

Company Registration Number: 07345430 (England & Wales)

The Canterbury Academy
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2021

The Canterbury Academy**(A company limited by guarantee)**

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Reference and Administrative Details
For the Year Ended 31 August 2021

Members	Mrs G. Baker Mr A. Doyle Mr R. Field Mr M. Johnstone (appointed 1.12.20) Mrs J. Keay Mrs J. Parsons (resigned 31.12.20)
Trustees	Mr R. Field * (Chairman until 30.11.2020) (resigned 31.12.20) Mr M. Johnstone (Vice Chairman until 30.11.20, then Chair from 1.12.20) Mr A. Milton* (Chairman of the Audit & Risk committee) Mr N. Guthrie* (Chairman of the Finance, Buildings and Personnel committee) Mr J. Watson (Accounting Officer) Mr J Brinton (appointed 19.7.21) Mr D. Chamberlain * (Co-opted) Mrs K. Fisher (resigned 11.12.20) Mrs T. Haux (appointed 9.3.21) Mr P. Martin* (appointed 5.7.21) Mr J. Stevens Mr P. Swallow (appointed 9.3.21) Mr P. Twyman (appointed 27.5.21, resigned 19.7.21) Mrs A. Weinel Mr N. Winterflood * (co-opted) * members of the Finance, Buildings and Personnel committee and/or Audit and risk Committee
Company registered number	07345430
Principal and registered office	Knight Avenue Canterbury Kent CT2 8QA
Senior management team	Mr J. Watson, Trust Executive Principal and Accounting Officer Mrs C. Crane, Trust Executive Vice Principal Mrs B. Farrell, Trust Executive Vice Principal (Primary) Mrs C. Knight, Director of Finance Mr J. Sazant, SVP Director of Finance, Business and Operations
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Statutory Auditors Thames House Roman Square Sittingbourne Kent. ME10 4BJ
Bankers	Until 27th June 2021: The Royal Bank of Scotland 14 Rose Lane Canterbury Kent CT1 2ST From 28 th June 2021: Handlesbanken Ground Floor St Andrews House Station Road East Canterbury Kent. CT1 2BJ
Solicitors	Furley Page 39 St Margaret's Street Canterbury Kent CT1 2TX

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Trustees' Report
For the Year Ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of The Canterbury Academy, 'Canterbury Academy Trust', a charitable company, for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Canterbury Academy Trust comprises of a Primary School, Secondary School, Sixth Form and Alternative Curriculum Provision in the south east of England. Its academies have a combined pupil capacity of 2,400 and had a roll of 2,340 in the October 2020 school census.

Covid 19 (effective from September 2020)

All students returned to school at the start of the new academic year, following the national lockdown. During December a number of staff were absent due to Covid related issues and a second national lockdown was effective from term 3. The Trust remained partially open for vulnerable students and for children of key workers.

Students had access to online learning; at the Canterbury Primary School this was through the Class Dojo system and at the Academy Secondary and Sixth Form, students continued to access their work through the Show My Homework App, with the addition of Teams being developed to enable students to attend mentoring sessions as well as some lessons.

Throughout the lockdown period the Executive Principal, the teaching and learning team and safeguarding team remained in constant contact with parents and students to ensure that they were receiving education and support. Parental questionnaires were distributed to enable constant improvement to student learning, which included the distribution of laptops to enable students to access online learning. Weekly celebrations were shared through our social media on Facebook, Instagram and Twitter.

The Trust has followed the guidelines produced by the Department for Education and Public Health England throughout the pandemic.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Canterbury Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Canterbury Academy. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 17 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

When the company was formed in 2010, the five members and original signatories for the company were also trustees. Following DFE advice, all members are now independent with the exception of the Chair, who is a trustee as well as a member. Members appoint members. The members may appoint up to 15 trustees, which includes the Executive Principal. In addition to this, trustees may co-opt a further 3 trustees. There is a minimum requirement to have 3 members, although the Trust has opted to have 5 wherever possible. Trustees appoint local governors, following interviews and recommendations made by the Chair of each local governing body. At the year-end there were 12 trustees (1 member, 8 appointed by members, 2 co-opted and the Executive Principal). Each local governing body aims to have two directors and between two and four local governors, including parent and staff representatives. The Trust advertises vacancies on the school website and has used the services of Governor for Schools to recruit trustees and governors with relevant skills.

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Policies and procedures adopted for the induction and training of trustees

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

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

During 2020 - 21 the Academy ran the following training sessions for Directors and local governors in-house: Safeguarding and well-being/Health and Safety; Becoming a more effective governor/engagement with stakeholders and experience of term 2 visits and planning for term 4. In March 2021 we invited Robin Hammerton, consultant back to follow up on the session held the previous year and defining the roles of the Directors and governors.

The Academy has developed its own in-house induction training session for all newly appointed Directors and local governors. A session was held virtually on 20th April 2021 for 2 newly appointed local governors and 2 Directors.

Organisational Structure

Members - See details on page 1. Members meet twice a year, both of which were virtual meetings. They hold trustees to account.

Board of trustees - See details on page 1, the majority of whom are non-executive. Trustees have established committees and local governing bodies to allow a more focused approach in monitoring and evaluating the work of The Canterbury Academy Trust component parts. Trustees have a scheme of delegation which specifies responsibilities delegated to committees and local governing bodies. Activities carried out at these meetings are discussed at full governing body meetings, held at the end of each term. Trustees hold the leadership team and local governors to account.

The academy structure of meetings is as follows:

- The Canterbury Primary School local governing body
- The Canterbury Academy (secondary phase) local governing body
- The Sixth Form local governing body
- The Youth, Community and Extended Services local governing body
- The Finance, Buildings and Personnel Committee
- The Audit & Risk committee
- Safeguarding committee
- Autism Spectrum Disorder Special Resource Based Provision (ASD SRBP) Steering group - Primary and secondary
- Speech, Language and Communication Need Special Resource Based Provision (SLCN SRBP) Steering group
- The Health and Safety committee

Day to day management of The Canterbury Academy Trust is undertaken by the Executive Principal, supported by the Senior Management Team. The Executive Principal of The Canterbury Academy Trust is also the Accounting Officer.

The key management personnel of The Canterbury Academy Trust comprise of the trustees and senior leadership team as disclosed on page 1.

Arrangements for setting pay and remuneration of key management personnel

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

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates. The board always bear in mind the charitable status of The Canterbury Academy Trust and recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provide value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

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

The Board of trustees has chosen to delegate all pay decisions, with the exception of the Leadership group (Mr. J. Watson, Mrs. B. Farrell and Mrs. C. Crane) to the Executive Principal of the Trust. All details for setting pay and remuneration are set out in the pay and rewards policy and the appraisal documentation which are reviewed annually. All decisions relating to pay for the members of the Leadership Group, including that of the Executive Principal of the Trust will be taken by the Leadership pay committee of the Board of trustees.

Total remuneration paid to senior management personnel is set out in note 14 (d).

Trade union facility time

The Canterbury Academy Trust encourages staff to be members of appropriate trade unions in order to represent their interests. In our history we have always enjoyed good relationships with our staff and have generally had two or three staff at any time prepared to act as local school representatives. Currently one teacher has an area Health and Safety Responsibility which we have supported by release for appropriate training, he is a member of our Health and Safety Committee. The Trust does not currently contribute to funded facility arrangements for any Union.

Related Parties and other Connected Charities and Organisations

The Canterbury Academy Trust established a subsidiary company, Buckle Under Limited, which acquired the entire share capital of City View Pre-School and Nurseries Ltd on 30th April 2015. The nursery is therefore under the indirect management of the trust, providing greater integration of service, improved partnership working and better progression to The Canterbury Primary School and also provides educational opportunities through placements for the secondary school students studying childcare. Buckle Under Ltd enables commercial developments, offering students an increased range of activities and opportunities, for example The Amelix Enterprise Academy students are on a full-time programme that incorporates an Extended Diploma in Entrepreneurship running a real live business, and the first business to be set up is HatHats Barista Academy Ltd based on the Trust site.

Since 2010 the Trust has welcomed children from St Nicholas Special School in Canterbury onto the Trust site in rooms and areas adapted to meet their needs. The relationship works extremely well, and is part of the Trusts' inclusive philosophy. The partnership continues to develop, seeing an increase in numbers and improvements each year.

Since 2012 The Canterbury Academy has worked in partnership with Simon Langton Grammar School for boys. Promoting academic excellence through its grammar band. A member of Simon Langton senior staff has been seconded to The Canterbury Academy full time to oversee the Grammar Stream. For enrichment activities both schools now work closely with Simon Langton Grammar School for Girls. From July 2021 the appointment of a Langton member of staff has been made to coordinate the link with Tim Fox.

The Canterbury Academy has an Enterprise and Employability college which offers practical learning opportunities to students in a range of industry sectors, including a commercial hair and beauty salon 'Education cuts' and a barber which is open to the public, a construction suite and catering outlets.

The Canterbury Academy Trust, on behalf of the Canterbury Inclusion Service, manages the KS3 and KS4 alternative curriculum programme at Grosvenor House and Phoenix House in Herne Bay, now known as City and Coastal College. Schools in the local area purchase places for students that would otherwise have been permanently excluded from school.

The Canterbury Academy Trust delivers the youth commission contract in Canterbury and Ashford districts.

Adult Education has been part of the Trust campus since 2006 and works with the Trust to ensure that courses are available to suit the needs of the local community.

The Trust has a number of sporting links with Kent Crusaders Basketball Club (related party), Canterbury Rugby Club and Canterbury Gymnastics club, Boughton Golf Club and Marathon Sports (related party). These relationships enable the Trust to develop post 16 sport provision and also provide enrichment activities for students' pre-16. There is a sports facility on site that is managed by Lifestyle Fitness.

The Trust has a tennis dome on the site which is inhabited by Appeti Tennis, who are still interested in pursuing the possibility of expanding the facility with increased court space. A Tennis School was created, three students enrolled in the secondary school in 2020/21. Students in the tennis school have all improved their rankings and are achieving well academically.

Cascade Dance is also on site and contributes to the performing arts through dance in the secondary phase, Sixth Form and the community, along with practitioners for our 'Stage School' students.

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Kent Language School is a private language school that works with students at The Canterbury Academy Trust, as well as other primary schools in the area.

The Canterbury Academy Trust was a partner of the East Kent Learning Alliance until the end of the academic year 2020/21. The Executive Principal was a Director for EKLA until 31st August 2021. Since June 2021 The Canterbury Academy Trust is now part of Concordia Learning Alliance Ltd, a collaboration to enhance education and achievement, working in partnership with Simon Langton Grammar School for Boys and St Nicholas Special School. Jon Watson, Trust Executive Principal and Bev Farrell, Trust Executive Vice Principal are Directors and Mark Johnstone is a member.

John Heffernan was seconded to the Advanced Maths Support Programme (successor organisation to the Further Mathematics Support Programme) for 4 days each week throughout the academic year 2020/21 to act as Area Coordinator for Kent and Medway. His role is to develop working relationships with mathematics departments in schools and colleges in the Kent and Medway area and to liaise with local Mathematics Education Strategic Hubs, Higher Education Institutions (HEI) and other appropriate local agencies to promote the uptake of A level mathematics, Further Mathematics and Core Mathematics at key stage 5 and to improve teaching and learning of mathematics at key stage 4. The Canterbury Academy Trust has benefited significantly from this arrangement with extension and enrichment opportunities being made available to mathematics students at both key stage 4 and key stage 5. John is the Level 3 Lead for the Kent and Medway Maths Hub, is seconded to the hub for 0.5 days per week and is responsible for the coordination of level 3 provision throughout the area. He is a member of the hub senior leadership team.

The Canterbury Academy Trust Sports Partnership is committed to providing high quality physical education and sporting opportunities across the schools within the local area. The partnership is a network of teachers and staff who care passionately about the sporting participation of students in their schools. It consists of 39 primary, secondary and special schools. The partnership delivers the national School Games programme and offers a comprehensive buy-in scheme to support primary schools achieve the recommended outcomes of the sport premium funding. This year the partnership has continued to offer more packages to local schools to support them with new guidelines and pre-requisites set by Kent Sport and the Youth Sport Trust. The School Sports Partnership also works with National Governing Bodies and other agencies assisting the development of coaches, officials, volunteers and the wider workforce. The partnership is managed by our School Games organiser, Gemma Edwards.

The Canterbury PTA is a registered charity that has continued to run the school lottery as well as a few small projects this year. It is intended to grow both its fund raising and profile next year.

Engagement with employees (including disabled persons)

The Chair of the Board of Directors attends new staff induction days to welcome staff and to explain the governance role.

The Trust has a quality assurance process known as raising standards windows. These take place in terms 2, 4 & 6. Directors and governors visit the schools during this period and support the leadership team by taking part in activities, such as student and staff voicing, in relation to key priorities for improvement across the component parts of the Trust. Due to restrictions in place a number of these visits/meetings have taken place virtually.

A CPD programme is scheduled at the start of the year, as part of staff professional development, they are encouraged to work alongside the governing body, this can be as a staff local governor on one of the local governing bodies, normally in an area different to their day to day roles or staff are invited to provide specific reports and attend meetings in an advisory capacity or to present updates on their area.

The governing body also sets its own training schedule at the start of the new academic year and where possible staff deliver in-house sessions to provide governors/directors with a better understanding of their area and receive challenge in areas that require further development.

Since March 2020, the start of the Covid 19 pandemic, the leadership team, including the governing body provided staff with regular updates through emails from the Executive Principal and the teaching and learning team, along with a letter from the Chair to enable all staff members of the Trust to stay connected and feel supported.

Engagement with suppliers, customers and others in a business relationship with the trust

Parents

The Trust holds a Parents' Forum meeting on a termly basis through each academic year.

The rationale behind the Forum is to provide opportunities for the parental body to meet with each other and with key senior staff on a regular basis over the course of each year. It facilitates the sharing of updates, developments and events from across the schools and the wider Trust. It is an opportunity for parental questions, feedback and discussion points to be shared in an open, transparent and positive way.

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More recent discussions have focussed on remote learning, student well-being and the return to school, as well as more operational items such as homework and uniform improvements.

Positive and constructive discussions at the Forum have informed ongoing developments and improvements across the schools and divisions, and senior leaders continue to very much appreciate the supportive feedback offered through the mechanism of the Parents' Forum.

Suppliers

Where possible we always try and use recognised, local suppliers, with a speciality of working with the education sector that have a good reputation, offer value for money and quality of service. Examples are Kent County Supplies and GLS. For higher value purchases we follow our quotation and tendering procedures. The Trust also has a service level agreements policy (SLA) to enable us to enter into contracts for specialist provision, for example Appeti Tennis who deliver tennis coaching to our students. Our normal terms of trade are payment within 30 days. A copy of our payments practice return is available on the school website. Any disputes are generally raised within 24 – 48 hours of delivery with the supplier to obtain a satisfactory conclusion.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Objects and Aims

The principle object of the company is to advance education. The Canterbury Academy Trust has schools for all the talents offering a comprehensive education and a wealth of opportunity. It achieves this objective by providing a state education, free of charge, to students aged 4 to 19.

The Trust's moral purpose is to improve the life chances of children and help in the community. The vision is of a high attaining and achieving Trust with fully extended provision at the centre of its community and widely recognised as an example of leading practice. Young people will leave as positive, confident individuals proud of what they have achieved, prepared to be lifelong learners and ready to play an active and constructive part in society.

These are our key beliefs

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

These are our key values

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

We offer a university style campus, with excellent facilities. All children have gifts; some are talented in sport; some in performing arts and visual arts; some are practically gifted; some have entrepreneurial flair; some have academic gifts. Many students are good at more than one thing. The Canterbury Academy Trust offers students five pillars of excellence; in Sport; in Performing Arts and Visual Arts; in Practical Learning and Enterprise Education; in Academic Study and in Youth, Community and Extended Services.

Objectives, Strategies and Activities

The Canterbury Academy Trust has relentlessly focused on driving up standards of teaching and learning across the Trust. Staff have engaged in a wide programme of Continual Professional Development (CPD) in order to support this drive and develop pedagogy. The appraisal process works alongside a rigorous quality assurance programme to ensure standards continue to improve. Staff continue to provide students with detailed feedback on how to progress and students regularly engage and act upon this through pupil improvement time (PIT). The Trust Executive Principal and two Trust Executive Vice Principal's lead and work closely with Heads of Schools, Divisions, Phases and Directors of Teaching and Learning (DoTLs) to continually improve the quality of teaching and learning for all our students both in and out of the classroom.

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Public Benefit

Wherever possible the Trust aims to contribute to the benefit of the wider public, by making the premises available to third parties for the provision of educational and other opportunities. Facilities are hired out regularly to a number of local organisations – Slimming World, Kumon, Matt Fiddes Martial Arts, Chinese Learning Paradise and Bollywood Blast.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit'.

STRATEGIC REPORT

Achievement and Performance

Due to Covid 19 all examinations from nursery through to Sixth Form were cancelled for the academic year 2019/20 and 2020/21. There will be no performance tables published by the DfE.

Primary School

The following assessments were due to take place in the Summer term: Year 1 Phonics, Year 2 Phonics retakes, Year 2 SATs, Year 6 SATs, EYFS Teacher Assessments, Year 4 Multiplication check, but due to Covid they did not take place. We, therefore, do not have any data from the identified statutory tests. The school remained open throughout last year and work was sent home and monitored by teachers. All children are able to return to school in September with the revised government guidance.

Secondary School

Centre Assessment grades for Year 11 students this year shows the following school headline figures for progress and attainment.

	2021	Disaggregate 2021
APS Prior Attainment	101.7 (Unknown)	16 children
Progress 8	-0.34	-0.13
Maths 4+	68% 4+	74% 4+
	40% 5+	43% 5+
English 4+	67% 4+	73% 4+
	52% 5+	57% 5+
Basics	61%	66%
EBacc % entered	14%	15%
Attainment 8	40.52 (C)	43.65 (C)

The results at The Canterbury Academy in 2021 were very positive for our Year 11 children. The Centre Assessed Grades (CAGs) given to the children gave a Progress 8 score of -0.34. This included 8% of the cohort not fulfilling a full Progress 8 curriculum and seven children following a Functional Skills pathway, rather than a traditional set of eight level 2, GCSE qualifications. Our destinations were also very positive with many students continuing to stay with us in the Sixth Form.

Sixth Form

In the Sixth Form 2021 was a very positive year for our Year 13s. Our results were high with the original calculation of 0.45 average point score for A level. We had similar success in BTEC which was also positive with 0.15 as our final VA. Our destinations were also very positive with all students who applied for university receiving their first or second place offer. Many students have also left to go directly into the world of work or gain apprenticeships.

Key Performance Indicators

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

The following KPI's were in place for September 2020 and included in the monthly management accounts:

1. Student numbers broken down by year group. This is obviously our main source of funding and the key figure to be aware of.

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2. Percentage of total expenditure on the following key areas:
 - a) Teaching Staff
 - b) Non-teaching staff
 - c) Premises
3. Revenue split by percentage of
 - a) ESFA generated funding
 - b) Self-generated funding
4. Staff turnover, split by teaching and non-teaching staff.

Cash monitoring is also reported, along with the ability to pay liabilities given reductions in some of our income streams.

The above KPIs were reviewed in February 2020 and the committee agreed to keep them the same, as effective for the Trust as it currently stands. They would need to be adapted should another school join the Trust in the future.

Going Concern

Based on the fund balances carried forward into 2021/22, having considered forecasts for the coming year, and after making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

The board in its decision making have consistently acted in a way to have regard to:

- ***The likely consequences of any decision in the long term***
All key decisions that will have an impact on the long-term future of the Trust are discussed at the relevant sub-committee and board. For major and long running projects, the board receives regular updates to ensure that there is appropriate oversight and that appropriate action is taken where necessary.
- ***The interest of the company's employees*** – see section on employee on page 5
- ***The need to foster the company's business relationships with suppliers, customers and others*** – see section on engagement with suppliers, customers and others in a business relationship with the trust on page 5.
- ***The impact of the company's operations on the community and the environment***
The Trust's key objective is to provide education for its students. The board receives regular updates in terms of the monitoring of the funds received from the ESFA and that they are used efficiently and effectively.

As noted on page 6, wherever possible the Trust aims to contribute to the benefit of the wider public and community, for example:

- At the Kent Messenger 'Teacher of the year awards' we had two winners. Thomas James for the Youth Team and Jon Watson, Executive Principal for the headteacher category.
- The Cullum Centre the Autism Spectrum Disorder (ASD) Special Resource Based Provision on the secondary site building was completed and started to house students from Term 5.
- City and Coastal College, alongside Kent County Council and Birchwood PRU in Folkestone have been invited to take part in a pilot project regarding contextual safeguarding and as part of this are invited to attend District safeguarding meetings.
- ***The desirability of the Trust maintaining a reputation for high standards of business conduct***
The nature of The Canterbury Academy's work as an education provider makes the maintenance of its reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards of education are maintained. The executive team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.
- ***The need to act fairly as between members of the company***
The academy trust is an independent entity. As a limited by guarantee company the trust has members, and at 31 August 2021 had five members. Members all have equal voting rights. As responsibility to conduct the trust's business sits with the trustees, the members adopt an 'eyes on and hands off' to avoid compromising the board's discretion.

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Financial review and position

Most of the Group's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

The SoFA shows group consolidated figures (see accounting policy 1.1) and total group incoming resources for the year were £17.0m (2020: £15.5m). Much of the increase is attributable to the rise in capital grant funding received by the parent academy trust to £1.54m (2020: £1.02m), exceptional income within educational operations of £244k, and an increase in the General Annual Grant of £632k.

Most of the Group's income (around 97%) arises in the academy trust, the parent company. Funding for educational operations has increased to £14.5m (2020: £13.5m) as shown in more detail in note 5 to the financial statements.

Total Group resources expended amounted to £17.5m (2020: £15.9m). Since this total expenditure is in excess of incoming resources the SoFA reports net expenditure for the year, before taxation, of £433k (2020: £399k). It is important to note that this net expenditure does not represent in the day-to-day operating result of the Group due to the impact of movements on the restricted fixed asset fund and part of the movement on the Local Government Pension Scheme (LGPS) reserve.

The total reduction in the Group's funds for the year was £1.5m (2020: £1.9m) following the remaining element of the LGPS reserve movement, an actuarial loss of £1.0m (2020: £1.5m) and a small corporation tax charges in the subsidiary undertakings of £4k (2020: £4k).

The table below shows the in-year movement on the Group's different funds, including the subsidiaries, and resulting balances carried forward into 2021/22:

	The Canterbury Academy (TCA) unrestricted revenue funds £000s	TCA restricted revenue funds £000s	TCA pension £000s	Restricted fixed asset £000s	City View £000s	Buckle Under £000s	Total £000s
Brought forward 1.9.2020	262	764	(7,431)	28,992	138	(199)	22,526
In-year movement	32	(491)	(1,864)	856	13	(3)	(1,457)
Carried forward at 31.8.2021	294	273	(9,295)	29,848	151	(202)	21,069
	TCA revenue funds: £567k (2020: £1.03m)						

The academy trust's own revenue funds, which relate to the day-to-day running of its two academies, therefore decreased by £459k (2020: increased by £43k) during the year. The Trust has taken the decision in year to release reserve balances from prior years to reinvest in the Trust site facilities to ensure they are adequate to accommodate future student growth.

The figures reported above in respect of City View and Buckle Under represent the balances and movements within the Group accounts, following consolidation adjustments, and therefore do not reflect the figures presented in these two company's individual accounts. Movement's in the subsidiary accounts are detailed in note 40.

The LGPS reserve is the only fund in deficit (although as disclosed in note 24 the trust's subsidiary undertaking, Buckle Under Limited, has a net liability position on its own financial statements). The pension deficit is not a concern since it does not mean that an immediate liability crystallises; it results in a cash flow effect in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due have been set until 1 April 2023.

At 31 August 2021, the net book value of group fixed assets was £29.9m (2020: £20.09m) and movements in tangible fixed assets are shown in notes 18 and 19 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

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Trustees' Report
For the Year Ended 31 August 2021

Reserves Policy

The trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of revenue reserves will be in the range of £700k to £1m. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income or capital income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or premises repair costs.

The trustees will continue to monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

Investment Policy

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

Principal Risks and Uncertainties

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

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

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

FUNDRAISING

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

STREAMLINED ENERGY AND CARBON REPORTING

The following report shows The Canterbury Academy's statutory disclosure of the energy use and greenhouse gas emissions for the academy trust in a prescribed format and must publish, as a minimum:

- Annual UK energy use (in kWh), relating to gas, purchased electricity and transport fuel and associated greenhouse gas emissions (in tonnes of carbon dioxide equivalent (CO₂e))
- An emissions intensity ratio chosen by the academy trust. Intensity ratios compare emissions data with an appropriate business metric or financial indicator, such as pupil numbers, to allow comparison over time or with other organisations
- The methodologies used to calculate the required information
- A narrative of measures taken to improve energy efficiency in the period of the report. If no measures have been taken, this should be stated.
- The prior year equivalent figures are also required to be disclosed

Whilst it is not compulsory under SECR to report on the oil heating used in one of our buildings, The Canterbury Academy has chosen to voluntarily include this as in other legislation it will form part of the required carbon reporting. Further, because of the small volume involved, it required minimal additional effort to gather.

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Trustees' Report
For the Year Ended 31 August 2021

UK Greenhouse gas emissions and energy use data	period 1 September 2020 to 31 August 2021	period 1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	3,066,270	2,807,315
Energy consumption break down (kWh)		
i. gas,	i. 2,028,239	i. 1,876,136
ii. electricity,	ii. 796,454	ii. 758,251
iii. oil	iii. 195,520	iii. 103,319
iv. transport fuel	iv. 46,057	iv. 69,609
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	371.49	344.97
Heating Oil	48.27	25.48
Transport Fuel – leased minibuses	<u>10.42</u>	<u>15.24 (error 19-20 as 161.24)</u>
Total scope 1	430.18	385.69
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	169.11	176.78
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0.51	1.56
Total gross emissions in metric tonnes CO2e	599.80	710.03
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.27	0.34

Intensity Measurement

The chosen intensity measurement is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Quantification and Reporting Methodology

We have followed the 2021 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company reporting.

Measures taken to improve efficiency

- We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.
- Online and remote learning is used for staff CPD where ever possible.
- Car sharing and train travel is used where ever possible.
- When undertaking new building projects, we consult with external professionals to ensure the most energy efficient practices are incorporated.
- All lights when they fail are being replaced with LED.
- Any new buildings are fitted with energy efficient heating systems (heat recovery) and automatic Led lighting.

PLANS FOR FUTURE PERIODS

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

Absolute priority 1:

To provide the highest possible standards of education by maintaining our focus upon teaching & learning so that all our students become:

- Successful learners who enjoy learning, make progress and achieve
- Confident individuals who are able to live a safe, healthy and fulfilling life
- Active and responsible citizens who make a positive contribution to the well-being of present and future generations.

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Trustees' Report
For the Year Ended 31 August 2021

Absolute priority 2:

To provide the highest possible quality professional development to raise the level of performance of all the staff that work at the Canterbury Academy Trust, so that absolute priority 1 (above) can be better met.

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

Absolute priority 3:

To provide high quality extended service to remove barriers to learning and to provide 'as much as possible, as often as possible for as many as possible.'

Absolute priority 4:

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

(Building work on the Cullum Centre, Special Resource Based Provision (SRBP) for children with Autism, which should have been complete for September 2020, but due to delays caused by Covid 19, opened in April 2021).

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust distributes 16-19 bursary funds to the students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 37 to the financial statements.

AUDITORS

In so far as the trustees are aware:

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

For the appointment of external auditors 2020/21 to the Trust. UHY were successful in their reappointment as they offered the best rate for all of the services required, plus the Trust already had a good working relationship with them over the past 9 years.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, and signed on the board's behalf by:



Mr M. Johnstone
Chairman of Trustees



Mr J. Watson
Trust Executive Principal and Accounting Officer

Date: 14 December 2021

Canterbury Academy Trust
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Governance Statement
For the Year Ended 31 August 2021

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Canterbury Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Trust Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Canterbury Academy 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 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
D. Chamberlain	8	8
R. Field	3	3
K. Fisher	2	2
N. Guthrie	8	8
M. Johnstone	7	8
A. Milton	7	8
J. Stevens	6	8
J. Watson	8	8
A. Weinel	8	8
N. Winterflood	7	8
T. Haux	3	3
P. Martin	1	1
P. Swallow	3	3
P. Twyman	0	2
J. Brinton	1	1

During 2020/21 the Board recruited 5 new directors, 1 of which had to resign on medical grounds prior to attending a meeting. Katrina Fisher also resigned from post in December 2020.

Governance review.

In June 2020 the Board of Directors commissioned an external governance review. A Board improvement plan was drafted to focus on the recommendations made and to allow progress to be monitored throughout 2020/21. These included:

1. Roles and responsibilities i.e. designated leads and accountable persons
2. Protocols and good practice
3. Scheme of delegation available to the public (now available via the Trust website)
4. Increase contact with parents and other stakeholders
5. Mentoring and training for new directors/governors
6. Central records

At the end of term 6 review the board were pleased as in many areas' improvements had been made, but decided to keep it as an ongoing document for 2021/22

The finance, buildings and personnel committee are a sub-committee of the main board of trustees. Its purpose is to: Assist the decision making of the Board of Directors and enable them to fulfil their responsibilities for ensuring the sound management of the Trust's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the Board of Directors on a regular basis. Major issues will be referred to the Board of Directors for ratification.

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Projects completed 2020 to 2021 include the following:

- Cullum building completed
- Portakabin extension completed
- New carpet installed in existing Portakabin
- Rooms 35 and 36 converted into full IT suites
- Primary School Campus new façade completed
- Room 32 wall removed, new carpet and data cabling fitted ready for use as a reflection room
- Grosvenor House roof and upstairs classrooms repairs completed
- Conversion of external changing room to gender neutral cubicles
- New pathway to the new drinks fountain
- External changing rooms fenced off and repainted

The Chair of the Finance, Buildings and Personnel committee is a retired qualified accountant.

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
R. Field	1	1
N. Guthrie	4	4
A. Milton	4	4
N. Winterflood	3	4
M. Johnstone	4	4
P. Martin	0	1

The Audit and Risk committee is a further sub-committee of the main board of trustees. It is an advisory body with no executive powers. However, it is authorised by the Board to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries. Requests for work, and reports received, from internal audit will be channelled through the Accounting Officer or the Director of Finance, to whom the internal auditor reports.

The Audit & Risk Committee is authorised to obtain independent professional advice if it considers this necessary.

Attendance at meetings in the year was as follows:

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

Review of value for money

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

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

- Generating additional income through letting of facilities
- Reduction of expenditure, including non-replacement of staff where possible and appointing non-teaching staff to a variety of roles. This model improves the delivery of many vocational courses as instructors are better equipped to deliver relevant experience. The three major advantages are the Trust is buying expertise, enabling a flexibility of provision and saving of on-costs
- Some Service Level agreements have been terminated. All SLAs are regularly reviewed for value for money.
- Adhering to our quotations and tendering policy, by obtaining competitive quotes for purchases and making choices based on value for money
- Share staff resources across the Trust
- Staff secondment – Sharing expertise helping local schools
- Purchases made are for the Trust, including the subsidiary company and not for the individual schools

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Governance Statement
For the Year Ended 31 August 2021

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Canterbury Academy Trust for the year to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period year to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has decided to buy-in an internal audit service. During 2018/19 and 2019/20 the Trust worked with Crowe, a firm of chartered accountants. In March 2020 a proposal for 2020/21 was made to appoint MHA MacIntyre Hudson.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

Visit 1: looked at bank and cash collection; income; expenditure; governance procedures; payroll and recruitment; financial monitoring and reporting; fixed assets and inventory; voluntary fund; contracts and procurement. Four low priority recommendations were made, along with two medium recommendations, with management responses in place.

Visit 2: looked at tendering and quotation processes which were found to be suitably designed and operating effectively. The Canterbury Academy has four policies Quotations and tendering; service level agreement; finance policy and finance procedures. A recommendation has been made to consider reviewing them and creating one overall procurement policy.

The auditor reports to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares a summary report following each visit to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. There should be three visits each academic year, but due to lockdown restrictions during 2020/21 the visits were condensed into two.

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Governance Statement
For the Year Ended 31 August 2021

Review of Effectiveness

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

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

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

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



Mr M. Johnstone
Chairman of Trustees



Mr J. Watson
Trust Executive Principal and Accounting Officer

Date: 14 December 2021

The Canterbury Academy

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Canterbury Academy I have considered my responsibility to notify the Academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy trust, under the funding agreement in place between the Academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy trust Board of Trustees are able to identify any material irregular or improper use of all 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 2020.

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



Mr. J. Watson
Accounting Officer

Date: 14 December 2021

The Canterbury Academy

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Statement of Trustees' responsibilities For the Year Ended 31 August 2021

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charitable company and of their incoming resources and application of resources, including their 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mr. M. Johnstone
Chair of Trustees



Mr. J. Watson
(Trustee)

Date: 14 December 2021

The Canterbury Academy

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Independent Auditors' Report on the financial statements to the Members of The Canterbury Academy

Opinion

We have audited the financial statements of The Canterbury Academy (the 'parent Academy trust') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Academy trust balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy trust's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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Independent Auditors' Report on the financial statements to the Members of The Canterbury Academy (continued)

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 Group and the parent Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent Academy trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Academy trust, including the Academies Financial Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and

The Canterbury Academy

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Independent Auditors' Report on the financial statements to the Members of The Canterbury Academy (continued)

- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 16 December 2017

The Canterbury Academy

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

In accordance with the terms of our engagement letter dated 29 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Canterbury Academy during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Canterbury Academy's funding agreement with the Secretary of State for Education dated 26 August 2010 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Canterbury Academy for the year ended 31 August 2021 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the Academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

The Canterbury Academy

(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

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

Date: *16 December 2021*

The Canterbury Academy

(A company limited by guarantee)

**Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021**


	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	2	14	1,522	1,538	1,029
Other trading activities	4	932	59	-	991	941
Investments	6	-	-	-	-	3
Charitable activities	5	219	14,240	-	14,459	13,517
Teaching schools	43	-	40	-	40	44
Total income		1,153	14,353	1,522	17,028	15,534
Expenditure on:						
Raising funds	8	685	9	-	694	679
Charitable activities	9	422	15,250	1,055	16,727	15,210
Teaching schools	43	-	40	-	40	44
Total expenditure		1,107	15,299	1,055	17,461	15,933
Net income/(expenditure) before taxation		46	(946)	467	(433)	(399)
Taxation		(4)	-	-	(4)	(4)
Net income/(expenditure) after taxation		42	(946)	467	(437)	(403)
Transfers between funds	24	-	(389)	389	-	-
Net movement in funds before other recognised gains/(losses)		42	(1,335)	856	(437)	(403)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	33	-	(1,020)	-	(1,020)	(1,500)
Net movement in funds		42	(2,355)	856	(1,457)	(1,903)
Reconciliation of funds:						
Total funds brought forward		201	(6,667)	28,992	22,526	24,429
Total funds carried forward		243	(9,022)	29,848	21,069	22,526

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


Consolidated Balance Sheet**As at 31 August 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	18	8	3
Tangible assets	19	29,845	29,004
Investments	20	-	-
		<u>29,853</u>	<u>29,007</u>
Current assets			
Stocks	21	45	36
Debtors	22	873	994
Cash at bank and in hand		909	896
		<u>1,827</u>	<u>1,926</u>
Creditors: amounts falling due within one year	23	(1,316)	(976)
		<u>511</u>	<u>950</u>
Net current assets		<u>511</u>	<u>950</u>
Total assets less current liabilities		<u>30,364</u>	<u>29,957</u>
Defined benefit pension scheme liability	33	(9,295)	(7,431)
		<u>21,069</u>	<u>22,526</u>
Total net assets		<u><u>21,069</u></u>	<u><u>22,526</u></u>
Funds of the Academy trust			
Restricted funds:			
Fixed asset funds	24	29,848	28,992
Restricted income funds	24	273	764
Pension reserve	24	(9,295)	(7,431)
		<u>20,826</u>	<u>22,325</u>
Total restricted funds	24	<u>20,826</u>	<u>22,325</u>
Unrestricted income funds	24	243	201
		<u>21,069</u>	<u>22,526</u>
Total funds		<u><u>21,069</u></u>	<u><u>22,526</u></u>

The financial statements on pages 24 to 62 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr. M. Johnstone
(Chair of Trustees)



Mr. J. Watson
(Accounting Officer)

Date: 14 December 2021

The notes on pages 28 to 62 form part of these financial statements.

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

Academy trust Balance Sheet
As at 31 August 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	18	8	3
Tangible assets	19	29,833	28,989
		<u>29,841</u>	<u>28,992</u>
Current assets			
Stocks	21	45	36
Debtors	22	977	1,089
Cash at bank and in hand		817	837
		<u>1,839</u>	<u>1,962</u>
Creditors: amounts falling due within one year	23	(1,265)	(936)
		<u>574</u>	<u>1,026</u>
Net current assets			
		<u>30,415</u>	<u>30,018</u>
Total assets less current liabilities			
Defined benefit pension scheme liability	33	(9,295)	(7,431)
		<u>21,120</u>	<u>22,587</u>
Total net assets			
Funds of the Academy trust			
Restricted funds:			
Fixed asset funds	24	29,848	28,992
Restricted income funds	24	273	764
Pension reserve	24	(9,295)	(7,431)
		<u>20,826</u>	<u>22,325</u>
Total restricted funds	24		
Unrestricted income funds	24	294	262
		<u>21,120</u>	<u>22,587</u>
Total funds			

The financial statements on pages 24 to 62 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr. M. Johnstone
(Chair of Trustees)



Mr. J. Watson
(Trustee)

Date: 14 December 2021

The notes on pages 28 to 62 form part of these financial statements.

The Canterbury Academy

(A company limited by guarantee)

**Consolidated Statement of Cash Flows
For the Year Ended 31 August 2021**

	Note	2021 £000	<i>2020 £000</i>
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	26	460	<i>(173)</i>
Cash flows from investing activities	28	<i>(447)</i>	<i>(163)</i>
Cash flows from financing activities	27	-	<i>(45)</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		13	<i>(381)</i>
Cash and cash equivalents at the beginning of the year		896	<i>1,277</i>
Cash and cash equivalents at the end of the year	29, 30	<hr/> 909 <hr/>	<hr/> <i>896</i> <hr/>

The notes on pages 28 to 62 form part of these financial statements

The Canterbury Academy

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Group, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Canterbury Academy meets the definition of a public benefit entity under FRS 102.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Academy trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Academy trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

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 trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All income is recognised when the Group has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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Notes to the Financial Statements For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **Donated fixed assets (excluding transfers on conversion or into the Group)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Group's accounting policies.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

Where applicable expenditure is shown inclusive of any irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

The Academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.7 Intangible assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

At each reporting date the Academy trust assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Computer software	-	-	Over license term
Goodwill	-	-	Over term of deferred consideration

The Canterbury Academy

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Notes to the Financial Statements For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

The estimated useful lives range as follows:

Freehold property	-	-	50 years
Furniture and equipment	-	4	- 7 years
Computer equipment	-	-	5 years
Property improvements	-	5	- 50 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 Consolidated statement of financial activities.

1.9 Investments

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 22. Prepayments are not financial instruments. Amounts due to the Academy trust's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 23. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy trust's wholly owned subsidiary are held at face value less any impairment.

The Canterbury Academy

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Notes to the Financial Statements For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.12 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

Temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised on a systematic basis over the periods that the change in lease payments is intended to compensate. This is conditional on:

- the change in lease payments resulting in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affecting only payments originally due on or before 30 June 2021;
- there being no significant change to other terms and conditions of the lease.

1.13 Pensions

Retirement benefits to employees of the Group 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 Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Group 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 Consolidated statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Agency arrangements

The Academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use a percentage of the allocation towards its own administration costs, however chooses not to do so. The funds received and paid and any balances held are disclosed in note 37.

1.15 Fund accounting

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

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

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

The Canterbury Academy

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Notes to the Financial Statements For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.15 Fund accounting (continued)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 33, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

We consider that there has been one key area of judgement in respect of the actuarial assumptions made leading to the closing pension scheme liability:

The McCloud/Sargeant judgements. These employment tribunal cases relate to all public sector pension schemes and not specifically to the Academy trust. The cases relate to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material and a past service cost adjustment was made, within staff costs, in the trusts 2018/19 financial statements.

Since then a consultation has taken place. Then, on 13 May 2021, the Government issued a ministerial statement which confirms that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. The Government's intention is that revised regulations will come into force on 1 April 2023, and draft regulations are expected later in 2021.

In July 2021 the actuary has indicated that they do not believe there are any material differences between the approach underlying the estimated allowance and the proposed remedy, and therefore no further subsequent adjustment has been made.

The Canterbury Academy

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Donations	2	14	66	82	8
Capital grants	-	-	1,456	1,456	1,021
	<u>2</u>	<u>14</u>	<u>1,522</u>	<u>1,538</u>	<u>1,029</u>
<i>Analysis of 2020 total by fund</i>	<u>4</u>	<u>4</u>	<u>1,021</u>	<u>1,029</u>	

During 2020/21 the Academy trust received ICT equipment from the Government under the free laptop and tablet scheme which has been valued at £66k, following the applicable accounting policy.

4. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Income from facilities and services	242	-	242	214
Staff consultancy	253	9	262	251
Nursery fees	-	50	50	40
Subsidiary income	437	-	437	436
	<u>932</u>	<u>59</u>	<u>991</u>	<u>941</u>
<i>Analysis of 2020 total by fund</i>	<u>896</u>	<u>45</u>	<u>941</u>	

The Canterbury Academy

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

5. Funding for educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>As restated Total funds 2020 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	10,658	10,658	10,026
Other DfE/ESFA grants				
Diploma in Sporting Excellence (DiSE)	-	491	491	491
Student support services	-	4	4	3
Rates reclaim	-	82	82	84
Pupil premium and service premium	-	526	526	516
Universal infant free school meals	-	8	8	62
PE and Sports grant	-	19	19	19
Year 7 literacy and numeracy catch-up premium	-	-	-	13
Teachers' pay and pension grants	-	524	524	519
FSM Supplementary grant	-	37	37	4
Others	-	68	68	-
	<u>-</u>	<u>12,417</u>	<u>12,417</u>	<u>11,737</u>
Other Government grants				
Local authority - Special educational projects	-	301	301	273
Other local authority revenue grants	-	1,179	1,179	1,165
Other government grants	5	8	13	17
	<u>5</u>	<u>1,488</u>	<u>1,493</u>	<u>1,455</u>
Other income from the Academy trust's educational operations	<u>214</u>	<u>91</u>	<u>305</u>	<u>325</u>
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	196	196	-
Other	-	48	48	-
	<u>-</u>	<u>244</u>	<u>244</u>	<u>-</u>
	<u>219</u>	<u>14,240</u>	<u>14,459</u>	<u>13,517</u>
<i>Analysis of 2020 total by fund</i>	<u>250</u>	<u>13,267</u>	<u>13,517</u>	

Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department of Education and ESFA, the group's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Canterbury Academy

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

5. Funding for educational operations (continued)

The Academy trust received £196k of funding for catch-up premium to support children and young people to catch up on missed learning caused by coronavirus (Covid-19). The costs incurred in respect of this funding totalled £102k, with the remaining £94k to be spent in 2021/22.

The Academy trust has been eligible to claim additional funding in the current year from government support schemes in response to the Coronavirus outbreak. Other claims were made by for free school meal vouchers issued during lockdown. These costs are included in notes 7 and 10 as appropriate.

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Bank interest	-	-	3
<i>Analysis of 2020 total by fund</i>	3	3	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	<i>Total 2020 £000</i>
Expenditure on fundraising trading activities:					
Direct costs	532	68	94	694	679
Educational operations:					
Direct costs	9,620	1,055	2,132	12,807	11,287
Support costs	2,642	687	591	3,920	3,923
Teaching school	-	-	40	40	44
	<u>12,794</u>	<u>1,810</u>	<u>2,857</u>	<u>17,461</u>	<u>15,933</u>
<i>Analysis of 2020 total by type</i>	<u>11,607</u>	<u>1,687</u>	<u>2,639</u>	<u>15,933</u>	

The Canterbury Academy**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

8. Expenditure on raising funds**Fundraising trading expenses**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Premises costs	68	-	68	76
Learning resources	24	9	33	35
Subsidiary expenditure	58	-	58	57
Academy trust and subsidiary staff costs	508	-	508	473
Subsidiary social security costs	19	-	19	24
Subsidiary pension costs	5	-	5	5
Subsidiary amortisation and depreciation	3	-	3	9
	<u>685</u>	<u>9</u>	<u>694</u>	<u>679</u>
<i>Analysis of 2020 total by fund</i>	<u>674</u>	<u>5</u>	<u>679</u>	

9. Analysis of expenditure on charitable activities**Summary by fund type**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Educational operations	422	16,305	16,727	15,210
	<u>462</u>	<u>14,748</u>	<u>15,210</u>	
<i>Analysis of 2020 total by fund</i>	<u>462</u>	<u>14,748</u>	<u>15,210</u>	

The Canterbury Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2021

10. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000	<i>Total</i> <i>funds</i> <i>2020</i> <i>£000</i>
Educational operations	12,807	3,920	16,727	15,210
<i>Total 2020</i>	<i>11,287</i>	<i>3,923</i>	<i>15,210</i>	

Analysis of direct costs

	Total funds 2021 £000	<i>Total</i> <i>funds</i> <i>2020</i> <i>£000</i>
Staff costs	9,620	8,341
Depreciation	1,055	1,019
Other staff expenses	90	91
Educational supplies	340	233
Examination fees	242	212
Staff related insurance	2	3
Technology costs	57	33
Educational consultancy	1,320	1,198
Other direct costs	81	157
	<u>12,807</u>	<u>11,287</u>

The Canterbury Academy**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

10. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Staff costs	2,642	2,760
Technology costs	70	68
Maintenance of premises	222	175
Operating lease rentals	67	69
Risk protection arrangement fees	39	37
Other premises costs	398	337
Transport	25	31
Catering	227	209
Legal and professional	101	87
Governance costs	18	18
Other support costs	111	132
	<hr/> 3,920 <hr/>	<hr/> 3,923 <hr/>

11. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £
Cash losses	197
Gifts made by the trust	5,997

The Academy trust Executive team took the decision to spend approximately £5,000 across Terms 1-3 on hospitality for staff to show appreciation for the huge amount of additional work put in during these unprecedented times. This decision was made based on the agreed belief that these gestures were appropriate recognition for the wide variety of tasks staff have had to learn and adapt to during the pandemic. The gestures were made through vouchers at a maximum of £5 per person per term.

The Canterbury Academy**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	<i>2020</i>
	£000	<i>£000</i>
Operating lease rentals	136	125
Depreciation of tangible fixed assets	1,055	1,022
Amortisation of intangible assets	2	7
Loss on disposal of fixed assets	-	11
	<u> </u>	<u> </u>

13. Auditors' remuneration

	2021	<i>2020</i>
	£000	<i>£000</i>
Fees payable to the Academy trust's auditor and its associates for the audit of the Academy trust's annual accounts	11	11
Fees payable to the Academy trust's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the Academy trust	4	4
Audit-related assurance services	2	2
All non-audit services not included above	-	1
	<u> </u>	<u> </u>

14. Staff**a. Staff costs**

Staff costs during the year were as follows:

	Group	<i>Group</i>	Academy trust	<i>Academy trust</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Wages and salaries	9,179	8,362	8,841	8,045
Social security costs	819	805	800	781
Pension costs	2,712	2,232	2,707	2,227
	<u>12,710</u>	<u>11,399</u>	<u>12,348</u>	<u>11,053</u>
Agency staff costs	64	208	64	208
Staff restructuring costs	20	-	20	-
	<u>12,794</u>	<u>11,607</u>	<u>12,432</u>	<u>11,261</u>

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

Staff restructuring costs comprise:

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Severance payments	20	-	20	-

b. Staff numbers

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

	Group 2021 No.	<i>Group 2020 No.</i>	Academy trust 2021 No.	<i>Academy trust 2020 No.</i>
Leadership	7	7	7	7
Teachers	162	150	161	149
Administration and support	183	193	162	166
	<u>352</u>	<u>350</u>	<u>330</u>	<u>322</u>

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	<i>Group 2020 No.</i>	Academy trust 2021 No.	<i>Academy trust 2020 No.</i>
Leadership	7	7	7	7
Teachers	139	121	138	120
Administration and support	132	118	116	102
	<u>278</u>	<u>246</u>	<u>261</u>	<u>229</u>

c. Higher paid staff

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	1	1

The Canterbury Academy**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

14. Staff (continued)**d. Key management personnel**

The key management personnel of the Academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy trust was £494,766 (2020 - £469,994).

15. Central services

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

16. Trustees' remuneration and expenses

The Trust Executive Principal has been paid remuneration or has received other benefits from his employment with the Academy trust. He only receives remuneration in respect of services provided under undertaking his employed role under his contract of employment. The value of his remuneration and other benefits was as follows:

		2021	<i>2020</i>
		£000	<i>£000</i>
Mr. J. Watson, Trust Executive Principle	Remuneration	105 - 110	<i>100 - 105</i>
	Pension contributions paid	25 - 30	<i>20 - 25</i>

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

17. Trustees' and Officers' insurance

The Group 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 membership.

The Canterbury Academy**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

18. Intangible assets**Group**

	Computer software £000	Goodwill £000	Total £000
Cost			
At 1 September 2020	9	201	210
Additions	7	-	7
At 31 August 2021	<u>16</u>	<u>201</u>	<u>217</u>
Amortisation			
At 1 September 2020	6	201	207
Charge for the year	2	-	2
At 31 August 2021	<u>8</u>	<u>201</u>	<u>209</u>
Net book value			
At 31 August 2021	<u>8</u>	<u>-</u>	<u>8</u>
<i>At 31 August 2020</i>	<u>3</u>	<u>-</u>	<u>3</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2021

18. Intangible assets (continued)

Academy trust

	Computer software £000
Cost	
At 1 September 2020	9
Additions	7
At 31 August 2021	<u>16</u>
Amortisation	
At 1 September 2020	6
Charge for the year	2
At 31 August 2021	<u>8</u>
Net book value	
At 31 August 2021	<u>8</u>
<i>At 31 August 2020</i>	<u>3</u>

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

19. Tangible fixed assets**Group**

	Freehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost and valuation					
At 1 September 2020	34,242	1,021	416	506	36,185
Additions	134	1,525	71	166	1,896
At 31 August 2021	<u>34,376</u>	<u>2,546</u>	<u>487</u>	<u>672</u>	<u>38,081</u>
Depreciation					
At 1 September 2020	6,688	-	240	253	7,181
Charge for the year	914	-	40	101	1,055
At 31 August 2021	<u>7,602</u>	<u>-</u>	<u>280</u>	<u>354</u>	<u>8,236</u>
Net book value					
At 31 August 2021	<u>26,774</u>	<u>2,546</u>	<u>207</u>	<u>318</u>	<u>29,845</u>
At 31 August 2020	<u>27,554</u>	<u>1,021</u>	<u>176</u>	<u>253</u>	<u>29,004</u>

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

19. Tangible fixed assets (continued)

Academy trust

	Freehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost and valuation					
At 1 September 2020	34,242	1,021	342	506	36,111
Additions	134	1,525	70	166	1,895
At 31 August 2021	<u>34,376</u>	<u>2,546</u>	<u>412</u>	<u>672</u>	<u>38,006</u>
Depreciation					
At 1 September 2020	6,688	-	181	253	7,122
Charge for the year	914	-	36	101	1,051
At 31 August 2021	<u>7,602</u>	<u>-</u>	<u>217</u>	<u>354</u>	<u>8,173</u>
Net book value					
At 31 August 2021	<u>26,774</u>	<u>2,546</u>	<u>195</u>	<u>318</u>	<u>29,833</u>
At 31 August 2020	<u>27,554</u>	<u>1,021</u>	<u>161</u>	<u>253</u>	<u>28,989</u>

Freehold and long-term leasehold land and buildings are revalued upon receipt of the DfE's Sector Annual Report and Accounts (SARA) valuations.

The Group has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	Group 2021 £000	Group 2020 £000	Academy trust 2021 £000	Academy trust 2020 £000
Freehold property	<u>21,762</u>	<u>21,251</u>	<u>21,762</u>	<u>21,251</u>

Included in the net book value of property displayed above are the following amounts ascribable to land:

	Group 2021 £000	Group 2020 £000	Academy trust 2021 £000	Academy trust 2020 £000
Freehold land	<u>3,703</u>	<u>3,703</u>	<u>3,703</u>	<u>3,703</u>

The Canterbury Academy**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

20. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 September 2020	245
At 31 August 2021	<u>245</u>
Impairment	
At 1 September 2020	245
At 31 August 2021	<u>245</u>

21. Stocks

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Finished goods and goods for resale	45	36	45	36

22. Debtors

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Due within one year				
Trade debtors	134	260	133	267
Amounts owed by group undertakings	-	-	107	90
Other debtors	128	159	128	159
Prepayments and accrued income	611	575	609	573
	<u>873</u>	<u>994</u>	<u>977</u>	<u>1,089</u>

The Canterbury Academy**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

23. Creditors: Amounts falling due within one year

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Trade creditors	247	325	245	321
Other taxation and social security	207	197	207	189
Other creditors	263	229	258	220
Accruals and deferred income	599	225	555	206
	<u>1,316</u>	<u>976</u>	<u>1,265</u>	<u>936</u>
	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Deferred income at 1 September 2020	101	186	101	151
Resources deferred during the year	252	101	214	101
Amounts released from previous periods	(101)	(186)	(101)	(151)
	<u>252</u>	<u>101</u>	<u>214</u>	<u>101</u>

The deferred income above related to the following income sources:

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Subsidiary income	38	-	-	-
ESFA rates relief grant	51	51	51	51
ESFA universal infant free school meals	18	-	18	-
Other grants and donations	129	24	129	24
Property rents and letting deposits	-	1	-	1
Pupil income	16	25	16	25
	<u>252</u>	<u>101</u>	<u>214</u>	<u>101</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2021

24. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General funds	262	717	(685)	-	-	294
Subsidiary group reserves	(61)	436	(426)	-	-	(51)
	<u>201</u>	<u>1,153</u>	<u>(1,111)</u>	<u>-</u>	<u>-</u>	<u>243</u>
Restricted general funds						
General Annual Grant	590	10,658	(10,860)	(370)	-	18
Other DfE/ESFA	97	2,054	(1,968)	(19)	-	164
Other government	20	1,504	(1,506)	-	-	18
Other restricted	57	137	(121)	-	-	73
Pension reserve	(7,431)	-	(844)	-	(1,020)	(9,295)
	<u>(6,667)</u>	<u>14,353</u>	<u>(15,299)</u>	<u>(389)</u>	<u>(1,020)</u>	<u>(9,022)</u>
Restricted fixed asset funds						
Intangible fixed assets	3	-	(2)	7	-	8
Tangible fixed assets	28,989	66	(1,051)	1,829	-	29,833
Capital grants	-	1,456	(2)	(1,447)	-	7
	<u>28,992</u>	<u>1,522</u>	<u>(1,055)</u>	<u>389</u>	<u>-</u>	<u>29,848</u>
Total Restricted funds	<u>22,325</u>	<u>15,875</u>	<u>(16,354)</u>	<u>-</u>	<u>(1,020)</u>	<u>20,826</u>
Total funds	<u>22,526</u>	<u>17,028</u>	<u>(17,465)</u>	<u>-</u>	<u>(1,020)</u>	<u>21,069</u>

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

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

(i) General Annual Grant "GAG" fund must be used for the normal running costs of the Academy trust's academies.

(ii) The Other DfE/ESFA fund is used to track other grant money received from the DfE/ESFA and connected bodies, and included Teachers' Pension and Teachers' Pay Grants, Pupil Premium and Universal Infant Free School Meals grants. This year the fund also includes Covid catch-up premium and other Covid funding as detailed in note 5.

(iii) The Other government grants fund is used to track grants provided by the local authority and other government departments, specifically for SEND provisions.

(iv) The Other restricted fund accounts for all other income received for a specific purpose.

(v) The Pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

(vi) The Restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfers into this fund represent capital items purchases during the year from revenue reserves. Transfers totalled £370k from GAG and £19k from Other DfE/ESFA.

Under the funding agreement with the Secretary of State, the Academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

24. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
Unrestricted funds						
General funds	229	757	(724)	-	-	262
Subsidiary group reserves	(81)	436	(416)	-	-	(61)
	<u>148</u>	<u>1,193</u>	<u>(1,140)</u>	<u>-</u>	<u>-</u>	<u>201</u>
Restricted general funds						
General Annual Grant	638	10,026	(9,934)	(139)	-	591
Other DfE/ESFA	34	1,756	(1,693)	-	-	97
Other government	10	1,473	(1,463)	-	-	20
Other restricted	72	66	(82)	-	-	56
Pension reserve	(5,336)	-	(595)	-	(1,500)	(7,431)
	<u>(4,582)</u>	<u>13,321</u>	<u>(13,767)</u>	<u>(139)</u>	<u>(1,500)</u>	<u>(6,667)</u>
Restricted fixed asset funds						
Intangible fixed assets	5	-	(2)	-	-	3
Tangible fixed assets	28,837	-	(1,029)	1,181	-	28,989
Capital grants	21	1,021	-	(1,042)	-	-
	<u>28,863</u>	<u>1,021</u>	<u>(1,031)</u>	<u>139</u>	<u>-</u>	<u>28,992</u>
Total Restricted funds	<u>24,281</u>	<u>14,342</u>	<u>(14,798)</u>	<u>-</u>	<u>(1,500)</u>	<u>22,325</u>
Total funds	<u><u>24,429</u></u>	<u><u>15,535</u></u>	<u><u>(15,938)</u></u>	<u><u>-</u></u>	<u><u>(1,500)</u></u>	<u><u>22,526</u></u>

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

24. Statement of funds (continued)**Total funds analysis by group entity**

Fund balances at 31 August 2021 were allocated as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
The Canterbury Academy	135	459
The Canterbury Primary School	432	567
The Canterbury Academy Trust	<u>567</u>	<u>1,026</u>
Buckle Under Limited	(202)	(199)
City View Pre-School & Nurseries Limited	151	138
Subsidiary companies	<u>(51)</u>	<u>(61)</u>
Total before fixed asset funds and pension reserve	516	965
Restricted fixed asset fund	29,848	28,992
Pension reserve	(9,295)	(7,431)
Total	<u><u>21,069</u></u>	<u><u>22,526</u></u>

The following subsidiary is carrying a net deficit on its portion of the funds as follows:

	Deficit
	£000
Buckle Under Limited	<u><u>(202)</u></u>

Buckle Under is the trust's direct subsidiary undertaking. The company was used to acquire the group's indirect subsidiary undertaking, City view Pre-school & Nurseries Limited in 2015.

Until 1 September 2018, when Buckle Under began to trade, its only source of income had been dividends paid by City View. Buckle Under ceased to trade in Spring 2021, as detailed in its own financial statements. Buckle Under is showing net liabilities following the decision in the year to 31 August 2017 to impair the carrying value of its investment in City View to £15k.

The Academy trust is taking the following action to return the subsidiary to surplus:

The net liability position in Buckle Under is manageable since in the short term, the Academy trust has agreed to meet the liabilities on behalf of Buckle Under. The financial performance of City View Pre-school & Nurseries Limited has improved since 2017, which has enable dividends to be voted to Buckle Under so that the company can meet its liabilities as they fall due, and to clear the £90k owed to the Academy Trust, as disclosed in the related parties note.

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Notes to the Financial Statements For the Year Ended 31 August 2021

24. Statement of funds (continued)

Total cost analysis by group entity

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
The Canterbury Academy	8,123	1,540	311	2,967	12,941	11,936
The Canterbury Primary School	1,665	257	34	241	2,197	1,970
Buckle Under	-	-	-	7	7	15
City View	-	-	-	414	414	388
Pension scheme	-	-	-	844	844	595
Group	9,788	1,797	345	4,473	16,403	14,904

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	12	-	29,833	29,845
Intangible fixed assets	-	-	8	8
Current assets	300	1,520	7	1,827
Creditors due within one year	(69)	(1,247)	-	(1,316)
Provisions for liabilities and charges	-	(9,295)	-	(9,295)
Total	243	(9,022)	29,848	21,069

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**Notes to the Financial Statements
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25. 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>
	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Tangible fixed assets	15	-	28,989	29,004
Intangible fixed assets	-	-	3	3
Current assets	226	1,700	-	1,926
Creditors due within one year	(40)	(936)	-	(976)
Provisions for liabilities and charges	-	(7,431)	-	(7,431)
Total	201	(6,667)	28,992	22,526

26. Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£000	£000
Net expenditure for the year (as per Statement of financial activities)	(437)	(403)
Adjustments for:		
Amortisation	2	2
Group goodwill amortisation	-	5
Depreciation	1,055	1,022
Loss on disposal of fixed assets	-	11
Capital grants from DfE and other capital income	(1,456)	(1,021)
Interest receivable	-	(3)
Defined benefit pension scheme cost less contributions payable	724	497
Defined benefit pension scheme finance cost	114	94
Defined benefit pension scheme administration cost	6	4
Increase in stocks	(9)	(9)
Decrease/(increase) in debtors	121	(385)
Increase in creditors	340	13
Net cash provided by/(used in) operating activities	460	(173)

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**Notes to the Financial Statements
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27. Cash flows from financing activities

	Group 2021 £000	<i>Group 2020 £000</i>
Repayments of borrowing	-	(45)
Net cash provided by/(used in) financing activities	-	(45)

28. Cash flows from investing activities

	Group 2021 £000	<i>Group 2020 £000</i>
Dividends, interest and rents from investments	-	3
Purchase of intangible assets	(7)	-
Purchase of tangible fixed assets	(1,896)	(1,187)
Capital grants from DfE Group	48	44
Capital funding received from sponsors and others	1,408	977
Net cash used in investing activities	(447)	(163)

29. Analysis of cash and cash equivalents

	Group 2021 £000	<i>Group 2020 £000</i>
Cash in hand and at bank	909	896
Total cash and cash equivalents	909	896

30. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	896	13	909
	896	13	909

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Notes to the Financial Statements For the Year Ended 31 August 2021

31. Contingent liabilities

The Academy trust continues to have a contingent liability in respect of term time only workers' annual leave. This relates to trade unions encouraging their members to collectively make claims against Kent based education employers regarding the calculation of term time only workers' annual leave, following settlements made in other local authorities.

Since gaining academy status the Academy trust has been free to set its own pay rates, but in common with most academies the trust has closely followed the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated, and the trust followed suit by altering its own approach and aligning its pay scales to KCC rates later in 2020.

At the time the 31 August 2020 financial statements were approved last year KCC were resisting making any collective settlement and encouraging individual employer schools and academies to do likewise. The issue has not yet been fully resolved, however KCC have now negotiated a settlement during 2021. Whilst this settlement was made by KCC, and does not directly affect academy trusts, which negotiate in their own right as their own employer, in line with the KCC recommendation and having taken further appropriate advice, the Academy trust has chosen to make the same offer settlement to its affected staff.

The potential settlement has two parts:

(1) a historical element relating to pre-1 April 2020. This element is in the process of being quantified, however KCC have indicated they are prepared to reimburse academies for any settlement they have to make, and therefore this part of the potential liability is not expected to have an impact of the Academy trust's finances; and

(2) a settlement for the period post 1 April 2020 until pay scales were amended. This part will not be funded by KCC and will become a cost borne by the Academy trust. This element is not expected to be significant to the Academy trust.

32. Capital commitments

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	-	1,326	-	1,326

33. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £215,289 were payable to the schemes at 31 August 2021 (2020 - £189,799) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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33. Pension commitments (continued)

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,358,000 (2020 - £1,176,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £652,000 (2020 - £591,000), of which employer's contributions totalled £505,000 (2020 - £456,000) and employees' contributions totalled £ 147,000 (2020 - £135,000). The agreed contribution rates for future years are 21 per cent for employers and 5.5% to 12.5% per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25

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

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

33. Pension commitments (continued)

	2021	<i>2020</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate +0.1%	(469)	(382)
Discount rate -0.1%	481	392
Mortality assumption - 1 year increase	747	556
Mortality assumption - 1 year decrease	(719)	(536)
CPI rate +0.1%	426	347
CPI rate -0.1%	(415)	(338)

Share of scheme assets

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Equities	6,404	5,246
Gilts	55	54
Corporate bonds	1,358	1,046
Property	1,006	890
Cash and other liquid assets	280	247
Other	681	617
Total market value of assets	9,784	<i>8,100</i>

The actual return on scheme assets was £1,198,000 (2020 - £505,000).

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

33. Pension commitments (continued)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Current service cost	(1,229)	<i>(953)</i>
Interest income	134	<i>126</i>
Interest cost	(248)	<i>(220)</i>
Administrative expenses	(6)	<i>(4)</i>
Total amount recognised in the Consolidated Statement of Financial Activities	(1,349)	<i>(1,051)</i>

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	15,531	<i>11,889</i>
Current service cost	1,229	<i>953</i>
Interest cost	248	<i>220</i>
Employee contributions	147	<i>135</i>
Actuarial losses	2,084	<i>2,456</i>
Benefits paid	(160)	<i>(122)</i>
At 31 August	19,079	<i>15,531</i>

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	8,100	<i>6,553</i>
Interest income	134	<i>126</i>
Actuarial gains	1,064	<i>956</i>
Employer contributions	505	<i>456</i>
Employee contributions	147	<i>135</i>
Benefits paid	(160)	<i>(122)</i>
Administration expenses	(6)	<i>(4)</i>
At 31 August	9,784	<i>8,100</i>

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Notes to the Financial Statements For the Year Ended 31 August 2021

34. Operating lease commitments

At 31 August 2021 the Group and the Academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Not later than 1 year	135	117	135	117
Later than 1 year and not later than 5 years	107	71	107	71
	<u>242</u>	<u>188</u>	<u>242</u>	<u>188</u>

The following lease payments and changes in lease payments have been recognised in the Statement of financial activities:

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Changes in lease payments arising from COVID-19 related rent concessions	(2)	-	(2)	-

35. Other financial commitments

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

36. Financial instruments

	Group 2021 £000	<i>Group 2020 £000</i>	Academy trust 2021 £000	<i>Academy trust 2020 £000</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	909	896	817	837

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

37. Agency arrangements

The Academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year ended 31 August 2021 the trust received £84,252, charged a 5% administration fee of £4,212 and distributed £66,531 from the fund. Current year undistributed funds of £42,151 (2020: 28,642) are included in other creditors.

The Academy trust distributes student bus passes to the students as an agent of Kent County Council. During the year 31 August 2021 the trust received £12,621 and distributed £12,621 of bus pass income.

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38. 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.

39. Controlling party

The Academy trust is run by the senior management team on a day to day basis. Strategic decisions are made by the Trustees. There is no ultimate controlling party.

40. Net movement in funds of Academy trust

As permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, the Statement of Financial Activities ('SOFA') of the parent company, The Canterbury Academy, is not presented as part of these group financial statements. The parent company's net movement in funds for the year was a decrease of £1,467k (2020: a decrease of £1,923k).

The overall movement reduction in funds arises predominantly due to movements on the LGPS deficit reserve and movements in the restricted fixed asset reserve, both of which have no impact on the day-to-day operating activities. The parent company's movement on revenue income funds was a decrease in funds of £459k (2020: increase of £43k).

As explained in the financial review section of the Trustees' report, and shown on the SOFA, the total Group increase in funds for the year is a decrease of £1.5m (2020: decrease of £1.9m).

41. Principal subsidiaries

The following were subsidiary undertakings of the Academy trust:

Names	Company number	Principal activity	Holding	Included in consolidation
Buckle Under Limited	09189564	Extra curricular services	100%	Yes
City View Pre-School & Nurseries Limited	06760600	Pre-school education	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the year £000	Net assets £000
Buckle Under Limited	5	(8)	(3)	(74)
City View Pre-School & Nurseries Limited	432	(419)	13	38

42. 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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Notes to the Financial Statements For the Year Ended 31 August 2021

42. Related party transactions (continued)

The Academy trust entered into the following related party transactions during the year:

	Income received £000	Expenditure incurred £000	Debtors recoverable £000	Creditors payable £000
1. East Kent Learning Alliance Ltd (08328173).	111	15	9	13
2. Solar Shield Blinds Limited (08328173).	-	1	-	-
3. Crusaders Community Basketball Limited (07734517).	-	77	-	-
4. Marathon Sports Foundation Limited (06279459).	-	453	-	10
5. Appeti Tennis Limited (04679995).	-	9	-	-

1. East Kent Learning Alliance Ltd (EKLA) is a teaching school alliance of East Kent schools, which included The Canterbury Academy, until 31 August 2021. EKLA is structured as a company by the guarantee of its members. Mr. J. Watson, a trustee and the Accounting Officer, was a director of EKLA until 31 August 2021. Mr. R. Field, a member of The Canterbury Academy, was one of the members of EKLA and was classed as a persons of significant control, until 31 December 2020.

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

2. Solar Shield Blinds Limited is owned by the brother of Mr. J. Watson, the Accounting Officer.

The Academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr. Watson neither participated in, nor influenced. In accordance with 3.10.14 of the AFH the 'at cost' requirements of the AFH have been adhered to.

3. Crusaders Community Basketball Limited is 100% owned by an individual who sits on the board of directors of Buckle Under Limited, the Academy trust's subsidiary undertaking, and who is also part of the Academy trust's key management personnel.

In accordance with section 9.1.34 of the AFH, since Buckle Under is consolidated into the Academy trust's group accounts the regularity requirement extends to this entity. The 'at cost' requirements of the AFH do not apply to members of key management unless they also hold the position of trustee or member, and so they are only deemed to apply by virtue of the individual's directorship in Buckle Under Limited.

The Academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr. Watson neither participated in, nor influenced. In accordance with 3.10.14 of the AFH the 'at cost' requirements of the AFH have been adhered to.

4. Marathon Sports Foundation Limited is majority owed by a director of City View Pre-School & Nurseries Limited, an indirect subsidiary undertaking of the Academy trust. In accordance with section 9.1.34 of the AFH, since City View is consolidated into the Academy trust's group accounts the regularity requirement extends to this entity.

In addition, City View Pre-School & Nurseries Limited received income of £3,000 from Marathon Sports Foundation during the year. At the 31 August 2021 the subsidiary was owed £nil.

The Academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr. Watson neither participated in, nor influenced. In accordance with 3.10.14 of the AFH the 'at cost' requirements of the AFH have been adhered to.

5. Mr. A. Doyle, a member of The Canterbury Academy, is a director and has a controlling interest in Appeti Tennis Limited.

The Academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr. Watson neither participated in, nor influenced. In accordance with 3.10.14 of the AFH the 'at cost' requirements of the AFH have been adhered to.

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Notes to the Financial Statements For the Year Ended 31 August 2021

42. Related party transactions (continued)

The Academy trust had the following employment related transactions:

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

2) During the year the husband of Mrs. B. Farrell, a member of key management, was employed by the trust. Mr. R. Farrell was paid a salary under an employment contract for his role. Mr. R. Farrell has been employed by the trust for a number of years and was not considered a related party at the time of his appointment, and Mrs. B. Farrell had no involvement in his appointment. The Board of Trustees are comfortable that his salary provides value for money and is not at a preferential rate.

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

1) City View Pre-School & Nurseries Limited (06760600) is an indirect subsidiary of The Canterbury Academy, wholly owned by Buckle Under Limited.

The Trustees of the Academy trust have waived income for premises and staffing cost recharges under a minuted agreement between the respective board of Trustees and board of directors. The amount forgone was £18,000 for premises costs and finance administration.

2) Buckle Under Limited (09189564) is a wholly owned subsidiary of The Canterbury Academy. At 31 August 2021 Buckle Under Limited owed £90,000 for historical cash advances.

The Trustees of the Academy trust has waived income for premises and staffing cost recharges under a minuted agreement between the respective board of Trustees and board of directors. The amount forgone was £1,000 for premises costs and finance administration.

43. Teaching school trading account

	2021	2021	2020	2020
	£000	£000	£000	£000
Income				
Direct income				
DfE/ESFA revenue grants	40		44	
Total income		40		44
Expenditure				
Direct expenditure				
Direct staff costs	-		4	
Professional consultancy	40		40	
Total direct expenditure	40		44	
Total expenditure		40		44
Surplus from all sources		-		-
Teaching school balances at 1 September 2020		-		-
Teaching school balances at 31 August 2021		-		-