



**The Cavendish High Academy**  
**(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year Ended

31 August 2015

Company Number: 08789220

# **The Cavendish High Academy**

## **Report and financial statements for the year ended 31 August 2015**

---

### **Contents**

#### **Page:**

1	Reference and Administrative Details
2	Trustees' Report
11	Governance Statement
16	Statement on Regularity, Propriety and Compliance
17	Statement of Trustees' Responsibilities
18	Independent Auditor's Report on the Financial Statements
20	Independent Auditor's Report on Regularity
22	Statement of Financial Activities incorporating Income & Expenditure Account
24	Balance Sheet
25	Cash Flow Statement
26	Notes to the Financial Statements, incorporating:
	- Statement of Accounting Policies
	- Other Notes to the Financial Statements

# The Cavendish High Academy

## Reference and Administrative Details

---

Members	Mrs C Dickinson, Principal Head Teacher (until 31 <sup>st</sup> August 2015) Mrs E Haver, Principal Head Teacher (from 1 <sup>st</sup> September 2015) Mrs C Howard Mrs C Mills Mrs D Gilligan
Trustees	Mrs C Dickinson (Principal Head Teacher – resigned 31 <sup>st</sup> August 2015) Mrs E Haver (Principal Head Teacher – appointed 11 <sup>th</sup> November 2014) Mrs C Howard Mrs C Mills Mrs L McMillan Mr R Grimwood (from 11 <sup>th</sup> November 2014) Miss G Price Mr G Burke Mrs J Maitland (until 11 <sup>th</sup> November 2014) Mrs J Richmond (from 11 <sup>th</sup> November 2014) Mrs D Gilligan
Company number	08789220
Principal and Registered Office	The Cavendish High Academy, Lincoln Close, Runcorn WA7 4YX
Accountants	BDO LLP, 3 Hardman Street, Manchester. M3 3AT
Independent Auditor	K M, 4-6 Grimshaw Street, Burnley Lancashire BB11 2AZ
Bankers	Lloyds Bank plc Horsemarket Street, Warrington, WA1 1TP  Royal Bank of Scotland plc Horsemarket Street, Warrington, WA1 1XN
Solicitors	Hill Dickinson LLP, No 1 St Paul's Square Liverpool, L3 9SJ

# **The Cavendish High Academy**

## **Trustees' Report for the year ended 31 August 2015**

---

The trustees present their annual report together with the financial statements and auditors reports of the charitable company for the year from 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

### **Structure, Governance and Management**

#### **Constitution**

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

The trustees of The Cavendish High Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Cavendish High Academy. The trustees are also referred to as Governors and collectively the Governing Body of the School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Members**

The members are:

- (a) The subscribers to the Memorandum
- (b) The Head Teacher
- (c) Any other person appointed by the existing members.

#### **Trustees' Indemnities**

Qualifying third party indemnity provision has been obtained by the academy for the benefit of the governors.

#### **Method of Recruitment and Appointment or Election of Trustees**

The current structure of the Governing Body is:

Principal Head Teacher  
2 x Staff members  
2 x Parental representative members  
4 x Community/business members

Internal recruitment for staff and parent appointment will be undertaken using democratic voting procedures and election overseen by the Clerk to the Governing Body.

Community governors will be sought via registration of interest through collaborative partners, local charitable organisations (in particular Special Needs) and Governor support agencies.

Notification of any vacancy will be given to the LA and an offer of membership made.



# The Cavendish High Academy

## Trustees' Report for the year ended 31 August 2015 (continued)

### Policies and Procedures Adopted for the Induction and Training of Trustees

As part of the initial conversion to academy process Hill Dickinson solicitors were appointed to provide extensive bespoke organisational training. This proved very valuable and Hill Dickinson have been retained on an SLA to continue this support.

BDO have continued to act as financial advisors and accountants for the trust, working closely with the Finance Director and will provide support for trustees on request. They have changed their main role from that of auditors to accountants over the 2014 - 2015 academic year.

Along with the induction pack for Trustees there is also a package of local training and support for governors from the Local Authority (Halton). Further information, advice and general support is provided by the Academy through membership of the highly valued 'Key for School Governors' and the NGA.

All Governors have undertaken Safeguarding training as part of their induction which is delivered by Hayes Educational both on-line and bespoke training. A training record is maintained at school using the Hayes on-line system. Governors are due to update their training in the Spring term of 2016.

The Governing Body has elected a member to oversee Governor Training.

### Organisational Structure

Accounting Officer Mrs C A Dickinson, Principal Head teacher (2014 – 2015)

Scheme of Delegation Financial delegation – see below  
Board of Trustees Governors delegated responsibilities – see below  
Sub-committee membership – see below

Senior Leadership Team Academy organisational structure – see below

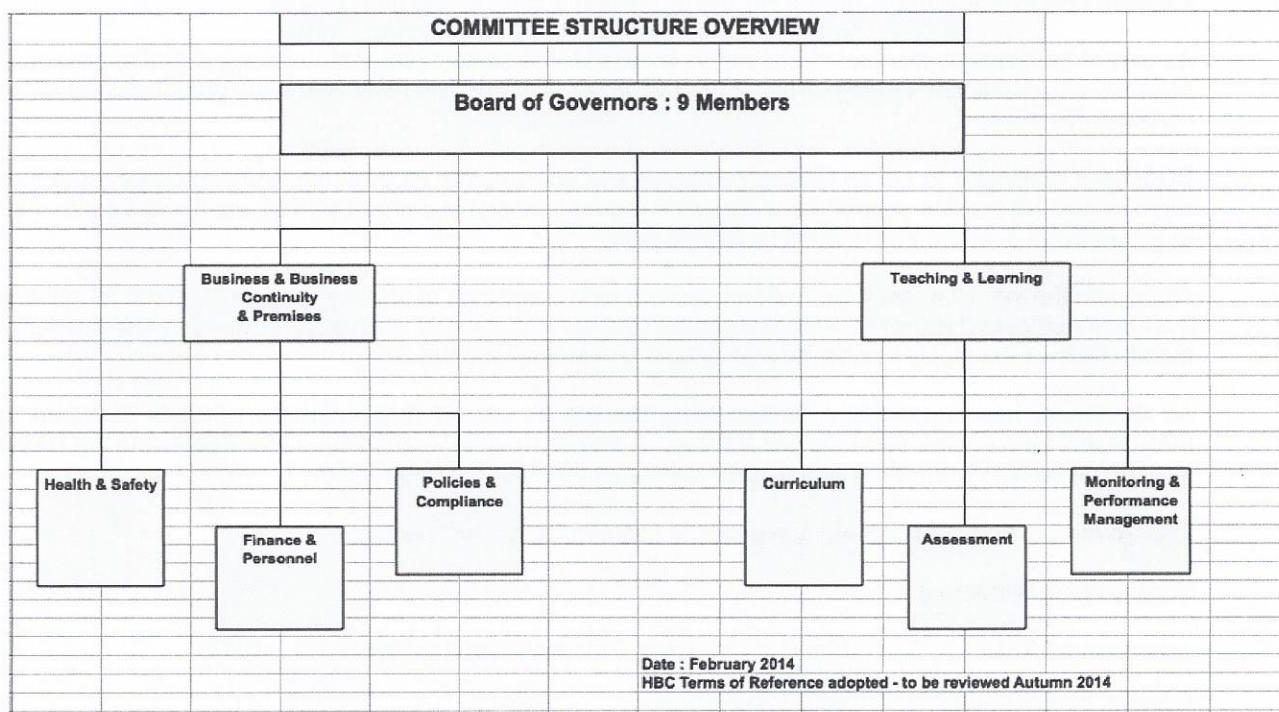
	Orders	Invoices	Payroll	Virement	Acceptance of Quotes & tenders	Writing off Individual Invoices raised	Disposal of Assets	Cheque Signatories 2 of 3 required	Name of Individual	Signature of named individual
<b>Governing Body</b>	No authority	No authority	No authority	No limit	No Limit	No Limit	No Limit	No authority		
<b>Finance Comm.</b>	No authority	No authority	No authority	Over £50,000	Over £50,000	Over £5000	Over £5000	No authority		
<b>Headteacher</b>	£1.75m	£1.75m	£1.75m	£1.75m	£1.75m	£1.75m	£1.75m	Authorised	Mrs C Dickinson	
<b>Deputy Hdteacher</b>	Up to £50,000	Up to £50,000	Authorised	No authority	No authority	No authority	No authority	Authorised	Mr R Miles	
<b>Asst Hdteacher</b>	Up to £25,000	Up to £25,000	Authorised	No authority	No authority	No authority	No authority	Authorised	Mrs J Bourmes	
<b>Asst Hdteacher</b>	Up to £25,000	Up to £25,000	Authorised	No authority	up to £25,000	No authority	No authority	Authorised	Mrs E Haver	
<b>School bursar</b>	Up to £25,000	No authority	No authority	No authority	No authority	No authority	No authority	No authority	Miss S Rogers	
								(authorised for Sch Fund only)		

NB. In the absence of the Headteacher, the Deputy Headteacher will assume the Headteacher's delegated powers

Any amendments to the above Scheme must be approved and minuted by the full Governing Body

# The Cavendish High Academy

Trustees' Report  
for the year ended 31 August 2015 (continued)



## Governors with Responsibility

The governors with specific responsibility are as follows:

Child Protection	Mrs C Dickinson
Children and Young People in Care	Mrs C Mills
Educational Visits	Ms G Price
Health & Safety	Mr R Miles reporting to the Governing Body
ICT	Mrs J Richmond
Key Skills(Literacy and Mathematics)	Mrs C Howard
Safer Recruitment	Mrs C Howard
Special Educational Needs	Mrs L McMillan
SMSC (Spiritual,Moral,Social & Cultural)	Ms G Price supported by Mr R Grimwood
SRE	Mrs C Dickinson
Training & Support	Mr Gareth Burke

# **The Cavendish High Academy**

## **Trustees' Report for the year ended 31 August 2015 (*continued*)**

---

### **Senior Leadership Team Organisation**

1 x Principal Head Teacher  
1 x Deputy Head Teacher – Business Continuity  
1 x Vice Principal – Teaching & Learning  
1 x Assistant Head Teacher  
1 x Senior Teacher UPS3  
1 x Teacher – Leadership ITT  
1 x Finance Officer

### **Connected Organisations including Related Party Relationships**

The Friends of Cavendish Farm Special School - Charity Number 510906. This is a charity set up to advance the education of the pupils of the school by providing and assisting in the provision of facilities and equipment for education at the school (not formally provided by the Local Education Authority).

The Academy works closely with a number of local and regional schools as a member of the following consortia and alliances:

Halton Special Schools  
Merseyside SLD Schools Consortium  
Palmerston Teaching School Alliance  
Merseyside Special Teaching School Alliance (MSTSA)  
The Heath Teaching School Alliance



# **The Cavendish High Academy**

## **Trustees' Report for the year ended 31 August 2015 (*continued*)**

---

### **Objectives and Activities**

The Trust operates as a special school academy for pupils aged 11 to 19 years. It primarily serves the Borough of Halton, Cheshire though surrounding authorities do also contract individual pupil placements at the school.

The Academy is designated for pupils who have a Statement of Educational Need or Education, Health & Care Plan for the following SEN criteria: Profound & Multiple Learning Difficulties, Severe Learning Difficulties, Autistic Spectrum Disability and/or Communication & Interaction Difficulties with Severe Learning Difficulties.

### **Objects and Aims**

The Cavendish High Academy is a converter special school academy providing specialist education for students aged 11-19 years. Our aim is to provide outstanding education for all of our students with curricula that are including the National Curriculum, Functional Curriculum & Independent Living Skills. All learning is assessed and at KS4 & KS5 there are a range of accreditation opportunities for pupils including ASDAN Towards Independence modules, ASDAN Bronze, Silver & Gold Award and BTEC Jamie Oliver Home Cooking as well as the Duke of Edinburgh & John Muir Awards. To achieve these aims the academy provides excellent educational facilities including specialist areas such as ASD provision, hydro therapy, rebound therapy and a detached bungalow for Life Skills provision for transition.

### **Objectives, Strategies and Activities**

As of July 2015 the Academy had successfully completed the majority of the School Improvement Plan for 2011-2015.

The School Improvement Plan (2012-15) 4 Key Intents identify the following remaining 6 priorities out of 41 for 2014-15:

#### **Key Intent 3:**

- (i) Middle Leadership Training through partnership with Teaching Alliance
- (ii) Roll-out ITT for 2 x Paid Trainees with through Palmerstone Teaching Alliance. Commissioned impact research report.

**Key Intent 4:** Improve business management systems post-conversion to Academy 2013

**Pupil Progress Focus:** Mathematics - Using and applying to raise attainment and monitor cross-curricular access.

A new school improvement plan is under development for 2015-2018.



# **The Cavendish High Academy**

## **Trustees' Report for the year ended 31 August 2015 (*continued*)**

---

### **Public Benefit**

The Academy has complied with its duty to have due regard to the guidance on public benefit as per appendices GL49 of Charities SORP.

"Public benefit entities are reporting entities whose primary objective is to provide services for the general public...and where any equity has been provided with a view to supporting that primary objective rather than with a view to providing financial return to stakeholders."

This is continually monitored by the Governing Body through its delegated committees.

### **Strategic Report**

#### **Achievements and Performance**

The personalised approach to education, investment in staff development, training and succession planning and the continued development of the curriculum to meet the diverse needs of the students are key to the success of the Academy. For the 2014-2015 academic year students progress, achievements and attainment, were recorded and measured using their Personal Learning Plans, P levels, PIVATS, CASPA, ABLLS-r, AFLS and Quest. This is currently under review for the 2015 – 2016 academic year as we work towards Assessing without Levels (McIntosh Report Sept 2015).

**Key Performance Indicators** 2014-2015 Halton Local Authority categorized The Cavendish High Academy as a category A school: High performing/outstanding schools. The descriptor for this category states 'Universal offer and may also be providing the capacity to support other schools'.

OFSTED inspection February 2011 judged The Cavendish High Academy to be a grade 1: outstanding school.

The total number of places funded in the period ended 31<sup>st</sup> August 2015 was 92 with actual numbers 89. As of 1<sup>st</sup> September 2014 the school was at capacity. In line with the national picture forecast student numbers indicate that this will remain the case for at least the next 2 academic years; 2015-2016 & 2016-2017.

The Academy continued to make considerable investment in raising professional standards and capabilities of staff both internally and externally. This was evident during 2014-2015 as the Academy workforce included 2 salaried placements for 'homegrown' Initial Teacher Trainees. This has had a significant cost implication for the Academy due to the nature of the course and the amount of time the trainees were out on training courses and placements at other schools; which required additional investment in terms of teacher cover for their classes.

Additionally a leadership role was created specifically to support the writing and development of specific SEN training modules ITT for the Palmerston teaching School Alliance. Other teachers, including SLT members, from the Academy also delivered bespoke training sessions.

For the 2014-2015 academic year the Academy successfully retained contracts with Halton Borough Council for a Bikeability Sports Club & Disability Sports Co-ordination.

Income has been drawn into the school by a number of highly skilled Cavendish High Academy staff that have provided training & services to other schools; Team Teach Behaviour Management have effectively supported local primary & special schools and our Speech and Language therapists have been contracted for sessions by schools on the Wirral.

# **The Cavendish High Academy**

## **Trustees' Report for the year ended 31 August 2015 (continued)**

---

### **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**

The majority of the Academy's income is obtained from the DfE via the EFA (Place funding) in the form of recurrent, termly, grants and from the Local Authority in the form of termly SEND Top-Up Funding. The grants received from the DfE during the year ended 31st August 2015 and associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

As happened in the previous year Local Authority SEND Top-Up Funding was reduced by 1.5% (restricted by MFG) in April; mid-academic and financial year for the Academy.

During the year ended 31st August 2015, total expenditure of £1,950,000 was covered by grant funding from the DfE combined with the SEND Top-Up Funding from the Local Authority and other incoming resources such as Pupil Premium. The excess of income over expenditure for the period (excluding fixed asset funds and pension reserve) was £59,000.

At 31st August 2015, the net book value of fixed assets was £2,624,000 and movements in tangible fixed assets are shown in Note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the academy.

### **Reserves Policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Governors will keep the level of reserves under review. A Capital & Reserves Policy will be in place for summer 2016.

### **Investment Policy**

In the current financial climate of ongoing uncertainty and low interest rates, the Academy's policy continues to be to maximise liquidity and minimize risk. This policy is kept under review.



# **The Cavendish High Academy**

## **Trustees' Report for the year ended 31 August 2015 (continued)**

---

### **Principal Risks and Uncertainties**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of control systems to assess risks that the school faces, especially in relation to operational areas (e.g. teaching, health and safety, educational visits) and in relation to the control of finance. Systems are established; operational procedures (safety of students, entrance and access to teaching areas, safeguarding procedures for staff and visitors), internal financial controls, including the delegation of responsibility in orders/payments, in order to minimise risk. Where significant financial risk remains they have ensured that the Academy has above adequate insurance cover. The Academy has an effective system of internal financial controls as explained in the following statement:

As Governors, we acknowledge we have overall responsibility for ensuring that The Cavendish High Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

The Academy is operating efficiently and effectively.

Its assets are safeguarded against unauthorised use or disposition.

The proper records are maintained and financial information used within the Academy or for publication is reliable.

The Academy complies with relevant laws and regulations.

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 that are reviewed and agreed by the Governing Body.

Regular reviews by the Business Continuity & Finance Committee of reports that indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes.

Identification and management of risks.

The Governors have previously considered the need for specific internal audit function and concluded that an internal audit function is not required but this will be kept under review.

An external auditor has been appointed. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

A principal risk and uncertainty that the Academy faces in the 2015-2016 & 2016-2017 academic years is a reduction in SEND Top-Up Funding from the Local Authority that goes beyond the 1.5% Minimum Funding Guarantee (MFG). This is on top of the previous 1.5% reduction that has occurred in the previous two academic years (2013-2015). The proposed cuts to the Academy budget would take place within the Academy financial year and will impact on the reserves of the Academy. Negotiations regarding SEND banding and levels of funding will be ongoing with the Local Authority from September 2015 to March 2016. As budgets reduce then the rate of cashflow from funding streams could also present a risk. Risks may also include adjustments to staffing structures as we support SEND reform and the continued introduction of EHCPs.

# **The Cavendish High Academy**

## **Trustees' Report for the year ended 31 August 2015 (continued)**

---

### **Plans for Future Periods**

To facilitate any further increase in student numbers the Academy would require additional teaching space and will apply to the EFA for funding grant as and when necessary.

To explore Multi Academy Trust.

### **Funds Held as Custodian Trustee on Behalf of Others**

The Academy is a member of the Merseyside SLD Schools consortium. These 15 special schools from across Greater Merseyside contribute to training for special needs. The accounts are held by the Academy; who both issue and pay invoices on behalf of the Consortium. No profit is made by the Academy and excess funds are rolled over to the next years Consortium budget. As of 31<sup>st</sup> August 2015 the Academy was holding £78,728 on behalf of the consortium. This is excluded from the accounts of the Academy.

### **Auditor**

The Governors have appointed KM as auditors in accordance with section 485 of the Companies Act 2006.

Each of the persons who are Governors at the time when this Trustees report is approved has confirmed that insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 2nd December 2015 and signed on the board's behalf by:

**Carole A Howard**  
Trustee



# The Cavendish High Academy

## Governance Statement for the year ended 31 August 2015

---

### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Cavendish High 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 Principal Head Teacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Cavendish High Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L McMillan (Community Governor)	3	3
Mrs C Howard (Community Governor)	3	3
Mrs C Mills (Community Governor)	3	3
Mr R Grimwood (Parent Governor)	3	3
Ms G Price (Parent Governor)	3	3
Mrs J Richmond (Business Community Governor)	2	3
Mrs C Dickinson (Headteacher)	3	3
Mr G Burke (Staff – non teaching)	3	3
Mrs J Maitland (Staff – non teaching)	0	0
Mrs E Haver (Staff – teaching)	3	3

### Governance reviews:

The Governors undertook a partial skills review during the Full Governing Body Meeting on 10<sup>th</sup> November 2015 as membership of sub-committees and Governor responsibilities were discussed and delegated.

Governors were informed about the Single Central Record. Safeguarding and DBS were key issues for discussion as was the new Prevent Duty.

The Trustees intend to conduct a review in Spring 2016.

# The Cavendish High Academy

## Governance Statement for the year ended 31 August 2015 (continued)

The Business Continuity and Finance Committee is a sub-committee of the main board of trustees. Its purpose is to act as audit committee and to report to the Full Governing Body on a term-by-term basis. The Sub-committee has worked with the Finance Officer and Auditors to ensure that the Academy is compliant in accordance with the financial directives from the Education Funding Agency and the Department for Education.

Trustee	Meetings attended	Out of a possible
Mrs L McMillan	2	3
Mrs C Howard	3	3
Mrs C Mills	1	3
Mr R Grimwood	3	3
Ms G Price	3	3
Mrs J Richmond	1	3
Mrs C Dickinson	2	3
Mr G Burke	2	3
Mrs J Maitland	0	1
Mrs E Haver	3	3

### Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved.

Over the last financial period, Cavendish High Academy has continued to take a wide range of steps to ensure that the education standards and levels of attainment for all pupils have continued to improve; providing value for money despite a real term decrease in budget due to a 1.5% decrease in the level of top-up-funding per pupil and increased pension contributions and national insurance contributions.

The Academy has focused on targeted improvement linked to the School Development Plan of Cavendish High Academy to ensure maximum impact on outcomes for pupils. The Academy has focused on The School Improvement Plan (2012-15) 4 Key Intents that identify the following remaining 6 priorities out of 41 for 2014-15:

- (i) Middle Leadership Training through partnership with Teaching Alliance
- (ii) Roll-out ITT for 2 x Paid Trainees with through Palmerstone Teaching Alliance. Commissioned impact research report.
- (iii) Improve business management systems post-conversion to Academy 2013
- (iv) Pupil Progress Focus: Mathematics - Using and applying to raise attainment and monitor cross-curricular access.



# **The Cavendish High Academy**

## **Governance Report**

### **for the year ended 31 August 2015 (*continued*)**

---

The Academy continues to keep the staffing structure at Cavendish High under review. This has led to a rationalisation of senior leadership posts; 1 temporary AHT post reverted to UPS2, 1 UPS3 SLT member retired and not replaced, retirement of the Principal Head Teacher with effect from 31<sup>st</sup> August 2015 and 1 member of the SLT gaining promotion to the post and an AHT post not being replaced for the 2015-2016 academic year.

As part of the Palmerston Teaching School consortium the Academy offered two salaried routes to current Academy teaching assistants to train through Initial Teacher Training (ITT). It also supported the Teaching School by providing a leadership opportunity for a teacher who had two and a half days to develop the ITT training modules with Hope University. This had a significant impact on the school budget due to staff cover requirements for the trainees.

The Academy works collaboratively within a number of consortia to look at economies of scale when making purchases. This is most evident within the Merseyside SLD Schools Consortium that collaboratively procures staff training for a joint INSET day in November of each academic year and also provides network and moderation for subject co-ordinators and senior leaders across the schools.

The Cavendish High Academy Pupil Premium Impact statement is published on the school website. It details how funding was spent and the impact of the funding for pupils.

The Academy has internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks. The Principal Head Teacher and governors receive regular budget reports. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are monitored.

Cavendish High Academy purchases a commercial combined insurance package and also has a support staff absence insurance ensure it has adequate cover to manage risks.

The premises are in good general order and regular maintenance and refurbishment to the fabric of the building is ensuring that a safe, attractive and stimulating environment is provided for all pupils and staff.

Procurement practice ensures value for money. The Academy may not always choose the cheapest option but do try to choose the most cost effective over time.

Increased costs at a time of decreasing school budgets has put pressure on the Academy and the 2014-2015 year saw the in year budget go into a small deficit but the Academy ended the year with a surplus due to the significant carry forward it had gathered to see it through the Academy conversion process.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Cavendish High Academy Trust for the period 1<sup>st</sup> February 2014 to 31<sup>st</sup> August 2015 and up to the date of approval of the annual report and financial statements.

# **The Cavendish High Academy**

## **Governance Statement for the year ended 31 August 2015 (continued)**

---

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1<sup>st</sup> February 2014 to 31<sup>st</sup> August 2015 and up to the date of approval of the annual report and financial statements.

### **The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- Not to appoint an internal auditor. However the trustees have appointed the Continuity and Finance Committee as responsible officer.
- The trustees have appointed KM, the external auditor, to perform additional checks.

The Responsible Officer role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The Principal Head Teacher and Chair of Governors receive monthly cash flow statements from the Academy's Finance Officer. A budget report is provided on a termly basis (3 x annually) to the board of trustees, through the Business & Continuity and Finance Committee, as well as reports on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.



# The Cavendish High Academy

## Governance Statement for the year ended 31 August 2015 (*continued*)

---

### Review of Effectiveness

As accounting officer the Principal Head Teacher (Celia Dickinson) had 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 responsible officer
- the work of the external auditor – annual audit November 2014
- the work of the Finance Director within the academy who has responsibility for the development and maintenance of the internal control framework.
- the work of the external accountants who worked with the finance officer to complete month end checks each month

The Business Continuity and Finance Committee have advised the accounting officer of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the board of trustees on 2<sup>nd</sup> December 2015 and signed on its behalf by:



**Carole A Howard**

Trustee



**Elaine Haver**

Accounting Officer

## **The Cavendish High Academy**

### **Statement on Regularity, Propriety and Compliance**

---

As accounting officer (wef 1<sup>st</sup> September 2015) of The Cavendish Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**Elaine Haver**  
**Principal Head Teacher (wef 1<sup>st</sup> September 2015)**  
**Accounting Officer**

2<sup>nd</sup> December 2015

# The Cavendish High Academy

## Statement of Trustees' Responsibilities for the year ended 31 August 2015

The trustees (who act as governors of The Cavendish High 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 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 trustee are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 the board of trustees on 2<sup>nd</sup> December 2015 and signed on its behalf by:

**Carole A Howard**  
Trustee





# **The Cavendish High Academy**

## **Independent Auditor's report on the financial statements to the Members of The Cavendish High Academy**

We have audited the financial statements of The Cavendish High Academy ("the Academy") for the year ended 31<sup>st</sup> August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency ("the EFA").

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, in accordance with the Academies Accounts Direction 2014 to 2015. 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 auditor's 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, the Academy's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of The Cavendish High Academy and are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report<sup>3</sup> to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31<sup>st</sup> August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.



## The Cavendish High Academy

### Independent Auditor's report on the financial statements to the Members of The Cavendish High Academy (*continued*)

---

#### **Matters on which we are required to report by exception**

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

- adequate and proper accounting records have not been kept in respect of the Academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records; or
- certain disclosures of governor's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to us.

Mark Heaton FCCA DChA (Senior Statutory Auditor)  
For and on behalf of K M Chartered Accountants, statutory auditor  
4/6 Grimshaw Street  
Burnley  
BB11 2AZ

11<sup>th</sup> December 2015

# **The Cavendish High Academy**

## **Independent Reporting Accountant's Assurance Report on Regularity to The Cavendish High Academy and the Education Funding Agency**

---

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the year to 31 August 2015 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 Academy and to the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy and to the EFA 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 Academy and to the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Cavendish High Academy accounting officer and the reporting accounting**

The accounting officer is responsible, under the requirements of The Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 to 31 August 2015 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 2014 to 2015 issued by the EFA. 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 Cavendish High Academy**

## **Independent Reporting Accountant's Assurance Report on Regularity to The Cavendish High Academy and the Education Funding Agency (*continued*)**

---

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 10 of the Academies Accounts Direction 2014 to 2015.

### **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 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

KM  
Chartered Accountants  
Reporting Accountant  
4/6 Grimshaw St  
Burnley  
BB11 2AZ

11<sup>th</sup> December 2015

# The Cavendish High Academy

## Statement of financial activities for the year ended 31 August 2015

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	1	-	1	6
Activities for generating funds	3	26	-	-	26	7
Transfer from local authority on conversion	2	-	-	-	-	3,233
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	4	-	2,068	7	2,075	979
					-	
<b>Total income resources</b>		26	2,069	7	2,102	4,225
					-	
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	6	-	1,990	107	2,097	1,184
<i>Governance costs</i>	7					
<i>Other resources expended:</i>		-	19	-	19	25
Pension Scheme liability on conversion		-	-	-	-	356
<b>Total resources expended</b>	5	-	2,009	107	2,116	1,565
					-	
<b>Net incoming/(outgoing) resources before transfers</b>		26	60	(100)	(14)	2,660
Gross transfers between funds	14	-	(27)	27	-	-
<b>Net income/(expenditure) for the year</b>		26	33	(73)	(14)	2,660
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	14, 21	-	14	-	14	(104)
<b>Net movement in funds</b>		26	47	(73)	-	2,556



# The Cavendish High Academy

## Statement of financial activities for the year ended 31 August 2015 (*continued*)

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014	14	340	(481)	2,697	2,556	-
<hr/>						
<b>Total funds carried forward at 31 August 2015</b>		366	(434)	2,624	<b>2,556</b>	2,556
<hr/>						

All of the academy's activities derive from continuing operations during the above two financial periods.

# The Cavendish High Academy

## Balance Sheet at 31 August 2015

<b>Company number</b> 08789220	<b>Note</b>	<b>2015</b> £'000	<b>2015</b> £'000	<b>2014</b> £'000	<b>2014</b> £'000
<b>Fixed assets</b>					
Tangible assets	11		2,624		2,716
<b>Current assets</b>					
Debtors	12	63		114	
Cash at bank and in hand		<u>397</u>		<u>362</u>	
		460		476	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<u>(29)</u>		<u>(155)</u>	
<b>Net current assets</b>			<u>431</u>		<u>321</u>
<b>Total assets less current liabilities</b>			3,055		3,037
Pension scheme liability	21		<u>(499)</u>		<u>(481)</u>
<b>Net assets including pension liability</b>	14		<u>2,556</u>		<u>2,556</u>
<b>Funds of the academy trust</b>					
<b>Restricted funds</b>					
Fixed asset fund	14	2,624		2,697	
General fund	14	65		-	
Pension reserve	14	<u>(499)</u>		<u>(481)</u>	
<b>Total restricted funds</b>			2,190		2,216
<b>Unrestricted income funds</b>					
General fund	14	<u>366</u>		<u>340</u>	
<b>Total unrestricted funds</b>			<u>366</u>		<u>340</u>
<b>Total funds</b>			<u>2,556</u>		<u>2,556</u>

The financial statements on pages 19 to 43 were approved by the trustees, and authorised for issue on 2nd December 2015 and are signed on their behalf by:

**Carole Howard**  
Trustee



# The Cavendish High Academy

## Cash flow statement for the year ended 31 August 2015

	Note	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	16	<b>43</b>	<b>(91)</b>
Returns on investments and servicing of finance	17	-	-
Capital expenditure	18	<b>(8)</b>	<b>(20)</b>
Cash on conversion	18	-	473
		<hr/>	<hr/>
<b>(Decrease)/increase in cash in the year</b>	19	<b>35</b>	<b>362</b>
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		<b>362</b>	-
		<hr/>	<hr/>
<b>Net funds at 31 August 2015</b>		<b>397</b>	<b>362</b>
		<hr/>	<hr/>

All of the cash flows are derived from acquisitions in the current financial period.

# The Cavendish High Academy

## Notes forming part of the financial statements for the year ended 31 August 2015

---

### 1 Accounting policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### ■ Grants Receivable

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

##### ■ Sponsorship Income

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

##### ■ Donations

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

##### ■ Other Income

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



# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

---

## 1 Accounting policies (*continued*)

### ▪ Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

### Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### ▪ Costs of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

### ▪ Charitable Activities

These are costs incurred on the academy trust's educational operations.

### ▪ Governance Costs

These included the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

# The Cavendish High Academy

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 1 Accounting policies (*continued*)

#### Tangible Fixed Assets (*continued*)

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

▪ Leasehold land and buildings	3% straight line
▪ Fixtures, fittings and equipment	10% straight line
▪ Computer equipment	33% straight line

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

#### Leased Assets

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### Taxation

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

#### Pensions Benefits

Retirement Benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.



# **The Cavendish High Academy**

**Notes forming part of the financial statements  
for the year ended 31 August 2015 (continued)**

---

## **1 Accounting policies (continued)**

### **Pensions Benefits (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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.



# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Transfer from local authority on conversion	-	-	-	3,233
Other donations	-	1	1	6
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1	1	3,239
	<hr/>	<hr/>	<hr/>	<hr/>

## 3 Activities for Generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Sales of goods and services	-	-	-	3
Staff consultancy	26	-	26	4
	<hr/>	<hr/>	<hr/>	<hr/>
	26	-	26	7
	<hr/>	<hr/>	<hr/>	<hr/>

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (continued)

## 4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (note 1)	-	985	985	523
Capital grants	-	7	7	7
Other DfE/EFA grants	-	33	33	13
	-	1,025	1,025	543
<b>Other Government grants</b>				
Local authority grants	-	1,024	1,024	423
	-	1,024	1,024	423
<b>Non-Government income</b>				
Other income	-	26	26	4
Consortium income	-	-	-	9
	-	26	26	13
	-	2,075	2,075	979

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 5 Resources expended

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2015 £	Total 2014 £
<i>Academy's educational operations:</i>					
Direct costs	1,510	101	73	<b>1,684</b>	917
Allocated support costs	115	156	142	<b>413</b>	267
	<u>1,625</u>	<u>257</u>	<u>215</u>	<u><b>2,097</b></u>	<u>1,540</u>
Governance costs including allocated support costs	-	-	19	<b>19</b>	25
	<u>1,625</u>	<u>257</u>	<u>234</u>	<u><b>2,116</b></u>	<u>1,565</u>



# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 6 Charitable activities

	Total 2015 £'000	Total 2014 £'000
<b>Direct costs – educational operations</b>		
Teaching and educational support staff costs	1,510	810
Depreciation	101	51
Technology costs	7	15
Educational supplies	14	12
Examination fees	2	-
Staff development	21	16
Other direct costs	29	13
	<u>1,684</u>	<u>917</u>
<b>Support costs – educational operations</b>		
Support staff costs	115	90
Depreciation	6	6
Technology costs	14	14
Recruitment and support	5	2
Maintenance of premises and equipment	53	36
Cleaning	29	3
Rent and rates	6	2
Energy costs	23	15
Insurance	39	20
Travel and subsistence	8	3
Other support costs	115	76
	<u>413</u>	<u>267</u>
<b>Total direct and support costs</b>	<u>2,097</u>	<u>1,184</u>
 Incoming/outgoing resources for the year include:		
	2015 £'000	2014 £'000
Fees payable to auditor		
- audit	7	9
- other services	-	4
	<u></u>	<u></u>

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 7 Governance costs

	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	12	12
Auditors' remuneration		
Audit of financial statements	7	9
Other audit costs	-	4
	<hr/>	<hr/>
	19	25
	<hr/>	<hr/>

## 8 Staff

	2015 £'000	2014 £'000
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	1,301	713
Social security costs	95	57
Pension costs	191	108
	<hr/>	<hr/>
	1,587	878
	<hr/>	<hr/>
Supply staff costs	38	22
	<hr/>	<hr/>
	1,625	900
	<hr/>	<hr/>

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (continued)

## 8 Staff (continued)

### b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No	2014 No
<b>Charitable activities</b>		
Teachers	16	16
Administration and support	36	35
Management	4	4
	<hr/>	<hr/>
	56	55
	<hr/>	<hr/>

### c. Staff numbers

The number of employees whose emoluments exceeded £60,000 was:

	2015 No	2014 No
£60,001 - £70,000	1	-
£80,001 - £90,000	1	-
	<hr/>	<hr/>
	2	-
	<hr/>	<hr/>

Both of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £19,955 (2014: £6,438).

## 9 Related party Transactions – trustees remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

During the year ended 31 August 2015, travel and subsistence expenses totalling £Nil (2014: £149) were reimbursed to nil trustees (2014: 2 trustees).

Other related party transactions involving the trustees are set out in note 22.



# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £22,924 (2014: £22,924). The cost of this insurance is included in the total insurance cost.

## 11 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2014	2,678	59	36	2,773
Additions	-	5	10	15
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	<b>2,678</b>	<b>64</b>	<b>46</b>	<b>2,788</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 September 2014	49	3	5	57
Charged in year	80	10	17	107
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	<b>129</b>	<b>13</b>	<b>22</b>	<b>164</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book values</b>				
At 31 August 2015	<b>2,549</b>	<b>51</b>	<b>24</b>	<b>2,624</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	2,629	56	31	2,716
	<hr/>	<hr/>	<hr/>	<hr/>

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (continued)

## 12 Debtors

	2015 £'000	2014 £'000
Trade debtors	4	-
VAT recoverable	5	19
Prepayments and accrued income	54	95
	<u>63</u>	<u>114</u>

All amounts shown under debtors fall due for payment within one year.

## 13 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	21	54
Taxation and social security	-	27
Accruals and deferred income	8	74
	<u>29</u>	<u>155</u>

	2015 £	2014 £
<b>Deferred income</b>		
Deferred income at 1 September 2014	62	-
Resources deferred in the year	-	62
Amounts released from previous years	(62)	-
	<u>-</u>	<u>62</u>
Deferred income at 31 August 2015	-	62

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 14 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	985	(893)	(27)	65
Local Authority grants	-	1,024	(1,024)	-	-
Other DfE/EFA grants	-	33	(33)	-	-
Other restricted income	-	27	(27)	-	-
Pension reserve (note 21)	(481)	-	(32)	14	(499)
	(481)	2,069	(2,009)	(13)	(434)
<b>Restricted fixed asset funds</b>					
Inherited on conversion	2,697	-	(100)	27	2,624
Dfe/EFA capital grants	-	7	(7)	-	-
	2,697	7	(107)	27	2,624
<b>Total restricted funds</b>	2,216	2,076	(2,116)	14	2,190
<b>Unrestricted funds</b>					
Unrestricted funds	340	26	-	-	366
<b>Total unrestricted funds</b>	340	26	-	-	366
<b>Total funds</b>	2,556	2,102	(2,116)	14	2,556

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.



# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (continued)

## 15 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	2,624	2,624
Current assets	366	94	-	460
Current liabilities	-	(29)	-	(29)
Pension scheme liability	-	(499)	-	(499)
<b>Total net assets</b>	<b>366</b>	<b>(434)</b>	<b>2,624</b>	<b>2,556</b>

## 16 Reconciliation of net income to net cash inflow from operating activities

	2015 £'000	2014 £'000
Net income	(14)	2,660
Depreciation (note 11)	107	57
Capital grants from DfE/ and other capital income	(7)	(7)
FRS 17 pension cost less contribution payable (note 21)	27	16
FRS 17 pension finance income (note 21)	5	5
Decrease/(increase) in debtors	51	(114)
(Decrease)/increase in creditors	(126)	155
Pension on conversion	-	356
Cash on conversion	-	(473)
Non-cash on conversion	-	(2,746)
	<b>43</b>	<b>(91)</b>

## 17 Returns on investments and servicing of finance

	2015 £'000	2014 £'000
Interest received	-	-
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>-</b>	<b>-</b>

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 18 Capital expenditure and financial investment

	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(15)	(27)
Capital grants from DfE/EFA	7	7
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(8)</b>	<b>(20)</b>
<b>Cash on conversion</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Cash received on conversion from local authority	-	473

## 19 Analysis of changes in net debt

	At 1 September 2014 £'000	Cash flow £'000	At 31 August 2015 £'000
Cash in hand and at bank	362	35	397

## 20 Member's 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.

# **The Cavendish High Academy**

## **Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)**

---

### **21 Pension and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### **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**

Not less than every four years 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 Cavendish High Academy

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

---

### 21 Pension and similar obligations (*continued*)

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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £163,179.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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.

# The Cavendish High Academy

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 21 Pension and similar obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £122,114, of which employer's contributions totalled £94,494 and employees' contributions totalled £27,620. The agreed contribution rates for future years are in the process of being agreed.

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	2015	2014
	%	%
Rate of increase in salaries	3.50	3.40
Rate of increase for pensions in payment/inflation	2.60	2.60
Discount rate for scheme liabilities	3.70	3.70
Expected return on assets	3.70	5.20
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:

Retiring today	2015	2014
	£	£
Males	22.3 years	22.3 years
Females	24.4 years	24.4 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.7 years

#### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	2015	2014
	Approximate monetary amount £000	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	201	172
1 year increase in member life expectancy	46	40
0.5% increase in the Salary Increase Rate	102	88
0.5% increase in the Pension Increase Rate	93	79

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (continued)

## 21 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.7%	489	6.3%	505
Bonds	3.7%	417	3.4%	177
Property	3.7%	94	4.5%	59
Cash	3.7%	42	3.3%	101
		<hr/>		<hr/>
<b>Total market value of assets</b>		<b>1,042</b>		<b>842</b>
Present value of scheme liabilities				
- Funded		(1,541)		(1,323)
		<hr/>		<hr/>
<b>Deficit in the scheme</b>		<b>(499)</b>		<b>(481)</b>
		<hr/>		<hr/>

The actual return on scheme assets was £77,000 (2014: £71,000).

Amounts recognised in the statement of financial activities	2015 £	2014 £
Current service cost (net of employee contributions)	122	64
Past service cost	-	-
	<hr/>	<hr/>
Total operating charge	122	64
	<hr/>	<hr/>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	(47)	(23)
Interest on pension liabilities	52	28
	<hr/>	<hr/>
<b>Pension finance income/(costs)</b>	<b>127</b>	<b>69</b>
	<hr/>	<hr/>



# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (continued)

## 21 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £90,000 loss (2014: £104,000 loss).

<b>Movements in the present value of defined benefit obligations were as follows:</b>	<b>2015 £</b>	<b>2014 £</b>
<b>At 1 September</b>	<b>1,323</b>	<b>-</b>
On conversion	-	1,065
Current service cost	122	64
Interest cost	52	28
Employee contributions	28	14
Actuarial (gain)/loss	16	152
Benefits paid	-	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>1,541</b>	<b>1,323</b>
	<hr/>	<hr/>

<b>Movements in the fair value of academy's share assets:</b>	<b>2015 £</b>	<b>2014 £</b>
<b>At 1 September</b>	<b>842</b>	<b>-</b>
On conversion	-	709
Expected return on assets	47	23
Actuarial (gain)/loss	30	48
Employer contributions	95	48
Employee contributions	28	14
Benefits paid	-	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>1,042</b>	<b>842</b>
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2016 is £92,000.

# The Cavendish High Academy

Notes forming part of the financial statements  
for the year ended 31 August 2015 (*continued*)

## 21 Pension and similar obligations (*continued*)

### Local Government Pension Scheme (*continued*)

The history of experience adjustments is as follows:

	2015 £	2014 £
Presented value of defined benefit obligations	(1,541)	(1,323)
Fair value of share of scheme assets	1,042	842
Deficit in the scheme	(499)	(481)
Experience adjustments on share of scheme assets		
Amount £'000	30	48
Experience adjustments on scheme liabilities		
Amount £'000	-	-

## 22 Related party transactions

No related party transactions took place in the period of account.