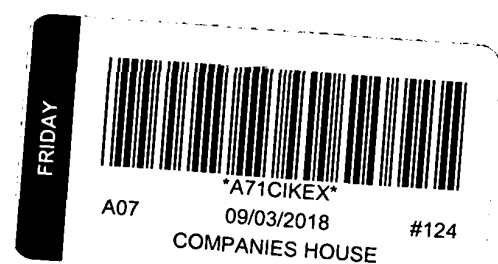


Company Registration Number: 08190591 (England & Wales)

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Annual Report and Financial Statements**

**For the year ended 31 August 2017**



**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Contents**

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 9
<b>Governance statement</b>	10 - 13
<b>Statement on regularity, propriety and compliance</b>	14
<b>Statement of Trustees' responsibilities</b>	15
<b>Independent auditors' report on the financial statements</b>	16 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities incorporating income and expenditure account</b>	21
<b>Balance sheet</b>	22
<b>Statement of cash flows</b>	23
<b>Notes to the financial statements</b>	24 - 42

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Reference and Administrative Details**  
**For the year ended 31 August 2017**

<b>Members</b>	J Sleet P Burch J Timms J Sneddon J ThorntonWeeks S Jones
<b>Trustees</b>	J Sleet, Chairman of Trustees <sup>1</sup> J Timms P Burch B Ingram, Chairman <sup>1,2</sup> R Kelly, Accounting Officer <sup>1</sup> A Campbell <sup>2</sup> J Thomas <sup>2</sup> M McKay <sup>2</sup>  <sup>1</sup> Member of the Finance Committee <sup>2</sup> Governor but not a trustee
<b>Company registered number</b>	08190591
<b>Company name</b>	The Complementary Education Academy Limited
<b>Principal and registered office</b>	Cromwell Campus Poole Street Northampton NN1 3EX
<b>Senior management team</b>	R Kelly, Headteacher J Thomas, Deputy Headteacher L Bridger, Assistant Headteacher M Potts, Assistant Headteacher A Tuck, Director of Finance and Administration
<b>Independent auditors</b>	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
<b>Bankers</b>	Lloyds Bank plc George Row Northampton NN1 1DJ
<b>Solicitors</b>	Veale Wasbrough Vizardds LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the year ended 31 August 2017**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. 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 11 to 16 serving a catchment area in Northamptonshire. It has a pupil capacity of 230 and had a roll of 242 in the school census on 18th May 2017.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of The Complementary Education Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Complementary Education Academy Limited.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

The trustees of The Complementary Education Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Complementary Education Academy Limited. The Complementary Education Academy is also known as The CE Academy. The company carries on the business of a Pupil Referral Unit (PRU), as a Alternative Provision Academy (AP).

Details of the trustees who served during the year are included in the Reference and Administrative Details.

**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 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.

**c. Trustees' indemnities**

As required in the Articles of Association The Academy has registered with the RPA to cover the liability of Trustees/Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. The cover under the policy is £10,000,000 and in the period under review no sums have been paid out.

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

As laid down in sections 45-67a of the Articles of Association the number of Directors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The Academy has the following Trustees/Governors:

- (a) 4 Community Trustees/Governors
- (b) 1 FE Trustee/Governor
- (c) 1 local Executive Headteacher Trustees/Governor

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

- (d) 1 Parent Trustee/Governor
- (e) 1 Staff Trustee/Governor
- (f) The Headteacher

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

Before conversion members of the PRU Management Committee encouraged the transfer to Academy status and transferred to the new Board of Trustees/Governing Body. Other Professionals with an interest in Alternative Provision were invited by the Headteacher and other Trustees/Governors to join.

The Trustees have requested a second parent/carer Trustee/Governor be appointed and all parents/carers have been invited to nominate applicants.

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

All Trustees/Governors have an introductory session with the Headteacher. Additional training is available and Trustees/Governors are regularly notified of courses offered by the LA and other providers. Trustees/Governors are invited to relevant in-house training. A log is kept of Trustee/Governor training and will be reviewed annually.

All Trustees/Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees/Governors.

**f. Organisational structure**

The Academy's Headteacher is the Accounting Officer. Her main task is to execute the policies agreed by the Academy in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the Academy's young people. The Academy's Board of Trustees/Governing Body has delegated the Headteacher extensive power to make decisions quickly and efficiently in respect of the Headteacher's responsibilities. A School Leadership team consisting of a Deputy Headteacher, 2 Assistant Headteachers and a Leading Practitioner support the Headteacher in managing the Academy. The Trustees/Governors ensure good governance and determine the general policies of the Academy. The size of the Academy does not necessitate specialist sub-committees. However a Finance sub-committee has been established. The Finance sub-committee reports to the full Board of Trustees/Governing Body giving detailed information. Trustees/Governors are responsible for ensuring the budget is completed to meet statutory financial obligations and a viable business is maintained.

**g. Pay policy for key management personnel**

The Senior Leadership Team is paid in accordance with the School Teachers' Conditions of Service and/or NJC pay and conditions of service. All roles were benchmarked before conversion.

The Academy compares its staffing costs in order to ensure it is in line with similar establishments.

The Trustees and Governors oversee the remuneration of key management personnel. The Chair of Governors undertakes the Performance Management of the Headteacher/Accounting Officer and makes recommendation to the Board of Trustees along with evidence of targets met.

**h. Connected organisations, including related party relationships**

There are no related parties which either control or significantly influence the decisions and operations of the CE Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

**Strategic report**

**Objectives and Activities**

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

**a. Objects and aims**

- To provide a broad and balanced education for 11-16 aged children permanently excluded from schools or at risk of exclusion from mainstream/special schools and for school-age mothers
- To make specially organised provision for pupils with special educational needs
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of The Academy by keeping the curriculum and organisational structure under continual review
- To comply with statutory curriculum requirements
- To improve pupils life chances by ensuring they have a positive outcome/destination at the end of year 11
- To provide value for money
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**b. Objectives, strategies and activities**

- The young people are at the centre of everything we do, all decisions are considered in relation to the impact on the young people
- The Complementary Education Academy will continue to provide education for KS3 and KS4 young people at risk of exclusion, permanently excluded and school-age mothers
- To make specially organised provision for pupils with special educational needs
- To provide tuition and learning opportunities for all students to attain appropriate academic qualifications
- A priority is to continue to raise the GCSE grades and numbers of entries. As a part of this strategy, The Academy appointed a Lead Practitioner to effect change.
- The Academy is committed to making improvements for the benefit of the young people
- The Academy is committed to being open and trusting
- To have a culture that cares for the individual, both staff and pupils, and promotes inclusivity, equality and mutual respect.
- To provide C&G Vocational qualifications in Catering, Hair and beauty.
- The Academy continues to promote its work with schools and to increase the proportion of the intake 'at risk of exclusion' rather than permanently excluded.
- The Academy will maintain sufficient reserves to secure against identified risks – in particular the recently opened AP provision in Northampton and the proposed AP Free school – Spires Academy due to open in September 2018
- All staff are given opportunities for further training.

**c. Public benefit**

The Trustees have referred to the public benefit guidance contained in part 1, section 4 of the Charities Act 2006 and the SORP (items GL 49) to have due regard to the Charity Commission's published general and relevant guidance when they have reviewed the Academy's aims and objectives. This has been used in planning future activities to ensure the primary objective of the Academy is achieved rather than providing a financial return.

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

**Achievements and performance**

**a. Factors relevant to achieve objectives**

The Academy has now completed its fifth year and is pleased to report another good year for examination results and destinations. The CE Academy has again surpassed the national results for alternative provision. The commitment of staff and the excellent working relationship with Prospects has resulted in few NEET. This year

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

saw another increased number of young people moving on to further education.

Young people joining the Academy late in the year are either entered for examinations through their schools, in which case the Academy supported as necessary; others took at least one GCSE or vocational qualification as appropriate.

The Academy considers a major challenge is to sustain these outcomes in light of the continuing changes within the GCSE curriculum. It will maintain focus on delivery of vocational qualifications and aim to increase the offer of Level 2 Hair and Beauty.

The Academy's self-assessment procedures are now fully embedded and pupils are more aware of how they can improve their work. The use of GCSE pod has been trialled and its use will be increased next academic year both for homework and revision.

In addition the introduction of baseline assessments for reading, spelling and comprehension with pupils who require support being identified and a targeted support plan put in place.

During the year a number of staff qualified to train young people in peer tutoring. A number of Key Stage 4 young people were trained and staff were impressed with their work with the Key Stage 3 pupils.

Work was carried out with the School of Life to run an intergenerational project. A group of older people attended a tea dance at The Kitchen at Spring Gardens. Young people did the catering, compered the event and were involved in dancing with the older people. There was a lot of praise from the visitors and a request the event should be repeated! Two of the prizes were for hair or beauty treatments provided by CE young people and two older people enjoyed benefiting from their prizes.

Another part of the Intergenerational Project involved older people visiting the school age mothers' campus and teaching young people how to knit. The knitting then contributed to a 'Yarn Bomb' that took place one weekend in June in Abingdon Park. CE Academy had knitted a complete covering for a bench.

Young people at CE chose MacMillan as their charity this year. This was led by two young people who visited all the campuses with a Powerpoint presentation to ensure countywide agreement to their proposal.

The hard work of staff has resulted in City and Guilds accreditation for Hair and Beauty.

Young people attending Fermyn Woods have had their art chosen for display in a gallery in Leicester. Some young people also sold their work.

Once again the Academy's intention to grow their own teachers was again rewarded by the successful completion of her NQT year by a member of staff who joined the Academy as a support assistant.

The Occupational Health Therapist is now virtually full-time with the Academy. She has made a significant impact on the mental health of the young people and, when necessary, has also been available to support staff.

The Robert Jeffrey Centre in Govilon was very much enjoyed by four groups of young people and as always helped to secure relationships between staff and pupils.

The year ended for the Year 11s with a School Prom. Food was prepared by the young people, the disco and photographs by members of staff and two young people. A committee of students and staff had planned the event with a theme of 'Night under the Stars'. Young people and staff decorated the rooms and it looked very impressive as did the young people. Another very successful Prom for CE Academy.

**b. Key performance indicators**

During early December The Academy had an unannounced Ofsted inspection. Three inspectors checked Safeguarding of the young people, observed lessons and visited our partner providers. At the end of the inspection the 'Outstanding' grading was retained. This was obviously a very pleasing outcome.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

"The headteacher and the senior leaders have ensured that safeguarding pupils is at the very core of the school's work, and that of its staff. Senior leaders actively promote a culture of vigilance that encourages staff to review regularly pupils' attendance, behaviour and welfare. The open and clear communication channels that exist between staff and leaders across all of the school's seven sites enable staff to share quickly any safeguarding concerns they may have. Consequently, staff and leaders are able to take well-considered, timely and effective action to support pupils who are experiencing difficulties. In so doing, they are able to ensure that pupils are safe and that, furthermore, they understand how to be safe." (Ofsted 2016)

"Those pupils the inspectors met are appreciative of the close support that they receive from their key tutors, their teachers and senior leaders. They recognise how the work of all staff enables them to keep safe. They said that they feel safe at the school and have people they can speak with if they have any concerns. They are confident that staff would take action to help them resolve their concerns." (Ofsted 2016)

"The school works effectively with a wide range of external agencies to ensure that pupils are helped to keep safe, and learn how to be safe." (Ofsted 2016)

For full report:- [www.ce-academy.org/ofsted](http://www.ce-academy.org/ofsted).

In light of the significant changes to the English and Mathematics GCSE specifications for 2017 the Academy's major challenge was to sustain the percentage of pupils who successfully passed their GCSE's.

Another large cohort of year 11 pupils (88 pupils) sat their examinations in summer 2017. In addition the majority of pupils undertook vocational courses in a variety of subjects including Equine Learning, Motor Vehicle, Hair and Beauty, Catering and Hospitality, Fishing and Photography.

The Academy continues to work with vulnerable pupils who have experienced disruptions to their schooling through, exclusion, attendance concerns and pregnancy. In 2017 68% of pupils were in receipt of Pupil Premium and 83% were designated as persistently absent at their mainstream school. These pupils vary significantly in their attitude to work, prior learning and ability to engage with the curriculum.

2017 proved to be a successful year for year 11 pupils, with 57% of pupils achieving 5 A\*-G GCSE grade or equivalent. This is a significant increase on 2016 and is particularly satisfactory in light of the revised GCSE specifications.

National comparisons are using data obtained from 2015 & 2016 data; <https://www.gov.uk/government/collections/statistics-gcses-key-stage-4>.

To help measure the success of our pupils The Academy compares its GCSE examination data with national data from previous years using a wide variety of headline measures and drawing comparisons with data from similar schools nationally. This shows that pupils at The CE Academy achieve far in excess of pupils at similar schools nationally for all measures used. The Academy is also very pleased to recognise that results achieved in 2017 are also in excess of the results that were achieved in 2016.

In 2016 the Government introduced new accountability measures for schools in the form of Progress 8 and Attainment 8. In previous years CE Academy calculated average GCSE points score to draw further comparisons with similar schools nationally. Progress 8 data has not been obtainable presumably due to the numbers of pupils on roll for whom reliable baseline data is not available. Therefore at The CE Academy we have focused on obtaining Attainment 8 data to draw comparison with similar schools nationally. See data dashboard at [www.ce-academy.org](http://www.ce-academy.org) – Academy Data.

The Academy is aware that it is difficult to make comparisons between 2016 and 2017 GCSE Attainment 8 data. To facilitate this, and draw a meaningful comparison the Academy has calculated 2017 Attainment 8 using 2016 GCSE points. From this it is pleasing to see that Attainment 8 data is in excess to similar schools nationally and has improved from 2016 to 2017.

The Academy has a proud tradition of pupils in receipt of pupil premium achieving in line with non-pupil premium pupils. Once again the Academy has drawn comparison between Pupil Premium and Non Pupil Premium cohort, comparing those who achieved 1 A\*-G grade and 1 A\*-C grade. This shows that pupils who are in receipt of



## **THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**

**(A company limited by guarantee)**

### **Trustees' Report (continued) For the year ended 31 August 2017**

pupil premium perform at approximately the same level as those who do not receive pupil premium. This has been achieved with both Pupil Premium and Non Pupil Premium pupils significantly outperforming pupils at similar schools nationally. This pattern has now been sustained for several years.

In 2017 pupils in care of the Local Authority achieved in line with other pupils at The CE Academy. All LAC pupils achieved at least 1 GCSE and over 50% achieved 5+ A\*-G grades and at least 1 A\*-C grade. LAC pupils also achieved an Attainment 8 score that was twice that of all pupils at similar schools nationally.

With such a fluctuating school roll the Academy always ensure that the GCSE results are analysed in their own right. However there is a constant drive to improve and so always compare its performance data with previous years.

With the on-site vocational education further embedded, combined with its established links with partner educational providers the Academy continues to focus on pupils achieving meaningful vocational qualifications alongside their GCSE examinations.

During introductory meetings with families for each new pupil the Academy ensures there is a conversation regarding "next steps". The Academy considers an exclusion from a school should not be a barrier to future life chances. Therefore a destination for KS4 pupils along with the consideration of a reintegration to a mainstream school for KS3 pupils is always discussed.

A key focus for all year 11 pupils is on identifying and applying for a college course, apprenticeship, job or training course for the end of year 11. Often more than one application is made. This work is undertaken by both key tutors and "Prospects" who provide independent CEIAG to the pupils at The CE Academy.

The most recent NEET data that we have identified shows that 94% of pupils at state funded Secondary Schools were in a sustained destination in 2015, the figure for pupils who attended Alternative Provision was 60%. As of September 2017 96% of year 11 pupils who were on roll at The CE Academy in June 2017 had secured a destination.

#### **c. Going concern**

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

#### **Financial review**

##### **a. Financial Review**

The principal source of income for the Academy during the year was obtained from the DfE in the form of the General Annual Grant. In addition the Academy received Top Up funding from Northamptonshire County Council for permanently excluded pupils and income from other mainstream schools and Academies for Dual Registrations. This income and associated expenditure are shown as restricted funds in the statement of financial activities.

Incoming resources during the year totalled £4,855k and resources expended totalled £4,773k (excluding FRS 102 pension charges) resulting in a surplus after transfers to fixed asset funds of £82k. During the year £166k was transferred from the restricted fund to the restricted fixed asset fund for the acquisition of additional fixed assets necessary for curriculum delivery and the continuing operations of the Academy. The majority of these additional fixed assets were purchased to replace table and chairs and to update the interactive smartboards.

Key financial policies reviewed in the year include the Finance procedure for campus secretaries, Debit card procedure, Petty cash guidelines, Disaster recovery, Fraud policy & procedure, Finance Risk Register,. These policies are supported by additional policies including the following: Financial Probity Policy, Fixed Assets Policy, Finance Policy which establishes the framework for financial management, including the key financial responsibilities of the Governing Body and key officers of the Academy and the scheme of delegation.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

As at 31 August 2017 the net book value of fixed assets was £3,985k and movements in tangible fixed assets are shown in note 15 to the financial statements. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In 2016 the Academy was successful in receiving a Condition Improvement Fund (CIF) grant from the EFA for £366k, towards the upgrade of the electrics and fire alarms at the Fairlawn Campus. The majority of the work had been carried out in 2015-16 (£251k), with the remaining work completed within this financial year (£154k). Governors had agreed to contribute 10% (£39k) of the cost from the Academies reserves.

The Academy used the remainder of the Pupil Premium Awards funding (which it won in 2015) towards providing much needed mental health support for the young people, by appointing an occupational therapist. Pupil Premium money provides additional support for looked after children and those from low income families. This funding is made available to schools to help them narrow the attainment gap that exists between pupils from disadvantaged and more affluent backgrounds.

**b. Reserves policy**

Due to the unpredictable nature of the LA and its policies and the potential impact on our funding, the Academy Trust aims to carry forward reserves in order to withstand uncertainties about future funding and plans to have sufficient reserves for four months operating costs. The Governing Body plans to utilise the restricted funds for the purpose they were established, for example curriculum development and the development of centres. The Academy aims to hold £1,300k in reserves; this represents four months running costs.

Last year it was agreed to contribute up to 10% of the costs, for the Fairlawn campus electrical upgrade, which resulted in a deduction of £39k this year from the reserves. The remaining costs for this project were funded with a CIF Grant from the EFA (£366k).

Each year the Academy reviews its level of reserves. As at the 31 August 2017 the Academy Trust's unrestricted general fund was £440k and the balance of its restricted general fund (excluding pension reserve) was £815k.

The Academy Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The pension scheme liability relates to a non-cash provision for the academy's share in this pension scheme and under the funding agreement the academy must show this pension liability on the balance sheet. The Local Government Pension Scheme as at 31 August 2017 held a reduced deficit of £1,325k. However should operations cease this pension liability would be funded by the DfE. The contribution rate to reduce the liability is calculated by an independent actuary.

**c. Investment Policy**

The academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. This year the Governors agreed to continue investing surplus money in Fixed Term Deposit accounts, for periods of one year or less, which mature at different times throughout the year. In addition this year, the Governors agreed to transfer a further lump sum of money to a 32 day deposit account, which provides access to funds at short notice, to aid cash flow if required.

**d. Principal Risks and Uncertainties**

The financial risk to which the The CE Academy Trust is exposed relates primarily to the Local Authority:

- Change in LA procedure for commissioning alternative provision for excluded pupils.
- The opening of an Alternative Provision Free School in 2018, based in Northampton for 75 secondary young people excluded or at risk of exclusion from mainstream schools.
- Reduction in student numbers.
- Continued reduction in ESG.
- Change in government and legislation.
- Potential of reduced funding and cash flow.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

The academy has reviewed its major risks and systems or procedures have been established, wherever possible, to manage those risks.

**Plans for future periods**

**a. Future developments**

- To secure outstanding achievement for all CE young people.
- To adapt the curriculum to ensure it meets the needs of the young people providing support, challenge and aspiration.
- To embed effective intervention systems that remove barriers to learning maximising achievement.
- The Academy will continue to strive to improve the levels of performance of its young people at all levels and will continue to ensure its young people get employment, further education or training once they leave.
- The Academy will continue developing a business model that results in direct working with schools thereby reducing the risks inherent in an over reliance on the LA.
- The ESFA has approved the Academy as a sponsor.

**Funds held as custodian**

The Academy holds no funds on behalf of any other operating body.

**Disclosure of information to auditors**

In so far as the Trustees are aware:

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

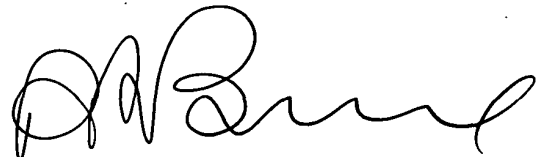
The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance and Premises committee.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 8 December 2017 and signed on its behalf by:



**J Sleet**  
**Chair of Trustees**

**P Burch**  
**Trustee**



**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Governance Statement**

**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee/Governor	Meetings attended	Out of a possible
J Sleet, Chairman of Trustees	5	5
J Timms	4	5
P Burch	4	5
B Ingram, Chairman	5	5
R Kelly, Accounting Officer	5	5
A Campbell	2	5
J Thomas	5	5
M McKay	0	5
J Sneddon	0	5

"Governors have a clear understanding of the comprehensive work that staff and leaders undertake to keep pupils safe. Governors receive regular safeguarding updates at full governing body meetings. Furthermore, the chair regularly meets with the headteacher to consider safeguarding issues. Because of this, governors have a keen understanding of the issues that affect the pupils' welfare. They, rightly, have confidence in the school's staff and senior leaders to ensure that pupils are safe." (Ofsted 2016)

"Individually, governors bring a wealth of safeguarding knowledge to the governing body through their own professional roles. They offer appropriate support and challenge to ensure that senior leaders' actions comply with the school's safeguarding procedures and are in the best interests of the pupils. Governors also monitor the effectiveness with which external agencies engage with the school to ensure that pupils receive the support they require." (Ofsted 2016)

"Governors have a clear understanding of the action they should take where there are safeguarding concerns. This includes any concerns that relate to the actions of an adult towards a pupil." (Ofsted 2016)

The Finance Committee is also sub-committee of the main board of trustees. Its purpose is:

- to draft the first formal budget plan of the financial year
- to establish and maintain an up to date 3-year financial plan
- to report significant anomalies from the anticipated position to the Board of Trustees/Governing Body
- to ensure that the school operates within the Academy's Financial Handbook
- to monitor expenditure of all voluntary funds kept on behalf of the Board of Trustees/Governing Body
- to make decisions in respect of service agreements
- To receive and consider the minutes of the Health and Safety Committee
- to ensure, as far as is practical, that Health and Safety issues are appropriately prioritised
- to determine whether sufficient funds are available for pay increments as recommended by the headteacher.

Attendance at meetings in the year was as follows:

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

<b>Governance Statement (continued)</b>		
<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
B Ingram , Chairman of Governors	4	4
R Kelly, Trustee	4	4
A Tuck, Business Manager	4	4
J Macken, Finance Manager	4	4

**Governance Reviews:**

**Trustees and Governors:**

- regularly challenge the Accounting Officer and Management Team and are satisfied that the Academy is functioning well.
- understand their roles and carry out their duties with diligence
- receive regular financial reports and pupil data which is discussed and challenged at meetings.
- Undertake robust scrutiny of all data
- are well informed
- undertaken the recommended skills audit.
- plan to undertake an internal review in January 2018

**Review of Value for Money**

As Accounting Officer, the Headteacher 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:

- As an Alternative Provision CE Academy pupils are referred by the Local Authority and schools. This commissioning model requires the Academy to compete with other providers in the county. The CE Academy's foremost concern is to provide outstanding education and facilities with qualified teachers teaching their specialist subjects. This has resulted in achievement well above other alternative provisions nationally. The Academy works hard to achieve this success whilst seeking value for money.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The CE Academy for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The accounting officer for the academy trust has delivered improved value for money during the year by:

## **THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**

**(A company limited by guarantee)**

### **Governance Statement (continued)**

- Directing resources where they are most needed
- Services and contracts are reviewed and renegotiated on a regular basis to ensure the best mix of quality and cost effectiveness.
- Continually reviewing and amending the configuration and deployment of staff as the school has expanded and by the efficient deployment of staff. The Academy avoids the extra costs of Agency staff and employs long-standing supply teachers directly.
- School buildings are kept in good condition to maintain a good learning environment.
- Management and Trustees/Governors are given regular management accounts to track and hold to account the finances of the Academy. These reports are used to make informed decisions about the best use of the Academy funds. A schedule of delegation is reviewed and ratified each academic year by the Board of Trustees/Full Governing Body as is the risk register.
- Spending proposals are determined and presented to senior leaders and Trustees/Governors and challenged appropriately
- The Academy financial policy ensures tenders/quotes are obtained as appropriate to ensure value for money for all projects/works/supplies.
- Management have been influential in driving down costs through procurement and negotiation.
- In addition to External Auditors, Internal Audit checks have been undertaken on the schools finances each term and a report submitted to the Trustees/Governors
- Rigorous internal controls are in place to ensure that all ordering is signed off by the Senior Leadership Team. They are tasked with ensuring a prudent budget and maintaining and improving the learning and teaching environment and exam results. Resources are shared where appropriate.
- When significant expenditure is due to take place different options are appraised and competitive quotations (usually 3) sought to ensure that the best value for money is obtained and that the investment will generate the best possible results for the Academy.

### **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 internal auditor has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing Teachers' and Local Government Pensions
- testing HR procedures, staff contracts etc
- testing budget monitoring/management accounts
- testing the academy's inventory (asset) list
- testing governance procedures
- testing VAT
- testing of contracts and procurement

On a termly basis, the auditors report to the board of trustees through the audit committee on the operation of

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Internal auditor has delivered its schedule of work as planned and The Academy has accepted their recommendations.


**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the 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 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 8 December 2017 and signed on their behalf, by:



**J Sleet**  
**Chair of Trustees**



**R Kelly**  
**Accounting Officer**

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of The CE Academy Limited I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



**R Kelly**  
**Accounting Officer**



**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Statement of Trustees' Responsibilities**  
**For the year ended 31 August 2017**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 8 December 2017 and signed on its behalf by:



**J Sleet**  
**Chair of Trustees**

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of The Complementary Education Academy Limited**

**Opinion**

We have audited the financial statements of The Complementary Education Academy Limited (the 'academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of The Complementary Education Academy Limited**

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 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

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

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Independent Auditors' Report on the Financial Statements to the Members of The Complementary Education Academy Limited**

**Auditors' responsibilities for the audit of the financial statements**

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

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



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

**Williams Giles Limited**

Chartered Accountants  
Statutory Auditors

12 Conqueror Court  
Sittingbourne  
Kent

ME10 5BH

Date: 16 December 2017

## **THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**

**(A company limited by guarantee)**

### **Independent Reporting Accountants' Assurance Report on Regularity to The Complementary Education Academy Limited and the Education and Skills Funding Agency**

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

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

#### **Respective responsibilities of The Complementary Education Academy Limited's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Complementary Education Academy Limited's funding agreement with the Secretary of State for Education dated 1 November 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to The Complementary Education Academy Limited and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Williams Giles*

Reporting Accountant

**Williams Giles Limited**

Chartered Accountants  
Statutory Auditors

12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: *16 December 2017*

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the year ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations and capital grants	2	600	-	27,372	27,972	359,147
Charitable activities	3	-	4,817,600	-	4,817,600	4,692,987
Other trading activities	4	-	500	-	500	7,388
Investments	5	8,956	-	-	8,956	9,113
<b>Total income</b>		<b>9,556</b>	<b>4,818,100</b>	<b>27,372</b>	<b>4,855,028</b>	<b>5,068,635</b>
<b>Expenditure on:</b>						
Charitable activities		-	4,903,692	306,602	5,210,294	5,013,090
<b>Total expenditure</b>	8	<b>-</b>	<b>4,903,692</b>	<b>306,602</b>	<b>5,210,294</b>	<b>5,013,090</b>
<b>Net income / (expenditure) before transfers</b>		<b>9,556</b>	<b>(85,592)</b>	<b>(279,230)</b>	<b>(355,266)</b>	<b>55,545</b>
Transfers between Funds	18	-	(165,666)	165,666	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>9,556</b>	<b>(251,258)</b>	<b>(113,564)</b>	<b>(355,266)</b>	<b>55,545</b>
Actuarial gains/(losses) on defined benefit pension schemes	23	-	603,000	-	603,000	(626,000)
<b>Net movement in funds</b>		<b>9,556</b>	<b>351,742</b>	<b>(113,564)</b>	<b>247,734</b>	<b>(570,455)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		430,168	(861,840)	4,098,287	3,666,615	4,237,070
<b>Total funds carried forward</b>		<b>439,724</b>	<b>(510,098)</b>	<b>3,984,723</b>	<b>3,914,349</b>	<b>3,666,615</b>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**

(A company limited by guarantee)

Registered number: 08190591

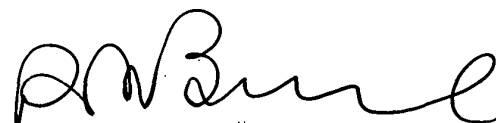
**Balance Sheet  
As at 31 August 2017**

	Note	£	2017	£	£	2016	£
<b>Fixed assets</b>							
Tangible assets	15			3,984,723			4,083,165
<b>Current assets</b>							
Debtors	16		95,510			175,201	
Cash at bank and in hand			1,359,493			1,490,427	
			<u>1,455,003</u>			<u>1,665,628</u>	
<b>Creditors: amounts falling due within one year</b>	17		<u>(200,377)</u>			<u>(287,178)</u>	
<b>Net current assets</b>				<u>1,254,626</u>			<u>1,378,450</u>
<b>Total assets less current liabilities</b>				<u>5,239,349</u>			<u>5,461,615</u>
Defined benefit pension scheme liability	23			<u>(1,325,000)</u>			<u>(1,795,000)</u>
<b>Net assets including pension scheme liabilities</b>				<u><u>3,914,349</u></u>			<u><u>3,666,615</u></u>
<b>Funds of the academy</b>							
Restricted income funds:							
Restricted income funds	18		814,902			933,160	
Restricted fixed asset funds	18		<u>3,984,723</u>			<u>4,098,287</u>	
Restricted income funds excluding pension liability			<u>4,799,625</u>			<u>5,031,447</u>	
Pension reserve			<u>(1,325,000)</u>			<u>(1,795,000)</u>	
Total restricted income funds				<u>3,474,625</u>			<u>3,236,447</u>
Unrestricted income funds	18			<u>439,724</u>			<u>430,168</u>
<b>Total funds</b>				<u><u>3,914,349</u></u>			<u><u>3,666,615</u></u>

The financial statements on pages 21 to 42 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:

  
J Sleet  
Chair of Trustees

P Burch  
Trustee





**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Statement of Cash Flows**  
**For the year ended 31 August 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<u>40,895</u>	<u>(6,082)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		8,956	9,113
Purchase of tangible fixed assets		(208,157)	(343,406)
Capital grants from DfE/ESFA		<u>27,372</u>	<u>349,528</u>
<b>Net cash (used in)/provided by investing activities</b>		<u>(171,829)</u>	<u>15,235</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(130,934)</u>	<u>9,153</u>
Cash and cash equivalents brought forward		<u>1,490,427</u>	<u>1,481,274</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>1,359,493</u></u>	<u><u>1,490,427</u></u>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Complementary Education Academy Limited constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.3 Income**

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% Straight line
Leasehold improvements	-	10% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	25-33% Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

**1.6 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.7 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.

**1.8 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.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.9 Liabilities and provisions**

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

**1.10 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 basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 costs 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.11 Taxation**

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

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

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

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

**1.13 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**

**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	600	-	-	600	619
Devolved formula capital grants	-	-	9,029	9,029	10,008
Capital grant	-	-	18,343	18,343	348,520
	<b>600</b>	<b>-</b>	<b>27,372</b>	<b>27,972</b>	<b>359,147</b>
<i>Total 2016</i>	619	-	358,528	359,147	

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,370,941	2,370,941	2,401,143
Other DfE/ESFA grants	-	10,857	10,857	10,002
Pupil premium	-	95,232	95,232	107,424
	-	2,477,030	2,477,030	2,518,569
<b>Other government grants</b>				
Other government grants	-	2,340,570	2,340,570	2,174,418
	-	2,340,570	2,340,570	2,174,418
	-	4,817,600	4,817,600	4,692,987
<i>Total 2016</i>	-	4,692,987	4,692,987	

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other income	-	500	500	7,388
<i>Total 2016</i>	-	7,388	7,388	

**5. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	8,956	-	8,956	9,113
<i>Total 2016</i>	9,113	-	9,113	



**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**6. Direct costs**

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	106,378	106,378	98,957
Examination fees	22,450	22,450	23,947
Staff development	14,996	14,996	19,184
Educational consultancy	931,929	931,929	970,120
Staff restructuring	18,000	18,000	-
Wages and salaries	1,632,230	1,632,230	1,631,501
National insurance	169,019	169,019	141,046
Pension cost	253,045	253,045	248,528
	<u>3,148,047</u>	<u>3,148,047</u>	<u>3,133,283</u>
<i>At 31 August 2016</i>	<u>3,133,283</u>	<u>3,133,283</u>	

**7. Support costs**

	Educational operations £	Total 2017 £	Total 2016 £
LGPS costs	39,000	39,000	42,000
Governance costs	22,504	22,504	39,732
Recruitment and support	19,729	19,729	16,599
Maintenance of premises and equipment	90,314	90,314	76,277
Cleaning	65,533	65,533	63,988
Rent & rates	14,663	14,663	14,658
Light & heat	35,644	35,644	43,120
Insurance	8,781	8,781	10,419
Security & transport	52,713	52,713	52,870
Catering	35,532	35,532	36,384
Bank charges	175	175	247
Computer costs	45,817	45,817	45,269
Printing, postage and stationery	25,736	25,736	26,192
Other support costs	68,674	68,674	56,468
Deficit on disposal of fixed assets	2,856	2,856	3,890
Wages and salaries	882,248	882,248	835,920
National insurance	65,085	65,085	56,527
Pension cost	283,497	283,497	185,992
Depreciation	303,746	303,746	273,255
	<u>2,062,247</u>	<u>2,062,247</u>	<u>1,879,807</u>
<i>At 31 August 2016</i>	<u>1,879,807</u>	<u>1,879,807</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:  
£22,504 (2016 - £39,732) included within the table above in respect of Educational operations.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**8. Expenditure**

	<b>Staff costs 2017 £</b>	<b>Premises 2017 £</b>	<b>Other costs 2017 £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Educational operations:					
Direct costs	2,072,294	-	1,075,753	3,148,047	3,133,283
Support costs	1,230,830	356,035	475,382	2,062,247	1,879,807
	<u>3,303,124</u>	<u>356,035</u>	<u>1,551,135</u>	<u>5,210,294</u>	<u>5,013,090</u>
<i>Total 2016</i>	<u>3,099,514</u>	<u>428,176</u>	<u>1,485,400</u>	<u>5,013,090</u>	

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

This is stated after charging:

	<b>2017 £</b>	<b>2016 £</b>
Depreciation of tangible fixed assets: - owned by the charity	<u>303,746</u>	<u>273,255</u>

**10. Auditors' remuneration**

	<b>2017 £</b>	<b>2016 £</b>
Fees payable to the academy's auditor for the audit of the academy's annual accounts	9,700	9,700
Fees payable to the academy's auditor in respect of:		
Audit-related assurance services	675	675
Internal audit services	2,925	2,925
	<u>2,925</u>	<u>2,925</u>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**11. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,514,478	2,467,421
Social security costs	234,104	197,573
Operating costs of defined benefit pension schemes	536,542	434,520
	<u>3,285,124</u>	<u>3,099,514</u>
Staff restructuring costs	18,000	-
	<u>3,303,124</u>	<u>3,099,514</u>
Staff restructuring costs comprise:		
Other restructuring costs	<u>18,000</u>	<u>-</u>

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

	2017 No.	2016 No.
Teachers	46	46
Support	44	40
Management	5	5
	<u>95</u>	<u>91</u>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £333,455 (2016 - £312,658).

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
R Kelly	Remuneration	80,000-85,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
J Thomas	Remuneration	55,000-60,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2017, expenses totalling £1,521 (2016 - £807) were reimbursed to 2 Trustees (2016 - 2).

**13. Trustees' and Officers' Insurance**

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

**14. Other finance income**

	2017 £	2016 £
Interest income on pension scheme assets	29,000	38,000
Interest on pension scheme liabilities	(68,000)	(80,000)
	<u>(39,000)</u>	<u>(42,000)</u>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**15. Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2016	4,207,894	432,778	170,046	4,810,718
Additions	154,341	16,106	37,710	208,157
Disposals	-	(6,105)	(11,685)	(17,790)
At 31 August 2017	<u>4,362,235</u>	<u>442,779</u>	<u>196,071</u>	<u>5,001,085</u>
<b>Depreciation</b>				
At 1 September 2016	357,954	256,143	113,456	727,553
Charge for the year	179,318	86,403	38,025	303,746
On disposals	-	(4,004)	(10,933)	(14,937)
At 31 August 2017	<u>537,272</u>	<u>338,542</u>	<u>140,548</u>	<u>1,016,362</u>
<b>Net book value</b>				
At 31 August 2017	<u>3,824,963</u>	<u>104,237</u>	<u>55,523</u>	<u>3,984,723</u>
At 31 August 2016	<u>3,849,940</u>	<u>176,635</u>	<u>56,590</u>	<u>4,083,165</u>

**16. Debtors**

	2017 £	2016 £
Trade debtors	34	5,250
VAT recoverable	3,795	74,502
Other debtors	53,345	50,617
Prepayments and accrued income	38,336	44,832
	<u>95,510</u>	<u>175,201</u>

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

	2017 £	2016 £
Trade creditors	36,759	137,468
Other taxation and social security	57,361	56,967
Other creditors	53,345	50,617
Accruals and deferred income	52,912	42,126
	<u>200,377</u>	<u>287,178</u>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**17. Creditors: Amounts falling due within one year (continued)**

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	6,310	5,408
Resources deferred during the year	6,367	6,310
Amounts released from previous years	(6,310)	(5,408)
	<u>6,367</u>	<u>6,310</u>
Deferred income at 31 August 2017	<u>6,367</u>	<u>6,310</u>

Income deferred at 31 August 2017 consists of a rates relief grant relating to the year ended 31 August 2017 received in the year ended 31 August 2017.

**18. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	430,168	9,556	-	-	-	439,724
<b>Restricted funds</b>						
General restricted	933,160	2,370,941	(2,323,533)	(165,666)	-	814,902
Pupil Premium	-	95,232	(95,232)	-	-	-
Other DfE/ESFA grant	-	10,857	(10,857)	-	-	-
Other government grants	-	2,340,570	(2,340,570)	-	-	-
Other generated funds	-	500	(500)	-	-	-
Pension reserve	(1,795,000)	-	(133,000)	-	603,000	(1,325,000)
	<u>(861,840)</u>	<u>4,818,100</u>	<u>(4,903,692)</u>	<u>(165,666)</u>	<u>603,000</u>	<u>(510,098)</u>
<b>Restricted fixed asset funds</b>						
Assets held for depreciation	4,083,165	-	(306,602)	208,160	-	3,984,723
Capital grant	15,122	18,343	-	(33,465)	-	-
Devolved formula capital	-	9,029	-	(9,029)	-	-
	<u>4,098,287</u>	<u>27,372</u>	<u>(306,602)</u>	<u>165,666</u>	<u>-</u>	<u>3,984,723</u>
Total restricted funds	<u>3,236,447</u>	<u>4,845,472</u>	<u>(5,210,294)</u>	<u>-</u>	<u>603,000</u>	<u>3,474,625</u>
Total of funds	<u>3,666,615</u>	<u>4,855,028</u>	<u>(5,210,294)</u>	<u>-</u>	<u>603,000</u>	<u>3,914,349</u>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

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

**Statement of funds - prior year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	420,436	9,732	-	-	-	430,168
	<u>420,436</u>	<u>9,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,168</u>
<b>Restricted funds</b>						
General restricted	911,730	4,700,375	(4,678,945)	-	-	933,160
Pension reserve	(1,112,000)	-	(57,000)	-	(626,000)	(1,795,000)
	<u>(200,270)</u>	<u>4,700,375</u>	<u>(4,735,945)</u>	<u>-</u>	<u>(626,000)</u>	<u>(861,840)</u>
<b>Restricted fixed asset funds</b>						
Assets held for depreciation	4,016,904	-	(277,145)	343,406	-	4,083,165
Capital grant	-	348,520	-	(333,398)	-	15,122
Devolved formula capital	-	10,008	-	(10,008)	-	-
	<u>4,016,904</u>	<u>358,528</u>	<u>(277,145)</u>	<u>-</u>	<u>-</u>	<u>4,098,287</u>
Total restricted funds	<u>3,816,634</u>	<u>5,058,903</u>	<u>(5,013,090)</u>	<u>-</u>	<u>(626,000)</u>	<u>3,236,447</u>
Total of funds	<u>4,237,070</u>	<u>5,068,635</u>	<u>(5,013,090)</u>	<u>-</u>	<u>(626,000)</u>	<u>3,666,615</u>

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

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,984,723	3,984,723
Current assets	439,724	1,015,279	-	1,455,003
Creditors due within one year	-	(200,377)	-	(200,377)
Provisions for liabilities and charges	-	(1,325,000)	-	(1,325,000)
	<u>439,724</u>	<u>(510,098)</u>	<u>3,984,723</u>	<u>3,914,349</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	4,083,165	4,083,165
Current assets	430,168	1,220,338	15,122	1,665,628
Creditors due within one year	-	(287,178)	-	(287,178)
Provisions for liabilities and charges	-	(1,795,000)	-	(1,795,000)
	<u>430,168</u>	<u>(861,840)</u>	<u>4,098,287</u>	<u>3,666,615</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(355,266)	55,545
<b>Adjustment for:</b>		
Depreciation charges	303,746	273,255
Losses on investments	(8,956)	(9,113)
Loss on the sale of fixed assets	2,853	3,890
Decrease/(increase) in debtors	133,036	(36,955)
Decrease in creditors	(140,146)	(176)
Capital grants from DfE and other capital income	(27,372)	(349,528)
Defined benefit pension scheme cost less contributions payable	133,000	57,000
<b>Net cash provided by/(used in) operating activities</b>	<u>40,895</u>	<u>(6,082)</u>

**21. Analysis of cash and cash equivalents**

	2017 £	2016 £
Cash in hand	1,359,493	1,490,427
<b>Total</b>	<u>1,359,493</u>	<u>1,490,427</u>



**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,984,723	3,984,723
Current assets	439,724	1,015,279	-	1,455,003
Creditors due within one year	-	(200,377)	-	(200,377)
Provisions for liabilities and charges	-	(1,325,000)	-	(1,325,000)
	<u>439,724</u>	<u>(510,098)</u>	<u>3,984,723</u>	<u>3,914,349</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	4,083,165	4,083,165
Current assets	430,168	1,220,338	15,122	1,665,628
Creditors due within one year	-	(287,178)	-	(287,178)
Provisions for liabilities and charges	-	(1,795,000)	-	(1,795,000)
	<u>430,168</u>	<u>(861,840)</u>	<u>4,098,287</u>	<u>3,666,615</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(355,266)	55,545
<b>Adjustment for:</b>		
Depreciation charges	303,746	273,255
Losses on investments	(8,956)	(9,113)
Loss on the sale of fixed assets	2,853	3,890
Decrease/(increase) in debtors	133,036	(36,955)
Decrease in creditors	(140,146)	(176)
Capital grants from DfE and other capital income	(27,372)	(349,528)
Defined benefit pension scheme cost less contributions payable	133,000	57,000
<b>Net cash provided by/(used in) operating activities</b>	<u>40,895</u>	<u>(6,082)</u>

**21. Analysis of cash and cash equivalents**

	2017 £	2016 £
Cash in hand	1,359,493	1,490,427
<b>Total</b>	<u>1,359,493</u>	<u>1,490,427</u>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

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

**Statement of funds - prior year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	420,436	9,732	-	-	-	430,168
	<u>420,436</u>	<u>9,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,168</u>
<b>Restricted funds</b>						
General restricted	911,730	4,700,375	(4,678,945)	-	-	933,160
Pension reserve	(1,112,000)	-	(57,000)	-	(626,000)	(1,795,000)
	<u>(200,270)</u>	<u>4,700,375</u>	<u>(4,735,945)</u>	<u>-</u>	<u>(626,000)</u>	<u>(861,840)</u>
<b>Restricted fixed asset funds</b>						
Assets held for depreciation	4,016,904	-	(277,145)	343,406	-	4,083,165
Capital grant	-	348,520	-	(333,398)	-	15,122
Devolved formula capital	-	10,008	-	(10,008)	-	-
	<u>4,016,904</u>	<u>358,528</u>	<u>(277,145)</u>	<u>-</u>	<u>-</u>	<u>4,098,287</u>
Total restricted funds	<u>3,816,634</u>	<u>5,058,903</u>	<u>(5,013,090)</u>	<u>-</u>	<u>(626,000)</u>	<u>3,236,447</u>
Total of funds	<u>4,237,070</u>	<u>5,068,635</u>	<u>(5,013,090)</u>	<u>-</u>	<u>(626,000)</u>	<u>3,666,615</u>

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

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**23. Pension commitments (continued)**

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £259,693 (2016 - £255,425).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £234,000 (2016 - £214,000), of which employer's contributions totalled £188,000 (2016 - £171,000) and employees' contributions totalled £46,000 (£43,000). The agreed contribution rates for future years are 23.1% for employers and var% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	- %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.1	22.3
Females	24.2	24.3
Retiring in 20 years		
Males	23.9	24.3
Females	26.1	26.6

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**22. Contingent liabilities**

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

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

**23. Pension commitments**

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

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

Contributions amounting to £53,345 were payable to the schemes at 31 August 2017 (2016 - £50,617) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**23. Pension commitments (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,262,440	923,000
Gilts	272,960	247,000
Corporate bonds	-	-
Cash	-	-
Property	119,420	104,000
Cash and other liquid assets	51,180	26,000
Derivatives	-	-
Total market value of assets	<u>1,706,000</u>	<u>1,300,000</u>

The actual return on scheme assets was £[enter amount] (2016 - £[enter amount]).

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

	2017 £	2016 £
Current service cost	(282,000)	(186,000)
Interest income	29,000	38,000
Interest cost	(68,000)	(80,000)
Total	<u>(321,000)</u>	<u>(228,000)</u>
Actual return on scheme assets	<u>197,000</u>	<u>200,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,095,000	2,002,000
Current service cost	282,000	186,000
Interest cost	68,000	80,000
Employee contributions	46,000	43,000
Actuarial (gains)/losses	(435,000)	788,000
Benefits paid	(25,000)	(4,000)
Closing defined benefit obligation	<u>3,031,000</u>	<u>3,095,000</u>

**THE COMPLEMENTARY EDUCATION ACADEMY LIMITED**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**23. Pension commitments (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	1,300,000	890,000
Return on plan assets (excluding net interest on the net defined pension liability)	29,000	38,000
Actuarial losses	168,000	162,000
Employer contributions	188,000	171,000
Employee contributions	46,000	43,000
Benefits paid	(25,000)	(4,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,706,000	1,300,000
	<hr/>	<hr/>

**24. 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.

**25. 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 the trust 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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.