
**CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY
TRUST)**

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 19
Statement on regularity, propriety and compliance	20
Statement of Trustees' responsibilities	21
Independent auditors' report on the financial statements	22 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28 - 29
Statement of cash flows	30
Notes to the financial statements	31 - 56

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rev T Elborne Diocesan Director of Education Mr A Hayman Mr M Bacon Academy Headteacher Mr T Cuerden Education Consultant
Trustees	Rachel Banning Simon Garwood (resigned 7 November 2019) Simon Gibbs ² Andrew Hayman CBE QPM, Chair ^{1,2} Emma Johnston, Staff Trustee (resigned 1 September 2018) Sarah Openshaw, Vice Chair Monica Rogers (resigned 7 November 2019) Sam Smale, Staff Trustee (resigned 7 November 2019) Mary Stowers (resigned 7 November 2019) Mark Walsh Michael Walsh B.Ed (Hons) NPQH, Headteacher Jennifer Bull (resigned 7 November 2019) Alicia Jenkins (appointed 1 September 2018, resigned 7 November 2019) Ms S Howard (appointed 28 February 2019) Mrs C Martin (appointed 28 February 2019) Mr A Cooper (appointed 28 February 2019) Mrs H Steele (appointed 28 February 2019)
	¹ Member and Trustee ² Member of the Financial Committee at Local Government level
Company registered number	08403703
Company name	Canonium Learning Trust (formerly Kelvedon Academy Trust)
Principal and registered office	Docwra Road Kelvedon Colchester Essex CO5 9DS
Company secretary	Simon Gibbs
Senior management team	Michael D Walsh, B.Ed (Hons) NPQH, Headteacher Steve Taylor, Deputy Head Pamela Barker, Academy Business Manager
Independent auditors	Hillier Hopkins LLP Chartered Accountants Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

Aldermore Business Savings
First Floor Block B
Western House
Lynchwood
Peterborough
PE2 6FZ

Lloyds Bank
27 High Street
Colchester
Essex
CO1 1DU

Nationwide Building Society
PO Box 3
5-11 St George's Street
Douglas
Isle of Man
IM99 1AS

Solicitors

Birketts
23-26 Museum Street
Ipswich
Suffolk
IP1 1HZ

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Kelvedon and Feering. It has a pupil capacity of 406 in mainstream from ages 5 to 11 and expanded to provide a 52 place nursery during the academic year by taking on the existing private nursery that was facing closure. This gave the school from Year N to Year 6 a roll capacity of 458. The number on role for the main school was 401 in the school census and at the time of absorbing the pre-school, which included provision for 2 year olds, there were 81 children as of 16 May 2019.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Canonium Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Kelvedon Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details. *Kelvedon Academy is also known as Kelvedon St. Mary's Church of England Primary Academy and Kelvedon St. Mary's Primary Academy.*

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice, the Academy Trust purchases insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The cost of this insurance is included in the total insurance cost and the limit of Directors' Indemnity is £5,000,000.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors

The number of Directors shall be not less than five, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Academy Trust shall have the following Directors:

The Members shall appoint a minimum of 5 Directors. *In circumstances where the Directors have not appointed Local Governing Bodies (Teaching and Learning Councils) there shall be a minimum of 2 Parent Directors and otherwise such number as the Members shall decide who shall be appointed or elected.

*if no trustees are parents then there must be parental representation at the Local Governing Body (Teaching and Learning Council). If there are no Foundation Directors then there must be Foundation representation at the Local Governing Body (Teaching and Learning Council).

The board of Directors should be made up of the following skill sets:

- Business
- Financial
- Personnel
- Education
- Foundation*

e. PARENT MEMBERS OF LOCAL GOVERNING BODIES

- a) Parent Directors and Parent members of the Local Governing Bodies or Advisory Bodies shall be elected or appointed by the parents of registered pupils at one or more of the Academies and each must be a parent at the time when he is elected or appointed.
- b) If no parents put themselves forward for election the number of Parent Directors and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Directors and Parent members appointed by the Directors.
- c) The Directors shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Directors and Parent members of Local Governing Bodies or Advisory Bodies, including any question of whether a person is a parent of a registered pupil at one of the Academies. Any election of the Parent Directors and members of the Local Governing Bodies or Advisory Bodies which is contested shall be held by secret ballot.
- d) In appointing a Parent Directors and Parent member of a Local Governing Body or Advisory Body the Directors shall appoint a person who is the parent of a registered pupil at an Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
- e) Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Director.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. CO-OPTED DIRECTORS

The Directors, with the consent of the Diocesan Board of Education, may appoint up to 2 Co-opted Directors for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors.

TERM OF OFFICE

The term of office for any Director (other than Co-opted Directors) shall be four years. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

RESIGNATION AND REMOVAL

- a) Director shall cease to hold office if he resigns his office by notice to the Company (but only if at least three Directors will remain in office when the notice of resignation is to take effect).
- b) A Director shall cease to hold office if he is removed by the person or persons who appointed him.
- c) Where a Director resigns his office or is removed from office, the Director or, where he is removed from office, those removing him, shall give written notice thereof to the Clerk.

DISQUALIFICATION OF DIRECTORS

- a) No person shall be qualified to be a Director unless he is aged 18 or over at the date of his election or appointment. No current pupil or current student of any of the Academies shall be a Director.
- b) A Director shall cease to hold office if he becomes incapable by reason of illness or injury of managing or administering his own affairs.
- c) A Director shall cease to hold office if he is absent without the permission of the Directors from all their meetings held within a period of six months and the Directors resolve that his office be vacated.
- d) A person shall be disqualified from holding or continuing to hold office as a Director if:
 - his estate has been sequestrated and the sequestration has not been discharged, annulled or reduced; or
 - he is the subject of a bankruptcy restrictions order or an interim order.
- e) A person shall be disqualified from holding or continuing to hold office as a Director at any time when he is subject to a disqualification order or a disqualification undertaking under the Company Directors Disqualification Act 1986 or to an order made under section 429(2)(b) of the Insolvency Act 1986 (failure to pay under county court).

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

The pay committee of Kelvedon Academy reviews pay policy annually and employees are paid in accordance with national guidelines and performance management principles as applied to remuneration of staff.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Academy Trust's register of interests captures relevant business and pecuniary interests of members, trustees, local governors of academies within a multi-academy trust and senior employees.

These are noted for 2018-19 as:

Name of Person Employed or Receiving Income	Name of Business	Nature of Business	Start Date of Interest	End Date of Interest
Rachel Banning	Kingsland Property Co Ltd	Property Development	1991	Ongoing
Simon Gibbs	Self-employment	Grass Cutting	2005	Ongoing
Simon Gibbs	Self-employment	Cricket Coaching	1997	Ongoing
Simon Gibbs	Charity Trusteeships	Ogilvie Charities, Kelvedon Community Association John Marler & David Chaplin Charities		Ongoing
Andrew Hayman	Security Foresight Ltd	Security Consultancy	April 2008	Ongoing
Sarah Openshaw	Layer Marney Tower	Historic House	July 2000	Ongoing
Mark Walsh	Prudential Insurance	Insurance	28/04/2017	Ongoing
Jade Baker (Senior Management Team)	None			
Pamela Barker (Senior Management Team)	None			
Steven Taylor (Senior Management Team)	None			
Shelley Lawrence (Senior Management Team)	None			
Andrew Faithfull (Senior Management Team)	None			
Melissa Raymond (Senior Management Team)	None			

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES AND ACTIVITIES

a. Objects and aims

Objects and Aims

The Academy aims to provide a school at the heart of its community, promoting community cohesion, making great memories and providing the highest levels of education to its pupils.
Its vision is 'To create an environment where every learner has the opportunity to amaze us'.

The Quality of Education

To develop the teaching of reading, spelling and phonics

To develop the teaching for amber pupils across the school to support improvements by the end of Y6.

Behaviours and Attitudes

To develop all pupil groups learning behaviours particularly beyond the classroom.

Personal Development

To develop induction procedures for mid-year transfers so that they become 'Kelvedon' more quickly

Leadership and Management

To develop a self-improving, sustainable, school system and succession planning through the MAT values

To build a new governance and leadership structure to support conversion to MAT status

To further develop the Christian Character of the school and leadership of the links team

The Quality of Early Years Education

To analyse successful and outstanding practise, evaluate and record to embed within school

To target new parents/carers as to how we learn and teach at Kelvedon

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES AND ACTIVITIES (continued)

b. Public benefit

The principal objective of the Academy Trust is to advance education for public benefit by providing a broad curriculum with a strong emphasis on Christian values.

In setting the Trust's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit as laid down in the current SORP. At Kelvedon St. Mary's Primary School we believe all children are entitled to develop towards their potential - academically, socially, emotionally, physically, morally, spiritually and artistically, enabling each child to grow in confidence, and able to participate in the wider community.

Church of England schools have a distinctive identity and ethos, popular with parents and families, where the development of social, spiritual and emotional intelligence is as important as academic achievement. The school aims to give all pupils a secure grounding in moral and social skills based on Christian values regardless of gender, race and upbringing.

Kelvedon St. Mary's is an integral part of the local community and is committed to developing this role. Our Core Values are Responsibility, Cooperation, Perseverance, Honesty, Respect and Caring.

Our Vision is to create a safe environment in which learners are engaged and inspired to strive towards their potential; to have pride in themselves and their achievements and to be the best that they can within a caring and supportive Christian environment.

The Academy serves the community of Kelvedon and Feering however a number of pupils attend from the surrounding area.

The school was deemed Outstanding at the latest SIAMS inspection.

Strategic report

Achievements and performance

a. ACHIEVEMENTS AND PERFORMANCE

The pupil number for funding for the twelve months reported was 401.

The objectives for the year form the Self-Evaluation and School Improvement Plan (SIP) where success criteria are identified, leaders are designated, actions defined and timescales established to ensure successful outcomes. The SIP is constantly reviewed and updated. Pupil attainment on coming into the school is broadly average and on leaving the school outcomes for pupils have been significantly above that of National for eight consecutive years.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. Key Performance Indicators

In addition to operating within defined financial budgets the school Key Performance Indicators (KPIs) are defined in the SIP in the following areas of scrutiny:

- The Quality of Education
- Behaviours and Attitudes
- Personal development
- Leadership and Management
- The Quality of early Years Education

Overall Effectiveness

The school received a formal Ofsted inspection in February 2016 and was graded OUTSTANDING in all areas.

“We are not an Outstanding school – we are a great school!”

The overall effectiveness of Kelvedon St. Mary's Primary Academy is judged to be great because:

- The quality of education is judged to be great.
- Behaviours and attitudes are judged to be great.
- Personal development is judged to be great.
- Leadership and management is judged to be great.
- The quality of early year's education is judged to be great.

The Quality Of Education is judged to be great because:

- The quality of teaching is consistently good and much of it is great in all phases of the school.
- The quality of teaching has improved and sustained its improvement over a significant period of time and with the introduction of new staff.
- Pupils make good progress during their time at the school and have done so for a sustained number of years.
- Pupils consistently meet challenging progress targets.
- The attainment of KS2 and KS1 pupils is great.
- The quality of pupils' learning and their achievement is great.
- The quality of pupils' learning and their progress is great.

Behaviours and Attitudes judged to be great because:

- Pupils' learning and social behaviour is great.
- Pupils' moral and spiritual development is great.

Personal development is judged to be great because:

- Pupils' safety is great.
- Attendance in 2018/19 was 97%

Leadership and Management is judged to be great because:

- Pupils' attainment on leaving the school is consistently well above national averages and has been for

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

eight consecutive years; analysis of outcomes for 2019, 2018, 2017, 2016, 2015, 2014, 2013 and 2012 demonstrate that the improved results of 2011 have been sustained over a significant period of time.

- The quality of pupils' learning and their progress across the school is great.
- Teaching is consistently good and much of it is great.
- The headteacher and leadership team have a relentless and ambitious drive to continue to improve the school.
- Support and challenge provided by the governing body is great.

The Quality of Early Year's Education is judged to be great because:

- The attainment of EYFS pupils is great.
- The achievement of EYFS pupils is great.

The quality of teaching in EYFS is consistently good and much of it is great.

JUDGEMENTS ARE INFORMED BY:

Sources of Evidence:

- Internal analysis of pupil performance
- Internal monitoring including lesson observations, drop-ins, learning walks, planning/work Scrutiny & pupil voice
- National and LA data analysis
- Reports from External Adviser, External moderation and peer reviews
- Awards Certificates
- PTFA Minutes

c. Going concern

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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review

a. Financial review

The financial position of the Academy Trust is detailed in the following pages.

Most of the Academy Trust's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Capital grants and donations received from the DfE and sponsors during the year amounted to £66,545. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation over the expected useful life of the assets concerned. The depreciation charge for the year on these assets was £146,698.

Recurrent grants of £1,771,893 were received from the DfE, Local Authority and other Government sources. Expenditure covered by these grants amounted to £1,830,682. Such grants and expenditure are shown in the restricted general fund in the Statement of Financial Activities.

Unrestricted income and expenditure in the period amounted to £289,786 and £187,995 respectively.

At 31 August 2019 the net book value of fixed assets was £3,815,507 and the cost of fixed asset additions in the period amounted to £116,354.

b. Reserves policy

The Academy is holding in excess one month of operational expenditure in reserve, estimated to be £100,000 in a separate savings account. The Academy will always ensure that it stays within the ESFA guidelines on levels and appropriate use of reserves.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The trustees are responsible for the management of the risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy and its finances. This is a standing agenda item for each committee and the full board, which ensures that risks are identified and actively managed.

The key controls used by the Academy Trust include:

- Detailed terms of reference for all committees
- Formal agendas for the Board and Committee meetings
- Comprehensive strategic planning, budgeting and management accounting
- Formal written policies
- Schemes of delegation, formal financial regulations and systems of internal control
- Clear authorisation and approval levels
- An internal audit function advising the Finance & Premises Committee, but responsible to the Board
- Use of key performance indicators
- Policies and procedures required by law to protect the vulnerable
- Risk Register

A risk register has been prepared which sets out the perceived principal risks facing the Academy and the controls that exist to mitigate their effect. The register has been reviewed during the year and the trustees are satisfied that the major risks identified have been considered by the trustees and processes have been established to manage those risks where necessary. When an incident occurs which is classified as a critical incident the school's response is de-briefed against risk policy and adjustments made from identified learning points.

The trustees of the Academy are aware of the risks that the Academy faces in the short, medium and long term. The principal risks and uncertainties (other than the pension deficit) identified are:

- Fluctuation in cohort numbers
- Salary scale & pay and condition changes
- Critical Estate Maintenance Requirements

Disabled Employees

Not applicable under The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 as the school has fewer than 250 members of staff.

Employee Consultation

Not applicable under The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 as the school has fewer than 250 members of staff.

d. Investment policy

The trustees have authorised the use of a short term deposit accounts (details at top of report) in respect of cash held which is surplus to immediate requirements.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

e. Funds in Deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy's share of the scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £708,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

Fundraising

There is an active PTFA Association (parents/carers, teachers and friends of the academy) associated with Kelvedon Academy. The PTFA registered charity number is 1024572. This comprises of volunteers who raise funds to support the pupils of the school through a variety of events such as fireworks display and school discos. The PTFA does not employ professional fundraisers and all fund raising activities are directed towards members of the school community. No complaints have been received in regard to fund raising.

Plans for future periods

Developing the structure and sustainability of the Multi-Academy Trust.

Funds held as custodian on behalf of others

The Academy does not hold such funds.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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

.....
Andrew Hayman

.....
Simon Gibbs

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Canonium Learning Trust (formerly Kelvedon 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.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities.

During the Summer Term of 2018 processes with the DfE began to convert Kelvedon Academy Trust to a multi academy trust known as The Canonium Learning Trust. The final governance structure was not ratified until the meeting held on 28 February 2019, see table.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

	Joint FGB 20.09.18	Joint FGB 28.11.18	Finance and Premises 28.11.18	Trust Meeting 28.02.19	Board Meeting 28.02.19	Board Meeting 13.06.19	Teaching & Learning Council Meeting 21.03.19	Teaching and Learning Council 11.07.19	TOTAL MEETINGS ATTENDED
A Hayman ¹³⁴⁵	1	1		1	1	1	1	1	7
J Brown-Lee ²	1	1							2
C Martin ²³	1	1			1	1			4
Rev P Daltry ²									0
L Everitt ²		1							1
H Steele ²³	1	1			1	1			4
E Self ²	1	1							2
S Howard ²³	1	1			1	1			4
A Cooper ²³	1	1			1				3
C Clarke ²	1	1							2
K Handford ²		1							1
M Brooker ²	1								1
L Eastbrook ²	1	1			1				3
S Openshaw ¹³⁵	1	1				1	1	1	5
J Bull ¹⁵	1	1					1	1	4
R Banning ¹³	1	1			1	1			4
Rev S Garwood ¹³⁵	1	1					1	1	4
S Gibbs ¹³	1	1	1		1	1	1	1	7
A Jenkins ¹⁵	1	1							2
M Rogers ¹⁵	1	1	1						3
S Smale ¹⁵	1	1					1	1	4
M Stowers ¹⁵	1	1					1	1	4
Mark Walsh ¹³	1	1	1		1	1	1	1	7
Michael Walsh ¹⁵	1	1	1		1	1	1	1	7
Rev T Elbourne ⁴				1					1
M Bacon ⁴				1					1
T Cuerden ⁴				1					1

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- 1 = Kelvedon Academy Governing Body Member, closed 27.02.19
2 = Tolleshunt D'Arcy Primary School Governing Body, closed 27.02.19
3 = Canonium Board Directors, commencing 28.02.19
4 = Canonium Trust Members, commenced 28.02.19
5 = Teaching and Learning Council Members, commence 28.02.19

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to deal with all financial matters, to implement the approved budget, to advise the Head Teacher on matters relating to the finances of the school and to review and implement the set of Financial Regulations drawn up the school. The Finance and Premises Committee is required to abide by the requirements and guidelines of the EFA and DfE. Specifically:

Finance

- To ensure that all standards fund receivable via the Secretary of State are used only as described.
- To prepare and approve the annual budget for expenditure in the forthcoming financial year.
- To keep under review the schools' actual financial performance compared to the budgeted performance and to take remedial action as necessary. Such action to be reported to the Board of Directors. In all cases liaison must be maintained with the appropriate committees.
- To make decisions as to spending within the delegated powers given to it.
- To advise the Board of Directors on the appropriateness or otherwise of spending requests outside the delegated powers given to it.
- To agree and determine charges for the letting of the school premises including the grounds;
- To make decisions and determine charges for the letting of the school premises including the grounds
- To make decisions as to allocations within agreed budgets and in accordance with Financial Regulations, within the delegated powers given to it as stated.
- To advise the Board of Directors on the appropriateness or otherwise of reallocation requests outside the delegated powers given to it as stated.
- To monitor all spending in the school. Such monitoring will require full liaison with the appropriate committees.
- To receive reports from the Responsible Officer.
- To decide any matter which arises and does not fall within the remit of any other committee.

Premises

- To have oversight of the Asset Management Plan.
- To monitor and review all aspects of maintenance and improvement or repair to the buildings, grounds and plant including security.
- To ensure that there are no shortfalls in the minimum standards laid down, particularly relating to Health & Safety Regulations.
- To administer applications for hire of premises and to be presented to the Full Board of Directors.
- To ensure that the character of the school's building is retained.
- To monitor and approve appropriate expenditure relating to Capital Grants.
- To appoint architects, builders, ground maintenance teams, surveyors etc according to the established procedures laid down by school directors and monitor all aspects of their work.
- To monitor aspects of expenditure and control of maintenance and improvement to the school premises.
- To report all aspects of improvement and requirements for the smooth running of the school, in relation to the premises, to the full Board of Directors.
- To receive reports from the Premises Officer and to delegate powers for day-to-day matters to the Head Teacher(s)/Acting Head Teacher(s).

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by switching payroll services provider. This service is provided at a similar cost but the reduction in queries and administrative errors with the provider combined with a more accessible service have led to a reduced burden on the academy.

The trust's system of financial governance includes strong oversight by the trustees and accounting officer. Formal delegated levels of authority and robust financial procedures ensure that the Trust's Directors have the opportunity to review significant spending plans and that internal controls and checks are in place. The Finance & Premises Committee receives monthly budget reports and bank balances. In addition to adequate general insurance, the trust has decided to self-insure against staff absence costs as claims were consistently below the annual premium cost of £10K. A reserve of £20K is being allocated to this purpose at the start of each financial year.

The Trust sources competitive pricing from multiple suppliers to ensure best value is obtained. Replacement roofing and playground tarmacking were key examples in the period in question. Options appraisal is used when significant spend is planned. In 2017-18 we successfully received Condition Improvement Funding for an electrical upgrade and a new boiler for the original part of the 1967 building.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Canonium Learning Trust (formerly Kelvedon Academy Trust) for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mark Walsh, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes a range of checks on the academy trust's financial systems including testing of all finance systems against the Academy's Financial Procedures Policy.

On an annual basis, the reviewer reports to the board of Trustees through the finance and premises committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

As accounting officer, the Head Teacher 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 reviewer;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 28 November 2019 and signed on their behalf by:

.....
Andrew Hayman CBE QPM
Chair of Trustees

.....
Michael Walsh B.Ed (Hons) NPQH
Accounting Officer

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Canonium Learning Trust (formerly Kelvedon Academy Trust) I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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.

.....
Michael Walsh B.Ed (Hons) NPQH
Accounting Officer

Date:

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
Andrew Hayman

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)**

Opinion

We have audited the financial statements of Canonium Learning Trust (formerly Kelvedon Academy Trust) (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST) (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST) (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Neil Cundale BSc ACA (senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date:

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CANONIUM
LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST) AND THE EDUCATION & SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 11 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Canonium Learning Trust (formerly Kelvedon Academy Trust) during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Canonium Learning Trust (formerly Kelvedon Academy Trust)'s
accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Canonium Learning Trust (formerly Kelvedon Academy Trust)'s funding agreement with the Secretary of State for Education dated 27 February 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CANONIUM
LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST) AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopkins LLP

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date:

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and capital grants	4	72,329	-	66,545	138,874
Charitable activities		119,117	1,771,893	-	1,891,010
Other trading activities		96,239	-	-	96,239
Investments	7	2,101	14,000	-	16,101
Total income		289,786	1,785,893	66,545	2,142,224
Expenditure on:					
Charitable activities	9	187,995	1,888,682	146,698	2,223,375
Net income/(expenditure)		101,791	(102,789)	(80,153)	(81,151)
Transfers between funds	19	(18,000)	(31,807)	49,807	-
Net movement in funds before other recognised gains/(losses)		83,791	(134,596)	(30,346)	(81,151)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	24	-	(136,000)	-	(136,000)
Net movement in funds		83,791	(270,596)	(30,346)	(217,151)
Reconciliation of funds:					
Total funds brought forward		283,047	(315,555)	3,845,853	3,813,345
Net movement in funds		83,791	(270,596)	(30,346)	(217,151)
Total funds carried forward		366,838	(586,151)	3,815,507	3,596,194

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

The notes on pages 31 to 56 form part of these financial statements.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)
REGISTERED NUMBER: 08403703

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	3,815,507	3,845,853
Current assets			
Debtors	16	92,073	60,464
Cash at bank and in hand		605,797	601,293
		<u>697,870</u>	<u>661,757</u>
Creditors: amounts falling due within one year	17	(209,183)	(166,265)
Net current assets		<u>488,687</u>	<u>495,492</u>
Net assets excluding pension liability		<u>4,304,194</u>	<u>4,341,345</u>
Defined benefit pension scheme liability	24	(708,000)	(528,000)
Total net assets		<u><u>3,596,194</u></u>	<u><u>3,813,345</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	3,815,507	3,845,853
Restricted income funds	19	121,849	212,445
		<u>3,937,356</u>	<u>4,058,298</u>
Restricted funds excluding pension asset	19	3,937,356	4,058,298
Pension reserve	19	(708,000)	(528,000)
Total restricted funds	19	<u>3,229,356</u>	<u>3,530,298</u>
Unrestricted income funds	19	366,838	283,047
Total funds		<u><u>3,596,194</u></u>	<u><u>3,813,345</u></u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

Andrew Hayman
Chair of Trustees

The notes on pages 31 to 56 form part of these financial statements.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	<i>2018</i> £
Cash flows from operating activities			
Net cash provided by operating activities	21	96,821	<i>230,218</i>
Cash flows from investing activities	22	(92,317)	<i>(137,957)</i>
Change in cash and cash equivalents in the year		4,504	<i>92,261</i>
Cash and cash equivalents at the beginning of the year		601,293	<i>509,032</i>
Cash and cash equivalents at the end of the year	23	605,797	<i>601,293</i>

The notes on pages 31 to 56 from part of these financial statements

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. General information

Canonium Learning Trust is a company limited by guarantee, incorporated in England & Wales. Its registered office address is detailed on the reference and administrative details page of these financial statements.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Canonium Learning Trust (formerly Kelvedon Academy Trust) meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

2.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Tangible fixed assets

Assets costing £1,000 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 statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land 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:

Depreciation is provided on the following basis:

Leasehold property	-	2% straight line
Furniture and fixtures	-	10% straight line
Computer equipment	-	33% straight line

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

2.7 Debtors

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

2.8 Cash at bank and in hand

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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.9 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

2.11 Pensions

2.12 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Kelvedon Pre School transfer	30,092	42,508	72,600
Donations	42,237	-	42,237
Capital Grants	-	24,037	24,037
	<u>72,329</u>	<u>66,545</u>	<u>138,874</u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	26,881	-	26,881
Capital Grants	-	11,539	11,539
	<u>26,881</u>	<u>11,539</u>	<u>38,420</u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Funding for the academy's educational activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant	-	1,411,864	1,411,864
Universal Infant Free School Meals	-	58,564	58,564
Other ESFA Grants	-	55,193	55,193
Pupil Premium	-	56,230	56,230
	-	1,581,851	1,581,851
Other Government Grants			
Other Government Grants	-	190,042	190,042
	-	190,042	190,042
Other funding			
Catering Income	40,684	-	40,684
Music Income	15,433	-	15,433
Trip Income	33,555	-	33,555
Sundry Income	29,445	-	29,445
	119,117	1,771,893	1,891,010

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant	-	1,310,678	1,310,678
Start up grants	-	69,265	69,265
Other ESFA Grants	-	80,000	80,000
Pupil Premium	-	65,135	65,135
	-	1,525,078	1,525,078
Other Government Grants			
Other Government Grants	-	81,554	81,554
	-	81,554	81,554
Other income			
Catering Income	49,097	-	49,097
Music Income	14,255	-	14,255
Trip Income	32,697	-	32,697
Sundry Income	8,141	-	8,141
	104,190	1,606,632	1,710,822

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Lettings Income	10,157	10,157	17,756
Consultancy Income	86,082	86,082	131,668
	96,239	96,239	149,424

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Investment income - local cash	2,101	-	2,101
Pension income	-	14,000	14,000
	2,101	14,000	16,101
	2,101	14,000	16,101
		<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Investment income - local cash		1,465	1,465
		1,465	1,465

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational Activities:				
Direct costs	1,254,215	-	146,520	1,400,735
Allocated support costs	247,018	149,916	425,706	822,640
	<u>1,501,233</u>	<u>149,916</u>	<u>572,226</u>	<u>2,223,375</u>
	<i>Staff Costs 2018 £</i>	<i>Premises 2018 £</i>	<i>Other 2018 £</i>	<i>Total 2018 £</i>
Educational Activities:				
Direct costs	1,154,450	-	80,991	1,235,441
Allocated support costs	208,276	126,732	326,789	661,797
<i>Total 2018</i>	<u>1,362,726</u>	<u>126,732</u>	<u>407,780</u>	<u>1,897,238</u>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Educational Activities	<u>187,995</u>	<u>2,035,380</u>	<u>2,223,375</u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Educational Activities	<u>160,663</u>	<u>1,736,575</u>	<u>1,897,238</u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Activities	1,400,735	822,640	2,223,375

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational Activities	1,235,441	661,797	1,897,238

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	233,422	208,276
Depreciation	146,698	135,183
Auditors Remuneration	49,476	22,826
Technology Costs	27,334	9,993
Other Support costs	215,652	165,263
Security and Transport	150,058	120,256
	822,640	661,797

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	<i>2018</i>
	£	£
Depreciation of tangible fixed assets	146,700	<i>135,183</i>
Fees paid to auditors for:		
- audit	6,875	<i>6,875</i>
- other services	5,300	<i>3,214</i>
	=====	=====

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	<i>2018</i>
	£	£
Wages and salaries	1,171,893	<i>1,058,667</i>
Social security costs	87,417	<i>90,836</i>
Pension costs	241,923	<i>213,223</i>
	<u>1,501,233</u>	<i><u>1,362,726</u></i>

b. Staff numbers

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

	2019	<i>2018</i>
	No.	No.
Teachers	22	<i>18</i>
Support Staff	39	<i>29</i>
Senior Leadership Team	7	<i>7</i>
	<u>68</u>	<i><u>54</u></i>

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	No.
In the band £80,001 - £90,000	<u>1</u>	<i><u>1</u></i>

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 contributions) received by key management personnel for their services to the academy trust was £363,536 (2018: £377,693).

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Trustees' remuneration and expenses

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

		2019	2018
		£	£
Mike Walsh	Remuneration	85,000 - 90,000	<i>85,000 - 90,000</i>
	Pension contributions paid	10,000 - 15,000	<i>10,000 - 15,000</i>
Emma Johnston	Remuneration		<i>35,000 - 40,000</i>
	Pension contributions paid		<i>5,000 - 10,000</i>
Samantha Smale	Remuneration	25,000 - 30,000	<i>20,000 - 25,000</i>
	Pension contributions paid	0 - 5,000	<i>5,000 - 10,000</i>
Jennifer Bull	Remuneration	35,000 - 40,000	<i>35,000 - 40,000</i>
	Pension contributions paid	0 - 5,000	<i>5,000 - 10,000</i>
Alicia Jenkins	Remuneration	25,000 - 30,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £400 (2018 - £400). The cost of this insurance is included in the total insurance cost.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	3,982,421	213,646	135,211	4,331,278
Additions	110,808	5,089	457	116,354
At 31 August 2019	<u>4,093,229</u>	<u>218,735</u>	<u>135,668</u>	<u>4,447,632</u>
Depreciation				
At 1 September 2018	320,275	86,606	78,544	485,425
Charge for the year	78,474	39,290	28,936	146,700
At 31 August 2019	<u>398,749</u>	<u>125,896</u>	<u>107,480</u>	<u>632,125</u>
Net book value				
At 31 August 2019	<u>3,694,480</u>	<u>92,839</u>	<u>28,188</u>	<u>3,815,507</u>
At 31 August 2018	<u>3,662,146</u>	<u>127,040</u>	<u>56,667</u>	<u>3,845,853</u>

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	200	-
Other debtors	19,417	5,735
Prepayments and accrued income	72,456	54,729
	<u>92,073</u>	<u>60,464</u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	3,155	4,732
Trade creditors	-	1,073
Other taxation and social security	23,372	22,632
Other creditors	28,631	46,466
Accruals and deferred income	154,025	91,362
	209,183	166,265
	209,183	166,265
	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	58,876	87,092
Resources deferred during the year	138,225	58,876
Amounts released from previous periods	(58,876)	(87,092)
	138,225	58,876
	138,225	58,876

At the balance sheet date the academy trust was holding funds received in advance from the ESFA for free school meals, start up grant and devolved formula capital grant. The academy was also holding school trip income in respect of the following financial year end.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Financial instruments

	2019	<i>2018</i>
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	605,797	<i>601,293</i>
Financial assets that are debt instruments measured at amortised cost	8,930	<i>9,830</i>
	<u>614,727</u>	<u><i>611,123</i></u>
	<u>614,727</u>	<u><i>611,123</i></u>
	2019	<i>2018</i>
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	(47,586)	<i>(84,758)</i>
	<u>(47,586)</u>	<u><i>(84,758)</i></u>
	<u>(47,586)</u>	<u><i>(84,758)</i></u>

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

Financial assets that are debt instruments measured at amortised cost comprise accrued income.

Financial liabilities measured at amortised cost comprise loans, trade creditors, accruals and other creditors.

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Staff insurance	20,000	-	-	-	-	20,000
PFTA contribution and donations	18,000	-	-	(18,000)	-	-
	<u>38,000</u>	<u>-</u>	<u>-</u>	<u>(18,000)</u>	<u>-</u>	<u>20,000</u>
General funds						
General Funds - all funds	245,047	289,786	(187,995)	-	-	346,838
Total Unrestricted funds	<u>283,047</u>	<u>289,786</u>	<u>(187,995)</u>	<u>(18,000)</u>	<u>-</u>	<u>366,838</u>
Restricted general funds						
General Annual Grant (GAG)	212,445	1,518,428	(1,577,217)	(31,807)	-	121,849
Pupil Premium	-	56,230	(56,230)	-	-	-
Other Government Grants	-	197,235	(197,235)	-	-	-
Pension reserve	(528,000)	14,000	(58,000)	-	(136,000)	(708,000)
	<u>(315,555)</u>	<u>1,785,893</u>	<u>(1,888,682)</u>	<u>(31,807)</u>	<u>(136,000)</u>	<u>(586,151)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	3,845,853	66,545	(146,698)	49,807	-	3,815,507
Total Restricted funds	<u>3,530,298</u>	<u>1,852,438</u>	<u>(2,035,380)</u>	<u>18,000</u>	<u>(136,000)</u>	<u>3,229,356</u>
Total funds	<u><u>3,813,345</u></u>	<u><u>2,142,224</u></u>	<u><u>(2,223,375)</u></u>	<u><u>-</u></u>	<u><u>(136,000)</u></u>	<u><u>3,596,194</u></u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

Other ESFA grants represents core funding, including:

- Academy Infant grant
- Additional Insurance grant
- Rates Relief grant
- PE and Sports grant

The restricted fixed asset fund includes the leasehold property and all other fixed assets greater than £1,000. Depreciation charged on the assets is allocated to the fund. The transfer of restricted funds to the fixed asset reserve fund represents the spending of restricted monies for fixed asset additions in line with the terms of the grant.

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and future GAG funding agreed by the Education and Skills Funding Agency is expected to be sufficient to take the fund back into surplus.

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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
Designated funds						
Staff insurance	-	-	-	20,000	-	20,000
PFTA contribution and donations	-	18,000	-	-	-	18,000
	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>38,000</u>
General funds						
General Funds - all funds	161,749	263,960	(160,662)	(20,000)	-	245,047
Total Unrestricted funds	<u>161,749</u>	<u>281,960</u>	<u>(160,662)</u>	<u>-</u>	<u>-</u>	<u>283,047</u>
Restricted general funds						
General Annual Grant (GAG)	163,613	1,310,678	(1,253,439)	(8,407)	-	212,445
Pupil Premium	-	65,135	(65,135)	-	-	-
Other Government Grants	-	230,819	(230,819)	-	-	-
Pension reserve	(588,000)	-	(52,000)	-	112,000	(528,000)
	<u>(424,387)</u>	<u>1,606,632</u>	<u>(1,601,393)</u>	<u>(8,407)</u>	<u>112,000</u>	<u>(315,555)</u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
	£	£	£	£	£	£
Restricted fixed asset funds						
Assets held for depreciation	2,878,915	-	(135,183)	1,102,121	-	3,845,853
Assets under construction	952,628	-	-	(952,628)	-	-
CIF Capital Income Grant	129,547	3,365	-	(132,912)	-	-
Devolved Capital Grant	-	8,174	-	(8,174)	-	-
	<u>3,961,090</u>	<u>11,539</u>	<u>(135,183)</u>	<u>8,407</u>	<u>-</u>	<u>3,845,853</u>
Total Restricted funds	<u>3,536,703</u>	<u>1,618,171</u>	<u>(1,736,576)</u>	<u>-</u>	<u>112,000</u>	<u>3,530,298</u>
Total funds	<u><u>3,698,452</u></u>	<u><u>1,900,131</u></u>	<u><u>(1,897,238)</u></u>	<u><u>-</u></u>	<u><u>112,000</u></u>	<u><u>3,813,345</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019	Restricted funds 2019	Restricted fixed asset funds 2019	Total funds 2019
	£	£	£	£
Tangible fixed assets	-	-	3,815,507	3,815,507
Current assets	401,600	296,270	-	697,870
Creditors due within one year	(34,762)	(174,421)	-	(209,183)
Provisions for liabilities and charges	-	(708,000)	-	(708,000)
Total	<u><u>366,838</u></u>	<u><u>(586,151)</u></u>	<u><u>3,815,507</u></u>	<u><u>3,596,194</u></u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	3,845,853	3,845,853
Current assets	283,047	378,710	-	661,757
Creditors due within one year	-	(166,265)	-	(166,265)
Provisions for liabilities and charges	-	(528,000)	-	(528,000)
Total	<u>283,047</u>	<u>(315,555)</u>	<u>3,845,853</u>	<u>3,813,345</u>

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per statement of financial activities)	<u>(81,151)</u>	<u>2,893</u>
Adjustments for:		
Depreciation	146,700	135,184
Capital grants from DfE and other capital income	(24,037)	(11,539)
Defined benefit pension scheme cost less contributions payable	44,000	52,000
(Increase)/decrease in debtors	(31,609)	63,323
Increase/(decrease) in creditors	42,918	(11,643)
Net cash provided by operating activities	<u>96,821</u>	<u>230,218</u>

22. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(116,354)	(149,494)
Capital grants from DfE Group	24,037	11,537
Net cash used in investing activities	<u>(92,317)</u>	<u>(137,957)</u>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	605,797	601,293
Total cash and cash equivalents	605,797	601,293

24. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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 2016.

Contributions amounting to £23,534 were payable to the schemes at 31 August 2019 (2018 - £20,516) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 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% employer administration charge)
- 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

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

The new employer contribution rate is applicable from 1 April 2019 and will be implemented for the TPS from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £118,136 (2018 - £111,127).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £83,645 (2018 - £67,273), of which employer's contributions totalled £66,702 (2018 - £53,102) and employees' contributions totalled £ 16,943 (2018 - £14,171). The agreed contribution rates for future years are 16.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	<i>2018</i>
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65

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

	2019	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

Sensitivity analysis

	2019	<i>2018</i>
	£000	<i>£000</i>
Discount rate +0.1%	1,254	963
Discount rate -0.1%	1,311	1,006
Mortality assumption - 1 year increase	1,331	1,017
Mortality assumption - 1 year decrease	1,234	952
CPI rate +0.1%	1,286	987
CPI rate -0.1%	1,278	981

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

	At 31 August 2019	<i>At 31 August 2018</i>
	£	<i>£</i>
Equities	362,000	289,000
Gilts	32,000	24,000
Property	46,000	41,000
Cash and other liquid assets	17,000	16,000
Alternative assets	56,000	41,000
Other managed funds	29,000	18,000
Other bonds	32,000	27,000
Total market value of assets	574,000	<i>456,000</i>

The actual return on scheme assets was £40,000 (2018 - £25,000).

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

	2019	<i>2018</i>
	£	<i>£</i>
Current service cost	(110,000)	<i>(103,000)</i>
Past service cost	(14,000)	-
Interest income	40,000	25,000
Interest cost	(26,000)	<i>(25,000)</i>
Total amount recognised in the Statement of financial activities	(110,000)	<i>(103,000)</i>

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	881,000	959,000
Interest cost	26,000	25,000
Employee contributions	17,000	14,000
Actuarial losses/(gains)	136,000	(112,000)
Benefits paid	(5,000)	(5,000)
Past service costs	14,000	-
At 31 August	1,069,000	881,000

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

	2019 £	2018 £
At 1 September	456,000	371,000
Expected return on assets	27,000	15,000
Interest income	13,000	10,000
Employer contributions	66,000	51,000
Employee contributions	17,000	14,000
Benefits paid	(5,000)	(5,000)
At 31 August	574,000	456,000

25. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	25,709	25,422
Later than 1 year and not later than 5 years	41,616	61,194
Later than 5 years	5,386	12,316
	72,711	98,932

CANONIUM LEARNING TRUST (FORMERLY KELVEDON ACADEMY TRUST)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. 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.

27. Related party transactions

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