on assets and liabilities from local authority on conversion	-	(6,824,637)
Introduction of Salix Loan	(30,811)	-
<b>Net cash provided by operating activities</b>	<u>39,414</u>	<u>83,266</u>

**24. Analysis of cash and cash equivalents**

	2018	2017
	£	£
Cash in hand	1,822,979	1,956,727
<b>Total</b>	<u>1,822,979</u>	<u>1,956,727</u>

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**25. Contingent liabilities**

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the ESFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the ESFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the ESFA.

**26. Pension commitments**

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

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

Contributions amounting to £253,965 were payable to the schemes at 31 August 2018 (2017 - *enter amount*) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**26. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,366,806 (2017 - £812,164).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £850,000 (2017 - £823,000), of which employer's contributions totalled £658,000 (2017 - £637,000) and employees' contributions totalled £192,000 (2017 - £186,000). The agreed contribution rates for future years are 20% for employers and var% 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %
RPI increase	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	11,444,000	10,942,000
Discount rate -0.1%	11,974,000	11,448,000
Mortality assumption - 1 year increase	12,086,000	11,555,000
Mortality assumption - 1 year decrease	11,338,000	10,841,000
CPI rate +0.1%	11,737,000	11,404,000

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**26. Pension commitments (continued)**

CPI rate -0.1%	11,676,000	10,985,000
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The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,874,000	4,273,000
Gilts	55,000	42,000
Other Bonds	635,000	584,000
Property	885,000	745,000
Cash and other liquid assets	219,000	192,000
Absolute return fund	484,000	233,000
	<hr/>	<hr/>
Total market value of assets	7,152,000	6,069,000
	<hr/>	<hr/>

The actual return on scheme assets was £287,000 (2017 - £819,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(1,361,000)	(1,400,000)
Interest income	168,000	109,000
Interest cost	(293,000)	(239,000)
Admin expenses	(3,000)	-
	<hr/>	<hr/>
Total	(1,489,000)	(1,530,000)
	<hr/>	<hr/>
Actual return on scheme assets	287,000	819,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	11,192,000	9,998,000
Transferred in on existing academies joining the trust	-	1,153,000
Current service cost	1,361,000	1,400,000
Interest cost	293,000	239,000
Employee contributions	192,000	186,000
Actuarial gains	(1,281,000)	(1,741,000)
Benefits paid	(51,000)	(43,000)
	<hr/>	<hr/>
Closing defined benefit obligation	11,706,000	11,192,000
	<hr/>	<hr/>



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**26. Pension commitments (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	6,069,000	4,265,000
Interest income	168,000	109,000
Actuarial losses	119,000	405,000
Employer contributions	655,000	634,000
Employee contributions	192,000	186,000
Benefits paid	(51,000)	(43,000)
Settlement prices received / paid	-	513,000
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>7,152,000</u>	<u>6,069,000</u>

**27. Operating lease commitments**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	7,863	20,897
Between 1 and 5 years	903	8,304
	<hr/>	<hr/>
Total	<u>8,766</u>	<u>29,201</u>

**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.

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**29. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the period the trust made a purchase of £6,104 (2017 - £nil) 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 2018 (2017 - £nil).

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