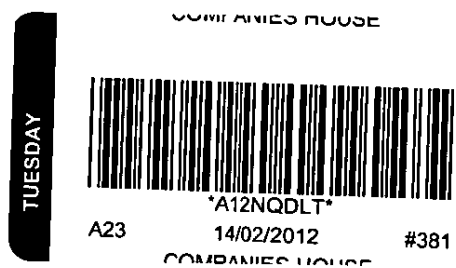


Company Registration No. 07345430 (England and Wales)

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2011



THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Directors (Trustees)

D Wells (Chair) *
J Keay (Vice Chair) *
J Larkinson
A Milton
R Field (Responsible Officer)
P Karnavas (Principal & Accounting officer) *
J Butcher
R Collins
A Doyle
M Jennings
J Parsons *
H Phillip
J Greener
C Packham *
C May
* members of the Finance and Buildings Committee

Senior management team

P Karnavas	(Principal) *
D Platts	(Senior Vice Principal - Finance & Buildings) *
N Mattin	(Senior Vice Principal - Curriculum)

Company number

07345430

Registered office

Knight Avenue
Canterbury
Kent
CT2 8QA

Auditors

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

The Royal Bank of Scotland
14 Rose Lane
Canterbury
Kent
CT1 2ST

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Furley Page
39 St Margarets Street
Canterbury
Kent
CT1 2TX

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
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THE CANTERBURY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2011

Having completed their first period, the Directors (Trustees) present their report and accounts for the period ended 31 August 2011

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Structure, Governance and Management

The charitable company is a company limited by guarantee incorporated on 13 August 2010

The Directors (Trustees), who are also the directors for the purpose of company law, and who served during the period were

D Wells (Chair) *	(Appointed 13 August 2010)
J Keay (Vice Chair) *	(Appointed 13 August 2010)
J Larkinson	(Appointed 13 August 2010)
A Milton	(Appointed 13 August 2010)
R Field (Responsible Officer)	(Appointed 13 August 2010)
P Karnavas (Principal & Accounting officer) *	(Appointed 7 October 2010)
J Butcher	(Appointed 7 October 2010)
R Collins	(Appointed 7 October 2010)
D Clark	(Appointed 7 October 2010 and resigned 5 April 2011)
A Doyle	(Appointed 7 October 2010)
M Jennings	(Appointed 7 October 2010)
M Sargeant	(Appointed 7 October 2010 and resigned 1 November 2011)
H Phillip	(Appointed 9 May 2011)
J Greener	(Appointed 9 May 2011)
C Packham *	(Appointed 16 March 2011)
C May	(Appointed 16 March 2011)

* members of the Finance and Buildings Committee

Board of Directors

In the summer period prior to academisation the 5 Members of the new company (all existing Directors of The Canterbury Campus) met to determine the make-up of the new Board of Directors (i.e. governing body), with the assistance of their solicitor. The members appointed most of the "old" Directors of The Canterbury Campus, leaving space to add additional individuals as and when the need arose for particular skills and knowledge. They also made provision for the appointment of two staff directors and two parent directors through a process that combined election with an interview process to ensure that the appointees brought relevant expertise to the Board. The long-serving Chair of the Finance & Buildings Committee retired in April 2011 and was replaced by a new Director who worked in the financial services sector.

THE CANTERBURY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

A number of key targets were set for the first year of 'converter' academy status (as summarised below from the Academy Improvement Plan),

- a restructure to meet the needs of academy status
- b position the academy to gain maximum advantage from academy freedoms in the changing educational system
- c achieve greater coherence between the two schools in the academy
- d continue to maintain extended service and promote community engagement
- e improve attendance especially, but not exclusively, in the secondary phase
- f stabilise staffing in the secondary phase with particular regard to maths and science
- g increase the number on roll in the primary school
- h protect the secondary school from planned changes to admissions system at a time of demographic decline
- i increase the 6th form numbers
- j improve attainment and achievement in the primary phase
- k improve attainment and achievement in the secondary phase

All of these targets have been met in full or in part. Staff restructuring has provided capacity for continued improvement, support of other schools and succession in the event of staff leaving or retiring. The Academy has been very successful in developing networks, partly through a number of applications in partnership with a range of organisations, e.g. UTC (unsuccessful), Teaching School (unsuccessful), SSAT regional hub, NSS/NLE, NPQH LDC. There has been more movement between the secondary and primary phase in terms of staffing, common training, systems and student transfer. Extended services continue, though in a reduced format due to staffing issues.

Attendance is good in the primary phase (95%) and improved in the secondary phase (running at just under 94%). New maths and science teachers have been recruited. The primary school has grown by approximately 50 pupils, with 182 currently on roll. A link has been made with Simon Langton Boys School with the aim of attracting another type of applicant and turning The Canterbury Academy into a genuine school of choice offering a comprehensive provision. Sixth form numbers have continued to rise. The latest primary school results were the best ever, whilst GCSE results exceeded the National Challenge target. The sixth form will be a priority target for 2011/12. Further detail is included in other sections of this report.

Building work and development of the site

Following discussions with and visits from members of Kent County Council regarding further structural work to and furnishing of the completed Construction Centre, several meetings were held with local university, college and business partners with a view to turning it into a University Technical College. An application was submitted to the Baker-Dearing Trust in the summer, but in October 2011 we heard that it had not been successful.

Discussions are ongoing with Adult Education regarding an appropriate reimbursement of costs relating to heating and lighting. Directors and senior management are also in discussion with Body & Mind about restructuring the management of the Sports Centre and with the two resident partner clubs (Invicta Athletics and Canterbury Gym Club) about how to make better use of the facility for the benefit of the clubs, the children and the local community. The Canterbury Academy continues to support Body & Mind financially and is still underwriting some of their costs, with members of the Finance and Buildings committee meeting regularly with the Manager to monitor the situation.

The Nursery was extended with a prefabricated building in September 2011 and a separate entrance created.

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2011

An IT upgrade took place during the summer holidays and the start of the autumn term and a professional recording studio was installed at The Canterbury High School

The Finance and Buildings committee have completed a risk register and consider The Canterbury Academy a low risk organisation in relation to health and safety and financial matters. The Academy has a system of internal control that is designed to manage risks

YPLA Audit

On 17/18 May 2011 the YPLA carried out an audit check and judged the Academy to be "outstanding"

Exam Results (Summer 2011)

The Canterbury Primary School

Key Stage 1

The percentage of children reaching level 2B+ was 50% in reading, 52% in writing, 53% in maths and 76% in science

Key Stage 2

Test results not only rose above floor target for the first time, but exceeded the national average with 77% combined maths and English

The Canterbury High School

97% of students taking Key Stage 4 exams achieved 5+ A*-Cs, with 37% achieving 5+ A*-Cs including English and Maths

'A' level results are improving and sixth form numbers continue to increase. At the time of this report the 6th form numbers 324 students

Admissions Arrangements

In November 2010 the Board of Directors agreed to change The Canterbury High School's admissions arrangements for the September 2012 intake, to incorporate an ability test that should lead to an intake that spans the whole ability range, with more academically able students better catered for through a new link with Simon Langton Boys School. The Head of School at SLBS attended our Open Evening in October 2011 for prospective students and their parents to answer questions and the proposed scheme has generated a great deal of interest. This was followed by an Open Saturday and 3 Open Mornings.

Sports College

The SSCO scheme is being phased out and will be replaced by a School Games Organiser

THE CANTERBURY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

Link with St Nicholas's School

In September 2010 a class of Year 7 children from St Nicholas's Special School started to be taught at The Canterbury Academy every day. This has been positively evaluated and the programme continues. In fact, St Nicholas's has asked if there is any more space available to extend the programme to another class.

Student Issues

An "engagement unit" introduced during 2011/12 has led to reductions in the number of exclusions, whilst a "late room" introduced in 2010/11 has resulted in improved attendance.

At its November 2011 meeting, the Board of Directors voted to go out to consultation on the introduction of a more formal school uniform from September 2013.

Staff Issues

At the start of January 2011 The Academy moved to a new staffing structure with a smaller Executive Team consisting of 7, combining the senior teaching and non teaching members of staff. There is also a Teaching and Learning team, a Professional Learning team, an Ethos and Engagement team, a person responsible for organisation, the Primary team and a subject team.

The Maths and Science departments experienced some staffing difficulties this year, resulting in a drive to bring in several experienced but new staff, some of them in the run-up to the GCSE exam period.

Three members of staff undertook training for the "Outstanding Facilitator Programme" and are now qualified to deliver training to staff aimed at improving classroom practice.

Curriculum Issues

In September 2011 a Trampolining Academy was formed. The Dance Academy continued to expand and a Music Academy and an Acting Academy were introduced. The Acting Academy has been hugely popular and successful and now numbers over 40 students (the majority of whom joined from other schools).

National Support School

In February 2011 The Canterbury Academy became a National Support School, with the Principal becoming a National Leader of Education. In this role the school has been asked to support The Malling School.

Extended Schools

The Canterbury Academy achieved revalidation in Extended Schools at Advanced level on 25th January 2011.

Investors in Careers

The Canterbury Academy received the Investors in Careers award in April 2011.

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2011

Iraq Link

As part of a British Council-funded programme aimed at assisting Iraq to improve the quality of its education a group of headteachers spent a week at The Canterbury High School in July 2011 to explore how standards could be raised through the sports college concept. At the time of writing this report (November 2011) four members of staff from The Canterbury High School are on a return visit to Iraq.

Teachers' Strike - 30th June 2011

With the approval of the Board of Directors, the Principal found a creative way of coping with the national teachers' strike that took place on 30th June by taking almost the entire student body of The Canterbury High School to Chessington for the day. The Canterbury Primary School was unaffected by strike action. The Academy intends that both schools will remain open on the day of the next planned strike on 30th November 2011.

Constitution

The Canterbury Academy is registered under the Companies Act 2006, as a company limited by guarantee without a share capital and was incorporated in 2010.

The trustees who are responsible for the charitable activities are also the directors of the company for the purposes of company law.

Members' Liability

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Principal Activities

The principal activity of the charitable company was the operation of The Canterbury Academy, being an Academy offering state education as a secondary school.

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2011

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors will depend on their existing experience. Where necessary induction will provide training on charity, educational, legal and financial matters. All Directors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as Directors.

The Chair of the Board of Directors either meets or has a telephone conversation with all newly appointed Directors to discuss their general roles, responsibilities and sub committee membership. Directors are required to attend one of each of the sub committee meetings before negotiating with the Chair and Principal which one would be the most appropriate for them to join. The Vice Chair acts as a mentor to all new Directors at their first few meetings and where possible accompanies a new Director on their first monitoring school visit. Part of the induction process is to have a tour of the school and meet the senior leadership team.

Public Benefit

The Academy aims to advance for the public benefit, education in the United Kingdom. In setting the objectives of the Academy and planning the associated activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Academy 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 accounts.

Key Financial Performance Indicators

No key financial performance indicators have been set by Directors, beyond the requirement that the financial position should remain sufficient to fund future needs. The principal performance measures are non-financial, these are largely educational and pastoral.

Financial Review

Most of the Academies' operating income is obtained from the YPLA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the period ended 31 August 2011 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2011, total expenditure of £9,919K was more than covered by grant funding from the DfE together with other incoming resources of £27,796K.

The consolidated fund balance at 31 August 2011 amounted to £18,049K, comprising £450K of general restricted funds, a pension fund deficit of £(1,573)K, a fixed asset fund of £18,977K, and £195K of unrestricted general funds.

At 31 August 2011 the net book value of fixed assets was £18,977K and movements in tangible fixed assets are shown in note 12 to the financial statements.

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2011

Financial and Risk Management Objectives and Policies

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

Principal Risks and Uncertainties

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

Reserves Policy

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

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks

Plans for the Future

The most pressing priority, given the government's changing agenda, is the need to raise levels of attainment as measured by % of students gaining 5 good passes in GCSEs, including maths and English, and making the expected 3 levels of progress in the secondary phase and in particular this means improving maths. The primary phase will need to maintain its attainment at above the floor standard and national averages at KS2. The academy will also need to develop its 6th form in terms of attracting more students and in terms of attainment. The secondary phase needs to improve attendance and reduce exclusion. The academy across both phases needs to develop its provision for its most academically able. Both phases will need to review and adjust provision in the light of national reviews and changing expectations. The academy will need to review its provision for extended service given changing finances. Both phases need greater clarity and transparency about how best to use the pupil premium (and in the 6th form the bursary). The secondary phase will need to comply with the requirements for IAG. The academy will also further develop its systems for on going professional development and training and focus upon the requirements for SMSC as presented in the new Ofsted framework. Both schools will need to prepare for Ofsted.

The academy will also explore a range of other exciting opportunities for development. The secondary phase will extend its link with Simon Langton Boys Grammar School. The academy will resurrect its partnerships so as to allow a renewed application to be made for teaching school (this time led by Dane Court Grammar School). The academy will look towards developing an area wide provision for post 14 students using our Skills Centre, our Youth & Community Team and NuSteps. The academy will continue to work with CATS, KCC and developers to see whether the idea for residential accommodation on site, to also provide increased 6th form capacity, can happen. The academy will also look to gain capital to help rebuild or at least improve the buildings at the primary school (through the PSBP). The academy will continue to pursue the possibility of expanding the tennis facility with increased teaching space. The academy will work with 5 other large secondary schools to explore the possibility of setting up some form of closer working partnership to provide greater capacity for improvement and more cost effective service.

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2011

Annual General Meeting

The first Annual General Meeting of The Canterbury Academy will take place at 6 30pm on 7th February 2012 at The Canterbury High School

The Board of Directors would like to congratulate the Principal and staff for a very successful year and thank them for their commitment and hard work for the benefit of the students of The Canterbury Academy

Statement of Directors Responsibilities

The Directors (previously governors) of The Canterbury Academy , are responsible for preparing the Directors Report and the accounts in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Annual Accounts Requirements issued by the Young People's Learning Agency

Company law requires the Directors (Trustees) to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period

In preparing these accounts, the Directors (Trustees) are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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

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

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2011

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and

- The Directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

A resolution proposing that Baxter & Co be reappointed as auditors of the company will be put to the members

On behalf of the board of Directors (Trustees)



D Wells

Chair of Directors

Dated 7th February 2012

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT ON INTERNAL CONTROLS
FOR THE PERIOD ENDED 31 AUGUST 2011

Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to P Karnavas, the Principal, as Accounting Officer for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Canterbury Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's 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. A system of internal control has been in place in The Canterbury Academy for the period ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Finance and Buildings Committee.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance and Buildings Committee,
- Regular reviews by the Finance and Buildings 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,

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT ON INTERNAL CONTROLS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

- Delegation of authority and segregation of duties,
- Identification and management of risks

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed R Field, a Governor, as Responsible Officer 'RO'. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a regular basis, the RO reports to the Finance and Buildings Committee on the operation of the systems of control and on the discharge of the Board of Directors financial responsibilities.

The Responsible Officer has carried out his system checks on 27th January 2011, 10th June 2011 and again on 17th October 2011, from these checks changes to procedures for contract management have been suggested.

The Board of Directors are satisfied that the RO function has been fully delivered in line with the YPLA's requirements. No material control issues have been notified to Directors as a result of the RO's work.

Review of Effectiveness

The Accounting Officer P Karnavas, has the responsibility for reviewing the effectiveness of the system of internal control.

During the period ended 31 August 2011 the review has been informed by

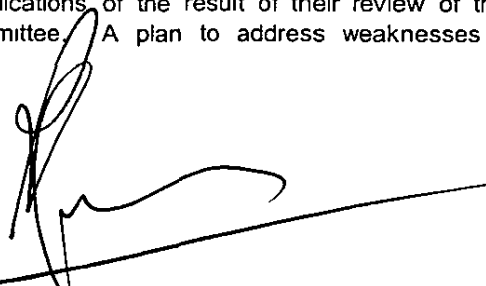
- The work of the Responsible Officer,
- The work of the External Auditor,
- The financial management and governance self assessment process,
- The work of the Executive Group within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Board of Directors has been advised of the implications of the result of their review of the system of internal control by the Finance and Buildings Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

On behalf of the board of Directors (Trustees)



D Wells
Chair of Directors
Dated 7 February 2012



P Karnavas
Accounting Officer
Dated 7 February 2012

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE CANTERBURY ACADEMY**

We have audited the accounts of The Canterbury Academy for the period ended 31 August 2011 set out on pages 14 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the YPLA.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors (Trustees) and auditors

As explained more fully in the statement of Directors responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for expressing an opinion on whether grants made by the DfE/YPLA have been applied for the purposes intended.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors (Trustees), and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction 2010/11 issued by the YPLA, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters

In our opinion grants made by the DfE/YPLA have been applied for the purposes intended.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report for the financial year for which the accounts are prepared is consistent with the accounts.

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE CANTERBURY ACADEMY**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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

**D J Walsh FCCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co**

**Chartered Certified Accountants
Statutory Auditor**

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated 10 February 2012

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2011

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2011 £'000
Incoming Resources					
<i>Generated Funds</i>					
- Voluntary Income	3	981	479	19,084	20,544
- Activities for Generating Funds	4	78	-	-	78
- Investment Income	5	8	-	-	8
<i>Charitable Activities</i>					
- Educational Operations	6	-	7,166	-	7,166
Total Incoming Resources		1,067	7,645	19,084	27,796
Resources Expended					
<i>Charitable Activities</i>					
- Educational Operations	8	872	8,752	160	9,784
<i>Governance Costs</i>	9	-	68	-	68
<i>LGPS Pension Finance Costs</i>	18	-	67	-	67
Total Resources Expended	7	872	8,887	160	9,919
Net Incoming/(Outgoing) Resources before Transfers		195	(1,242)	18,924	17,877
Gross transfers between funds	16	-	(53)	53	-
Net Incoming/(Outgoing) Resources before Other Recognised Gains and Losses		195	(1,295)	18,977	17,877
Other recognised gains and losses					
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	18	-	172	-	172
Net movement in funds		195	(1,123)	18,977	18,049
Fund balances at 13 August 2010		-	-	-	-
Fund balances at 31 August 2011		195	(1,123)	18,977	18,049

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2011

	Period ended 31 August 2011 £'000
Income	
General Annual Grant (GAG)	6,031
Other Government Grants	1,063
Capital Income	72
Fixed Assets donated to Academy	19,084
Other Income	1,546
Total Income	27,796
Expenditure	
General Annual Grant (GAG) related expenditure	6,013
Other Government Grant related expenditure	930
Expenditure Funded from Capital Income (not capitalised)	19
LGPS Expenditure	1,745
Expenditure Funded from Other Income	1,052
Depreciation	160
Total Expenditure	9,919
Excess of Income over Expenditure	17,877

The summary income and expenditure account is derived from the statement of financial activities on page 14 which, together with the notes on pages 18 to 39, provides full information on the movements during the period on all funds of the charity

All of the Academy's activities derived from continuing operations during the above financial period

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

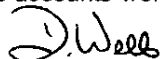
Net Income/(Expenditure) for the period	17,877
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	172
Total Recognised Gains and Losses for the period	18,049

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 AUGUST 2011

		2011	
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12		18,977
Current assets			
Stocks	13	11	
Debtors	14	426	
Cash at bank and in hand		664	
		<u>1,101</u>	
Creditors' amounts falling due within one year	15	(456)	
Net current assets			<u>645</u>
Total assets less current liabilities			<u>19,622</u>
Defined benefit pension liability	18		(1,573)
Net assets			<u>18,049</u>
Funds			
Restricted Funds	16		
General Annual Grant (GAG) Fund			18
Other Government Grant Fund			133
Fixed Asset Fund			18,977
Other Income Fund			299
LGPS Fund			(1,573)
Unrestricted Funds			
Other Income Fund			195
			<u>18,049</u>

The accounts were approved by the Board on 7th February 2012



D Wells
Chair of Directors

Company
Registration
No 07345430

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2011

	Notes	Period ended 31 August 2011 £'000
Net cash (outflow)/inflow from operating activities	19	709
Returns on investments and servicing of finance		
Investment income		8
Net cash inflow from returns on investments and servicing of finance		8
Capital expenditure		
Payments to acquire tangible fixed assets		(53)
Net cash inflow from capital expenditure		(53)
Increase in cash	20	664

**THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS**

FOR THE PERIOD ENDED 31 AUGUST 2011

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005

The Standard Format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and the Academies Accounts Direction issued by the YPLA

Going Concern

The Directors 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 company to continue as a going concern. The Directors make this assessment in respect of a period of one year from 24 January 2012

1.2 Incoming resources

Grants Receivable

Grants are included in the statements 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

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the company is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the company in the period in which they are receivable, and where the benefit is both quantifiable and material

Interest Receivable

Interest receivable is included within the statements of the financial activities on a receivable basis

Other Income

Income is included in the statement of financial activities on a cash received basis or on an accruals basis where the receipt is assured with reasonable certainty and is receivable at the balance sheet date

1.3 Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

1 Accounting Policies

(continued)

Allocation of Costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the company's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

Governance Costs

Governance costs include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund Accounting

General funds represent those resources which may be used towards meeting any of the objects of the company at the discretion of the directors.

Restricted funds comprise grants from the DfE / YPLA and other donors which are to be used for specific purposes as explained in note 16.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation.

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 are depreciated over their expected useful economic life. The related grants are credited to an appropriate restricted fund in the statement of financial activities and carried forward in the balance sheet.

Depreciation is charged in the statement of financial activities at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated.

Freehold buildings	2% (Straight Line)
ICT / Computer equipment	20% (Straight Line)
Plant and machinery	15% (Straight Line)
Fixtures, fittings & equipment	10% - 15% (Straight Line)

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

1 Accounting Policies

(continued)

1.5 Fixed Asset Transfer from Predecessor School

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it has been valued in accordance with advice received from professional valuers. Playing fields were valued at Fair Value Existing Use. Other land has been valued at an institutional value.

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Assets

Other assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set).

1.6 Leasing and hire purchase commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

1 Accounting Policies

(continued)

1.8 Pensions

Company staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 18.

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS is a statutory, contributory, defined benefit scheme. As the company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, it has taken advantage of the exemption in Financial Reporting Standards (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the company in the year.

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and the company is able to identify its share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The company's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Further details are set out in note 18 to the financial statements.

1.9 Taxation

The company has charitable status and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the company has been included in the statement of financial activities.

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

2	General Annual Grant (GAG)	2011
		£'000
a	Results and Carry Forward for the period	
	GAG brought forward from previous period	-
	GAG allocation for current period	6,031
	Total GAG available to spend	6,031
	Recurrent expenditure from GAG	(6,013)
	GAG Carried Forward to Next Year	18
	Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(724)
	GAG to surrender to DfE / YPLA	(706)
	(12% rule breached if result is positive)	
		<i>no breach</i>
b	Use of GAG Brought Forward from previous period for recurrent purposes	
	(Of the amount Carried Forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)	
	Recurrent expenditure from GAG in current period	6,013
	GAG allocation for current period	(6,031)
	GAG allocation for previous period x 2%	-
	GAG Brought Forward from previous period in excess of 2%, used on recurrent expenditure in current period	(18)
	(2% rule breached if result is positive)	
		<i>no breach</i>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

3 Voluntary Income

	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2011 £'000
Voluntary Fund	-	169	-	169
Catering Income	108	-	-	108
Fixed Assets donated to Academy	-	-	19,084	19,084
Donations	4	54	-	58
Other Income	869	256	-	1,125
	<u>981</u>	<u>479</u>	<u>19,084</u>	<u>20,544</u>

4 Activities for Generating Funds

	Unrestricted funds £'000	Total 2011 £'000
Income from facilities	78	78
	<u>78</u>	<u>78</u>

5 Investment Income

	Unrestricted funds £'000	Total 2011 £'000
Bank Interest	8	8
	<u>8</u>	<u>8</u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

6 Funding for Academy's Educational Operations

	Restricted funds £'000	Total 2011 £'000
General Annual Grant (GAG)	6,031	6,031
Other Government Grants		
Grants Received	1,063	1,063
Capital Grants		
Devolved Formula Capital Grant	72	72
	<u>7,166</u>	<u>7,166</u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

7 Total resources expended

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2011 £'000
Costs of Generating Voluntary Income	-	-	-	-
Costs of Activities for Generating Funds	-	-	-	-
Academy's Educational Operations				
Direct Costs	4,612	160	1,150	5,922
Allocated Support Costs	2,897	-	965	3,862
	7,509	160	2,115	9,784
Governance costs	-	-	68	68
LGPS Pension Finance Cost	-	-	67	67
	7,509	160	2,250	9,919

Governance costs includes payments to the auditors of £6,400 for audit fees, and £4,495 for other services

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

8 Charitable Activities - Academy's Educational Operations

	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2011 £'000
Direct Costs				
Teaching and Educational Support	562	4,050	-	4,612
Depreciation	-	-	160	160
Educational Supplies and Services	73	671	-	744
Examination Fees	-	93	-	93
Educational Consultancy	-	226	-	226
Staff Development	-	16	-	16
Other Direct Costs	-	71	-	71
	<u>635</u>	<u>5,127</u>	<u>160</u>	<u>5,922</u>
Allocated Support Costs				
Support Staff Costs	122	1,097	-	1,219
LGPS Staff Costs	-	1,678	-	1,678
Maintenance of Premises	1	201	-	202
Cleaning	-	12	-	12
Water	-	40	-	40
Fuel	-	137	-	137
Rates	-	42	-	42
Insurance	-	45	-	45
Administrative Costs	1	82	-	83
Catering	108	36	-	144
Technology Costs	-	167	-	167
Other Support Costs	5	88	-	93
	<u>237</u>	<u>3,625</u>	<u>-</u>	<u>3,862</u>
Total	<u>872</u>	<u>8,752</u>	<u>160</u>	<u>9,784</u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

9 Governance costs	Restricted funds	Total 2011
Legal and Professional	58	58
Fees payable to Auditors		
Audit Fees	6	6
Other Fees	4	4
	<u>68</u>	<u>68</u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

10 Employees

Number of employees

The average number of persons (including senior management team) employed by the Academy during the period expressed as full time equivalents was as follows

	2011 Number
Teachers	85
Administration & Support	104
Management	12
	<u>201</u>

Employment costs

	2011 £'000
Wages and salaries	4,780
Social security costs	343
Other pension costs	2,345
	<u>7,468</u>
Agency Supply and Other Salary Related Costs	41
	<u>7,509</u>

The number of employees whose annual remuneration was £60,000 or more was

	2011 Number
£70,001 - £80,000	1
£80,001 - £90,000	1
£100,001 - £110,000	1

The above employees earning more than £60,000 p a participated in the Teachers' Pension Scheme
During the period, pension contributions for these staff amounted to £33,691

The highest paid individual was the Principal, whose remuneration for the period ended 31 August 2011 was £96,898

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

11 Directors (Trustees)

Directors' Remuneration and Expenses

In accordance with the Articles of Association, some staff may serve as Directors. They receive remuneration in their capacity as employees of the company but no remuneration is paid for acting as a Governor.

None of the Directors (Trustees) (or any persons connected with them) received any remuneration for acting as a Governor during the period, nor were there any reimbursement of expenses.

Directors' and Officers' Insurance

In accordance with normal commercial practice the company purchased insurance to protect trustees, Directors and officers from claims arising from negligent acts, error or omissions occurring whilst on company business. Cover of up to £2,000,000 on any one claim was purchased, the cost of which is £1,094.

12 Tangible fixed assets

	Land and buildings £'000
Cost	
At 13 August 2010	-
Additions	19,137
At 31 August 2011	19,137
Depreciation	
At 13 August 2010	-
Charge for the period	160
At 31 August 2011	160
Net book value	
At 31 August 2011	18,977

Included in additions in the current period is £19,084,324 relating to land and buildings donated to the Academy from the predecessor school. Land and buildings at 31 August 2011 includes land of £1,443,700.

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

13	Stocks	2011
		£'000

Uniform and Stationery	11
	<u>11</u>
	<u><u>11</u></u>

14	Debtors	2011
		£'000

Other debtors	353
Prepayments and accrued income	73
	<u>426</u>
	<u><u>426</u></u>

15	Creditors: amounts falling due within one year	2011
		£'000

Taxes and social security costs	123
Other creditors	309
Deferred income	24
	<u>456</u>
	<u><u>456</u></u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

16 Restricted Funds

	Movement in funds				
	Balance at 13 August 2010	Incoming resources	Resources expended	Gains, Losses and Transfers	Balance at 31 August 2011
	£'000	£'000	£'000	£'000	£'000
General Annual Grant	-	6,031	(6,013)	-	18
Other Government Grants	-	1,063	(930)	-	133
Other Income	-	479	(180)	-	299
Restricted General Funds	-	7,573	(7,123)	-	450
DfE / YPLA Capital Grant	-	72	(19)	(53)	-
Restricted Capital Fund	-	72	(19)	(53)	-
Restricted Fixed Asset Fund	-	19,084	(160)	53	18,977
Restricted LGPS Fund	-	-	(1,745)	172	(1,573)
Total Restricted Funds	-	26,729	(9,047)	172	17,854

The Restricted GAG Fund is used to fund the operating costs of the Academy. The company is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the company, but any balance over 2% must be used for capital purposes.

The Restricted Other Government Grants Fund represents unspent grants and funding received during the period.

The Other Income Fund represents the unspent balance of £147k in relation to the Academy's extended school fund, £55k held within a sinking fund for the replacement of the athletics track and the unspent balance of the Academy's Voluntary Fund of £97k.

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

16 Restricted funds

(continued)

The Restricted Capital Fund is set aside to fund future capital purchases

The Restricted Fixed Asset Fund is not available for spending as it represents the net book value of fixed assets transferred from the predecessor school and subsequent additions thereto. Future depreciation will be charged against this fund.

The LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total Funds £'000
Fund balances at 31 August 2011 are represented by:				
Tangible fixed assets	-	-	18,977	18,977
Current assets	195	906	-	1,101
Creditors: amounts falling due within one year	-	(456)	-	(456)
Defined benefit pension liability	-	(1,573)	-	(1,573)
	<u>195</u>	<u>(1,123)</u>	<u>18,977</u>	<u>18,049</u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

18 Pension and other post-retirement benefit commitments

The Academy'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 defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £87,698 were payable to the scheme at 31 August and are included within creditors

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of contribution levels are as follows

Latest Actuarial Valuation (under the new provision)	31 March 2004
Actuarial Method	Prospective benefits
Investment Returns Per Annum	6.5% per annum
Salary Scale Increases Per Annum	5.0% per annum
Notional Value of Assets at Date of Last Valuation	£162,650 million
Proportion of Members' Accrued Benefits covered by the Notional Value of the Asset	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions

For the period from 13 August 2010 to 31 August 2011 the employer contribution was 14.1% The employee rate was 6.4% for the same period

Under the definitions set out in Financial Reporting Standard (FRS) 17, Retirement Benefits, the TPS is a multi-employer pension scheme The Academy is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

18 Pension and other post-retirement benefit commitments

(continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2011 was £302,000, of which employer's contributions totalled £239,000 and employees' contributions totalled £63,000. The agreed contribution rates for future years are 23.1% for employers and a range between 5.5% and 7.5% for employees according to salary levels.

The employer's contribution rate includes additional contributions of 9.1%. The next valuation is at 31/03/2013 with any new rates applicable from 1/04/2014.

The major assumptions used by the actuary were:

	2011
	%
Rate of increase in salaries	4.90
RPI Increases	3.40
CPI Increases	2.60
Rate of increase in pensions in payment	2.60
Discount rate	5.40

Sensitivity Analysis

	Assets at 31	Liabilities at 31	(Deficit)/Surplus
	August 11	August 11	At 31 August 11
	£'000	£'000	£'000
Central	1,048	(2,621)	(1,573)
Sensitivity 1			
+0.1% pa discount rate	1,048	(2,542)	(1,494)
Sensitivity 2			
-0.1% pa discount rate	1,048	(2,703)	(1,655)
Sensitivity 3			
+1 year mortality rate	1,048	(2,524)	(1,476)
Sensitivity 4			
-1 year mortality rate	1,048	(2,720)	(1,672)

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

18 Pension and other post-retirement benefit commitments

(continued)

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

	2011
	Years
Retiring today	
Males	20
Females	24
Retiring in 20 years	
Males	22
Females	26

The values of the assets in the scheme are as follows:

	2011	2011
	%	£'000
Equities	73 00	766
Bonds	14 00	147
Property	9 00	94
Other assets	4 00	41
	<u> </u>	<u> </u>
Total market value of assets		1,048
Present value of scheme liabilities		(2,621)
		<u> </u>
Net pension liability		<u>(1,573)</u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

18 Pension and other post-retirement benefit commitments **(continued)**

Analysis of the amounts recognised in the statement of financial activities:

	2011
	£'000
Employer Service Cost	(205)
Deficit Inherited as at 07 October 2010	(1,712)
Employers Contribution	239
	<u> </u>
Total operating charge	<u><u>(1,678)</u></u>

Analysis of the amount shown as other finance expenditure:

	2011
	£'000
Expected Return on Employee Share of Scheme Assets	51
Interest on Pension Liabilities	(118)
	<u> </u>
Net return	<u><u>(67)</u></u>

Analysis of amount recognised in the statement of total recognised gains and losses:

	2011
	£'000
Actuarial Gains/(Losses) on Assets	(38)
Actuarial Gains/(Losses) on Liabilities	210
	<u> </u>
Actual gain recognised in the statement of total recognised gains and losses	<u><u>172</u></u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

18 Pension and other post-retirement benefit commitments (continued)

Movement in Surplus/(Deficit) during the period

2011
£'000

Operating charge	(1,678)
Other finance income	(67)
Actuarial losses	172
Deficit in scheme at 31 August 2011	<u>(1,573)</u>

Movements in the Present Value of Defined Benefit Obligations were as follows

2011
£'000

Interest Cost	(118)
Actuarial Losses (Gains)	210
Contributions by Scheme Participants	(63)
Other Movements	(2,650)
	<u>(2,621)</u>

Included within Other Movements is £2,445,000 in relation to the obligations inherited by the Academy, and £205,000 of service costs

Movements in the Fair Value of Academy's share of scheme assets

2011
£'000

Actuarial Gains (Losses)	(38)
Contributions by Employer including unfunded	239
Contributions by Scheme Participants	63
Other Movements	784
	<u>1,048</u>

Included within Other Movements is £733,000 of assets inherited by the Academy, and £51,000 relating to expected return on plan assets

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

18 Pension and other post-retirement benefit commitments

(continued)

Defined benefit (continued)

History of experience gains and losses

	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(2,621)	-	-	-	-
Fair value of share of scheme assets	1,048	-	-	-	-
	<u>(1,573)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Experience adjustment on scheme liabilities	-	-	-	-	-
Percentage of liabilities	-	-	-	-	-
Experience adjustment on scheme assets	(38)	-	-	-	-
Percentage of assets	3.63%	-	-	-	-

19 Net cash inflow from operating activities

2011
£'000

Reconciliation to changes in resources

Changes in resources before revaluations	17,877
Investment income	(8)
Depreciation of tangible fixed assets	160
Increase/(decrease) in stocks	(11)
Increase in debtors	(426)
Increase in creditors	456
Non cash donations	(19,084)
FRS17 Charges	1,745
	<u>709</u>

THE CANTERBURY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011

20 Reconciliation of net cash flow to movement in net funds **2011**
£'000

Increase in cash	664
Net funds at 13 August 2010	-
Net funds at 31 August 2011	<u>664</u>

21 Analysis of net cash balances

	Cash flow	Non-cash	At 31 August
	£'000	changes	2011
		£'000	£'000
Cash at bank and in hand	664	-	664
	<u>664</u>	<u>-</u>	<u>664</u>

22 Commitments under operating leases

At 31 August 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011
	£'000
Expiry date	
Between two and five years	<u>17</u>

23 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