The Cavendish High Academy
(A Company Limited by Guarantee)

Report and Financial Statements

Year Ended

31 August 2016

Company Number: 08789220

The Cavendish High Academy

Report and financial statements
for the year ended 31 August 2016

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The Cavendish High Academy

Reference and Administrative Details for the year ended 31 August 2016

Members	C A Howard C Mills D Gilligan
Trustees	C A Howard (Chair) E Haver (Principal Head Teacher) C Mills (resigned 21 June 2016) L McMillan (appointed 3 December 2015) R Grimwood (resigned 21 June 2016) G Price (appointed 3 December 2015) G Burke (appointed 3 December 2015) J Richmond D Sadler (appointed 18 May 2016)
Senior Leadership Team (SLT)	E Haver (Principal Head Teacher) R Miles J Bournes J Munro A Nokes
Company Registration Number	08789220
Principal and Registered Office	The Cavendish High Academy Lincoln Close Runcorn WA7 4YX
Independent Auditor	BDO LLP 3 Hardman Street Manchester M3 3AT
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 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, strategic and a directors' report under company law.

The trust operates a special school academy for pupils aged 11 to 19 primarily serving the borough of Halton, Cheshire, though surrounding local authorities do commission individual pupil placements at the school. It has a pupil capacity of 90 and had a roll of 88 in the school census on 21st January 2016.

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

Members' Liability

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

Trustees' Indemnities

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

Should there be a resignation; The Governing Body Standing Orders will be used to recruit new trustees.

The structure of the Governing Body for 2015-2016 is:

- Principal Head Teacher (accounting officer)
- 2 x Staff representative members
- 2 x Parental representative members
- 4 x Community/business members

All future Governors shall be appointed or elected, as the case may be, under the Articles of Association and Funding Agreement. Internal recruitment for any staff and parent appointment will be undertaken using democratic voting procedures and election overseen by 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.

Governors terms of office shall be 4 years. This time limit does not apply to the Principal Head Teacher. Subject to remaining eligible any governor may be re-appointed or re-elected.

The current structure of the governing body:

In general, the Academy Trust will have the following Governors:-

- Not less than three governors (not subject to a maximum)
- The members* may appoint up to 7 governors, subject to Article 50.
- Staff governors must not exceed more than 1/3rd of the total number of governors
- A staff Governor will only hold office for so long as they continue to be employed at the Academy.

** 2015-2016 Academic year the members of the Trust entitled to nominate or appoint one or more governors were Carole Howard, Carol Mills and Rob Grimwood.*

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors will depend upon their existing experience and consequently induction tends to be tailored specifically to the individual. It would always include a tour of the Academy, and a chance to meet staff and students. As per legislation that came into force 18th March 2016 all Governors are subject to a mandatory Enhanced DBS check. All Governors are provided with online access to documents and information that they will need to undertake their role as a Governor. There is also a package of local training and support available 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.

The governing body has elected a member to oversee Governor Training. On the 6th July 2016 the Chair of Governors undertook Safeguarding training with the Academy's Deputy Designated Person for Safeguarding.

Organisational Structure

Subject to the mandates imposed by the Companies Act 2006, the articles of Association ensure that the activities of the Academy Trust are managed by the Governors who exercise all the powers of the Academy trust with very few exceptions reserved to the Members.

The Full Governing Body meets once per term. The Business Continuity & Premises and Teaching & Learning Sub-committee meeting also takes place once per term.

The following decisions are reserved to the Full Governing Body meetings: considerations of proposals for changes in states to the academy and its committee structure; to appoint/remove the Chair/Vice Chair; to appoint the Principal Head Teacher; to approve the annual School Improvement Plan; to review the SEF and approve the budget.

Trustees make joint decisions with the SLT on appointment of teachers and the senior leadership team. The SLT may appoint teaching assistants and support staff.

Structure; to appoint/remove the Chair/Vice Chair; to appoint the Principal Head Teacher; to approve the annual School Improvement Plan; to review the SEF and approve the budget.

Trustees make joint decisions with the SLT on appointment of teachers and the senior leadership team. The SLT may appoint teaching assistants and support staff.

The Governors devolve responsibility for the day to day operational control and management of the Academy to the Principal Head Teacher and Senior Leadership Team including the Deputy Head Teachers and Chief Finance Officer. The SLT also makes recommendations to the Governing body regarding the strategic direction of the school.

The Academy's financial control group comprises the Principal Head Teacher, Chief Finance Officer and the Chair of Governors who collectively assesses the schools financial position and formulates the recommendations to the governors on Staffing, Finance, Health and Safety and premises Committees as part of the budget setting, monitoring and planning process.

Accounting Officer	Mrs E Haver Principal Head Teacher
Chief Finance Officer	Ms S Rogers
Responsible Officer	Mrs E Haver (2015-2016)

The Academy Trust is aware that it is a requirement to have a person other than the Principal Head Teacher or Chair of Governors to act as the Responsible Officer and is actively seeking a new Responsible Officer.

Governors Responsibilities 2015-2016

Name	Position	Category	Responsibilities
Carole Howard	Member Chair Trustee / Director	Community Co-opted	Safeguarding Safer Recruitment Key Skills (Literacy & Numeracy)
Carol Mills	Member Vice Chair Trustee / Director	Community Co-opted	Children in Care
Rob Grimwood	Member Trustee / Director	Parent	supporting Mrs G Price with SMSC inc British Values
Lisa McMillan	Trustee/Director	Community Co-opted	Special Educational Needs
Janet Richmond	Trustee/Director	Community Co-opted	ICT
Gill Price	Trustee/Director	Parent	SMSC Educational Visits & Learning Outside the Classroom
Gareth Burke	Trustee/Director	Staff	Training & support SRE
Donna Sadler	Trustee/Director	Staff	Health & Safety gov - link with Mr R Miles
Elaine Haver	Trustee/Director	Staff Principal HT	Accounting Officer Child Protection
Rick Miles	Associate	Associate Deputy Head	Reporting on Health & Safety
John Munro	Associate	Associate Lead Practitioner	Reporting on Progress Data - Achievement & Accreditation
Amy Nokes	Associate	Associate Lead Practitioner	Reporting on Curriculum
Wendy McDonnell	Associate	Associate TLR	Reporting on Safeguarding

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the academy key management personnel is agreed by the Board following referral to: the Academy Pay & Appraisal Policy, feedback from the Principal Head Teacher regarding performance management reviews for teaching staff and SLT which in turn refer to the Teachers Standards and for the Finance Officer with referral to the non-statutory NASBM professional standards framework for school business managers.

Pay & remuneration of the Principal Head Teacher is considered & agreed by a minimum of 2 members following performance management review by the external School Improvement Partner and referring to the Pay & Appraisal Policy as well as the National standards of excellence for headteachers.

Related Parties and other Connected Charities and Organisations

The Friends of Cavendish (Charitable 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 and enrichment at the school (not formally provided by the Local Education Authority).

The Academy is a member of, and contributes to, a range of networks, consortia and alliances both locally and regionally including; Merseyside SLD Schools, Halton Secondary Heads (HASH), Halton Special Schools, Merseyside Special Teaching School Alliance (MSTSA) Palmerston Teaching School Alliance, the Heath Teaching School Alliance and Tor View Special Initial Teacher Education Group. We have played a key role in the development and delivery of ITT training as part of the Palmerston Teaching Alliance. We also work with a range of external organisations to help train and develop educators of the future, including Chester, Liverpool Hope, Bangor & Manchester Metropolitan universities, to support ITT students on PGCE, BEd & BA with QTS courses.

Objectives and Activities

The Trust operates as The Cavendish High Academy: a special school academy, for pupils aged 11 to 19 years, with 89 students on roll 2015-2016. The school is designated for 90 pupils who have a Statement of Education Need or Education, Health and Care Plan, for the following SEN criteria: Profound & Multiple Learning Difficulties, Severe Learning Difficulties, and Autistic Spectrum Disability with Severe Learning Difficulties.

37% (33/88) of the students are female and 63% (56/88) are male. The school serves students from Halton and its neighbouring authorities; educating 5 'out of borough' students from Warrington & Cheshire West & Cheshire in 2015-2016. All students in years 8 to 13 have a statement and those in years 7 and 14 either have or are in the process of conversion to an Education Health & Care Plan. A majority of students have ASC (44%) or Severe Learning Difficulties (43%), a minority has profound and multiple learning difficulties (7%) or SLCN (6%) and a very small minority have SEMH (1%) as their primary SEN. Most have secondary special educational needs including Autism, ADHD, FAS, SEMH, and SLCN. Approximately 57% (51/88) of students are entitled to FSM. Approximately 6% (5/88) of students are Children in Care. Approximately 46% of students were entitled to pupil premium 2015-2016.

Objects and aims

The Cavendish High Academy is a converter special school academy providing specialist education for students aged 11-19 years. It is a well-established inclusive and supportive learning community where pupils learn together in a safe and caring environment, where their very differing educational needs are met. The curricula are flexible and responsive; our teaching community is committed to revising and reinventing them to ensure they can effectively meet the increasingly complex needs of our pupils. Creativity is core to outstanding teaching and learning and we strive to break down the barriers between subjects to ensure deep and meaningful learning can take place for our students.

The trust's object is to provide our pupils with an exceptional education through a range of curricula that are differentiated to meet their very specific educational needs.

Objectives, Strategies and Activities

The academy undertook self-evaluation activities to identify objectives for the School Improvement Plan:

Review performance management system - Redesigned Teacher PM format to become increasingly developmental and to include professional standards.

Continue to develop leadership at all levels & Emerging leaders to have positive impact on quality of teaching & learning - Used appraisal, professional standards and professional development to advance leadership throughout the staff.

Success criteria for the above - Effective leadership at all levels ensures effective monitoring of standards, distributed leadership, consistency of approach and effective succession planning.

Establish system of effective provision mapping - Cost staffing scenarios for different classes, estimate TUF income for classes. Consider overall staffing budget and options - inform negotiations with Local Authority on IPA contracts / average cost of educating young people in school and specific cost of educating young person in any given class. Success criteria: Balanced budget with cost effective staffing solutions and known costs for each pupil/class.

Expand & strengthen collaboration between professionals - Introduce termly Professional Dialogue Days. Develop peer to peer support and coaching - implement coaching training. Meeting to introduce action research to teachers. Training on teacher as researcher to enable teachers to implement action research.

Success criteria - Colleagues will support each other to develop practice by creating partnerships across the whole school. Increased capacity to continue to provide outstanding teaching across the school.

Further develop assessment practice - Introduce and develop use of B Squared as an assessment tool. Success criteria: Data can be readily produced and shared between teachers. Consistent reporting to SLT for progress data. Ready access to comparative cohort data. This data provides information on the impact of various strategies re-sources/staffing levels/activities and enables us to evaluate value for money.

Ensure safeguarding practice remains outstanding - Review Halton model policy and adopt and review CHA policy in line with new Prevent guidance. Broaden safeguarding capacity through establishment TLR safeguarding member of SLT. Success criteria: Capacity of Safeguarding team increased.

Redesign teaching & learning environment to reflect growing cohort of Sixth Form population - Identify rooms in school that are/or can be made fit for purpose. Procurement to engage contractors to undertake any building work. Success criteria: Building work completed by transition weeks (July 2016) and Sixth Form expanded accommodation to include 2nd independent living and 3rd tutor base.

As we look to the future the academy is now looking to either expand or relocate to ensure it can continue to provide the very best education for its students whilst also meeting demand for places. We are also researching models of Multi Academy Trusts and identifying possible partners for a family of special school MATs.

Public Benefit

The Academy has complied with its duty to have due regard to the guidance on public benefit, published by the Charity Commission, in exercising its powers or duties. FRS 102: 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members'

Strategic Report

Achievements and Performance

The School rigorously monitors and evaluates pupil progress & celebrates achievement. Outcomes over time are excellent both at end of key stage and from starting point on entry to leaving the school.

September 2015 to June 2016 data supports the view that students across the school continue to make outstanding progress. Cavendish adopts B squared expectation of progress guidance and using this comparative cohort data the majority of our KS3 students do generally make more progress than the national expectation as do the vast majority of students in KS4 & KS5:

English whole school a vast majority, 87.5%, of students making expected progress or above with 59.25% students making exceptional progress. English speaking and listening at KS3 and writing at KS5 require further investigation as the number of students not making expected progress is higher, comparatively, than in other strands.

Math's whole school 87.3% achieving or exceeding expectations and 66.6% making exceptional progress. This is +6% on previous year.

On average Pupil premium and FSM students make the same or better progress than their non-PP non-FSM peers in both English and Math's.

Highlight students in KS4 English with 95% making expected and above and 68.75% making exceptional progress.

In English 100% of CiC make or exceed expected progress with 50% of CIC making exceptional progress. In Math 80% of CiC make or exceed expected progress with 73% making exceptional progress.

KS3 Math's 73% making expected or above with 65.3% making exceptional progress.

At KS5 72% of students are making expected or above progress in Math's, 46.6% make exceptional progress and 83% expected or above progress in English with 43.5% achieving exceptional progress.

For students identified as being least able to make progress whilst using P Levels/B squared as an assessment tool (e.g. students with PMLD, ASD with severe challenging behavior) there are very well established alternative assessment systems in place; Quest, AFLS & ABLLS-r.

ASDAN awards for 2014-2016 18 students have gained their Transition Challenge Award. 101 Towards Independence modules have been completed. 1 student Bronze Credit, 12 students Bronze Award, 7 students Silver Award, 1 student Gold Award. 1 student has gained his PSD Qualification and 3 students have gained their Personal Progress qualification.

Key Performance Indicators

2015-2016 Halton Local Authority categorised 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'.

Attendance is excellent with significantly less persistent pupil absence than the average annual rate for a special school (according to SFR 24th March 2016). Nationally the percentage of special school students who are persistent absentees was 15.4 per cent (for 2014-2015) whilst at Cavendish this is currently 2.4% whole school and only 1.3% for yr. 7 - 11. In line with national data a large majority of this absence is due to illness and can largely be attributed to a small number of students with additional medical/mental health needs. The absence rate for special schools nationally was 9.4% for the, 2014-2015, full academic year (this is the latest benchmarking comparative data available from DfE Statistical First Release 24th March 2016). Cavendish absence rates are currently lower for this academic year.

Total attendance whole school Sept 2015 - May 2016 92.4% Absence rate of 7.6%. Excl persistent absence 94.8% Absence 5.2% PA 2.4%

Total attendance up to year 11 Sept 2015 - May 2016 93.8% Absence rate of 6.2% Excl persistent absence 95.10% Absence 4.9% PA 1.3%

N.B. Due to recent SEN reforms, figures for 2014/15 are not directly comparable to earlier years.

Financial issues allied to significant budget cuts mid-academic year in April 2016 were a significant challenge due to the possible implications for staffing and provision over at least the next 2 academic years. Minutes from Spring and Summer 2015 Schools Forum meetings noted that the Schools Forum had agreed a potential £1million pound cut in funding to the 4 special schools in the borough. Potentially facing a £250,000 budget cut the PHT conducted a review of staffing structure and also of the already robust and effective system of performance management to ensure we could continue to provide the best possible provision for the best value for money. The PHT negotiated successfully with the LA to significantly reduce the proposed £130,000 reduction in high needs top up funding we were facing for the 2016-2017 tax year, on top of the £15,000 reduction in GAG (Sept 2016-Aug 2017). Overall this has been reduced to approx. £70,000 overall reduction for April 2016-March 2017 - a significant difference. It has been important to maintain staff morale over this period.

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 rea-son 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 Academy receives funding from two principal sources: The Education Funding Agency and Halton Local Authority.

The General Annual Grant (GAG) received from the Education Funding Agency is place funding and is paid on a monthly basis.

Top up funding is received from the Local Authority's High Needs Funding Block and is currently paid on a termly basis.

Breakdown of academic year 2015 – 2016 School Allocation

Education Services grant	£34,017
ESG Protection	£10,975
High Needs Placement Funding	£920,000
16 – 19 Student Support Services (Bursary)	£3,004
Total Allocation from EFA	£967,996
Pupil Premium (yr. 7-11)	£35,950
Yr. 7 Catch Up Premium	£5,000
Local Authority High Needs Block Top up Funding	£1,047,598
Total income	£2,0565,446

The grants received during the year ended 31st August 2016 and associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

Local authority top up funding was yet again reduced mid-academic and financial year for the academy but by a more significant amount than in the previous year. The local authority applied to the DfE to go over the minimum funding guarantee. The financial issues allied to these significant proposed budget cuts, in April 2016, were a significant challenge due to the possible implications for staffing and provision over at least the next 2 academic years. Minutes from Spring and Summer 2015 Schools Forum meetings noted that the Schools Forum had agreed a potential £1million pound cut in funding to the 4 special schools in the borough. Potentially facing a £250,000 budget cut the PHT conducted a review of staffing to ensure we could continue to provide the same level of support for pupils in the classrooms, ensuring the best possible provision for the best value for money. This review highlighted non-class based S&LT positions as potential redundancies if we needed to reduce the outgoings of the academy. The PHT negotiated successfully with the LA to significantly reduce the proposed reduction in high needs top up funding (proposed cut by the LA was approx. £70,000 but they had not taken into account the losses we'd incur from out of borough students top up funding also which meant the figure was approx. £130,000 - approx.14%decrease) we were facing for the 2016-2017 tax year which impacted upon the 2015 -2016 academic year and Academy Financial year for 2015-2016. The top up funding was consequently reduced by approx. £70,000 for April 2016-March 2017 which equates to a decrease of around 7% - a significant difference. It has been very important to maintain staff morale over this period.

2015-2016 Education Services Grant (ESG) was also decreased:

Academic Year	Education Services Grant inc ESG Protection	Decrease
2014 - 2015	£54,740	-
2015 - 2016	£44,992	£9,748
2016 - 2017	£32,989	£12,003

During the year ended 31st August 2016, total expenditure of £1,952,000 was covered by grant funding from the DfE combined with the 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) and including carry forward from previous years was £686,000 (see cashflow statement). This is so high for 2 reasons: we were very prudent and did not immediately replace staff when they left (natural wastage) and the local authority pays top up funding on a termly basis for a financial year. There has been no set schedule for these payments. Therefore this amount reduces significantly (approx. £130,000 a month due to staff salary payments and SLA commitments) from the last payment of the academic year in the summer term (in 2016) to the following payment in the autumn term – as there is no payment schedule then it could be September, October or November when payment is made.

At August 2016, the net book value of fixed assets was £2,564,000 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

A key objective of the Academy is to maintain a structure of prudent financial management.
The aims of the Academy's reserves policy are that the level of reserves should:

- mitigate the termly cashflow issues associated with lagged local authority top up funding
- ensure fluctuations in income (e.g. top up funding leaves with students or reduced student numbers) or unexpected expenditure (e.g. urgent maintenance work, significant supply costs due to staff illness that is not covered by insurance) are managed effectively
- enable a robust programme for the renewal and replacement of school assets to be developed and maintained (e.g. school minibus or ICT equipment)
- to provide for unexpected emergencies
- provide sufficient working capital for future expansion and/or building

The Governors will be mindful that existing students are not disadvantaged through the retention of excessive reserves. To this end 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 is now in place. At 31st August 2016 the balance of the Academy's Unrestricted Funds was £383,000 and the balance of its Restricted General Funds was £310,000

Investment Policy

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

Principal Risks and Uncertainties

The Academy has undertaken work during the period to establish the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation. The most significant risks are identified below:

Local authority High Needs Block Top Up Funding being reduced significantly mid-academic and financial year for the Academy presents significant issues for budget setting and management. It has meant that we have been extremely cautious when spending over the past academic year as at present we do not know what reduction we may face in March 2017.

April 2014 – March 2015	1.5% reduction (MFG)
April 2015 - March 2016	1.5% reduction (MFG)
April 2016 - March 2017	7% reduction (no MFG)
April 2017 - March 2018	unknown at this point

Underlying rate of inflation and staffing costs:

The Academy is mindful of inflation. Teaching staff pay rates, including SEN allowances, were increased by 1% from 1st September 2015 as per national agreements and support staff pay rates were also in-creased by 1% as of 1st April 2016 in-line with government policy on public sector pay. The Academy is mindful that progression within salary grades due to successful appraisal increases costs. Recruitment and retention of skilled SEN staff also increases costs. Furthermore the rates of NI contributions and TPS contributions by the Academy increased by 3.4% and 2.3% respectively during 2015/2016.

Software scenario forecasts following meetings with the local authority in December 2015, when an 11% reduction in top up funding was mooted, showed that if we had maintained staffing levels from 2014-2015 into 2015-2016 and beyond and similar rates of local authority top up funding reductions were applied in future years in conjunction with staff increments, 1% staff salary award increases and there were any in-creases in pensions and national insurance contributions on top of standard inflation and post-Brexit uncertainty then we could go into deficit within 3 years so we were very aware that we needed to be very prudent in this financial year ensuring we carefully monitored our finances as we need to ensure we have reserves to maintain staffing in the classrooms to support the pupils in future years and ensure the budget does not go into overall deficit. This could potentially affect plans to form a MAT. We will need to restructure staffing as we are looking to form a MAT including succession planning for, and recruitment and/or retention of, senior leaders.

It could rapidly become becoming increasingly difficult to continue to provide some of the additional services that we do not have to provide as they are actually health or social care services and not strictly education: for example we have reduced the number of trained speech and language therapists as they are non-classroom based staff.

Cashflow is affected by the local authority top up funding being paid termly. We have to ensure that we have enough money to pay the staff salaries and ongoing monthly costs for a number of months at a time thereby reducing overall potential spending capacity. We need to have approximately £150,000 a month in the bank.

Plans for Future Periods

Our curriculum is reviewed annually and will continue to evolve with the aim of matching student's needs. In conjunction with this is the need to develop our assessment processes in line with recommendations of the Rochford Review (Sept 16).

Activities: Planned professional dialogue days with teachers throughout 2016-2017 academic year to develop curriculum and assessment.

MAT membership - we are currently researching various models of MAT with particular interest in forming a Special School MAT.

Activities: PHT attending EQUALS MAT conference Oct 2016 and MAT conference Feb 2017. Discussions with Merseyside SLD schools colleagues.

We are actively exploring opportunities to expand the available space on the current school site to either provide increased specialist classrooms / increase the size of the Sixth form or potentially offer residential provision for students with SLD/ASD complex needs.

Activities: Meet with architects to consider current site. Have plans drawn up of current site and request report on current use of space alongside EFA guidelines. Meet with architects to discuss report and potential for the current site.

Free School - research possibility of opening a free school to meet local demand for SLD/ASD complex need placements.

Explore possibility of relocation/expansion/satellite site to provide education for 19-25 yr. olds.

Activities: Meet with local authority and engage with SEND strategy meetings to discuss and consider potential cur-rent and future demand for places. Gather student and parental feedback.

Auditor

Insofar as the trustees are aware:

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

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

C A Howard

C A Howard
Trustee

Date 20 December 2016

The Cavendish High Academy

Governance Statement
for the year ended 31 August 2016

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal Head Teacher, as ac-counting 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 Governors' Report and in the Statement of Governors' 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/Governor	Meetings attended	Out of a possible
C Howard (chair)	3	3
L McMillan (vice chair)	3	3
Janet Richmond (trustee)	2	3
C Mills (trustee - resigned 26th April 2016)	1	2
G Price (Parent trustee)	3	3
G Burke (staff trustee)	2	3
D Sadler (staff trustee appointed)	1	1
R Grimwood (resigned 21st June 2016)	0	3
E Haver (principal / accounting officer / responsible officer for 2015-2016)	3	3

Due to significant personal & health reasons 2 Members of the Board have had to resign during the course of the academic year. This has presented a challenge for recruitment for trustees with appropriate skill set. We are actively recruiting governors using, for example, SGOSS – Governors for schools.

Terms of reference for each of the committees are reviewed annually.

The Governors will conduct a self-review in the 2016-2017 academic year and will consider whether, an external review is appropriate.

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to manage & monitor the academy finances: Providing financial oversight, scrutinizing the budget, to ensure value for money, providing an opportunity for detailed discussion and consideration of financial matters, with regular reporting to the full management committee. It may be given delegated authority for some financial decision-making, but the Full Governing Body as a whole remains accountable and must still remain actively engaged in financial matters.

Trustee	Meetings attended	Out of a possible
C Howard	2	2
C Mills	1	2
L McMillan	1	2
J Richmond	1	2
G Price	2	2
G Burke	1	2
D Sadler	0	1
E Haver	2	2

Review of Value for Money

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

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

- Reviewing SLA contracts and decreasing overall costs
- Reducing resources costs
- Replacing 'end of life' photocopier/printer with new model whites dramatically lowered running costs.
- Reduction in out of class staffing costs to facilitate increased number of support staff in class.
- Negotiations with LA regarding TUF
- PHT attended Westminster Briefing regarding financial benchmarking but keynote speakers stated that this is not currently available for special schools.

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 de-signed 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 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance 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 Continuity and Finance Committee 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.

Review of Effectiveness

As accounting officer the Principal Head Teacher (Elaine Haver) 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 committee
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Continuity and 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 26th Dec 16 and signed on its behalf by:

C A Howard

Trustee

E Haver

Accounting Officer

The Cavendish High Academy

Statement on Regularity, Propriety and Compliance for the year ended 31 August 2016

As accounting officer of The Cavendish High Academy 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- The Academy made a non-statutory severance payment (special payment) of £4,782 plus the gift of a laptop with a nil net book value during the year.

E Haver
Principal Head Teacher

Accounting Officer

Date 20th December 2016.

The Cavendish High Academy

Statement of Trustees' Responsibilities for the year ended 31 August 2016

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 2015 and the Academies Accounts Direction 2015 to 2016;
- 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; 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 order of the members of the board of trustees on and signed on its behalf by:

C A Howard
Trustee

C A Howard
20 December 2016

The Cavendish High Academy

Independent Auditor's report on the financial statements to the Board of Trustees of The Cavendish High Academy

We have audited the financial statements of The Cavendish High Academy ("the Academy") for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the cashflow 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 2015 to 2016 (SORP 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 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2015 to 2016 (SORP 2015). Our audit work has been undertaken so that we might state to the Academy's members and trustees 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 and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who act as governors of Bartley Green School 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. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. 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 (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 August 2016 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 2015 to 2016 (SORP 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.

Matters on which we are required to report by exception

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

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

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
3 Hardman Street
Manchester
M3 3AT

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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 dated 29 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cavendish High Academy Trust during the year to 31 August 2016 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 Cavendish High Academy Trust 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 Cavendish High Academy Trust 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 Cavendish High Academy Trust and to the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Cavendish High Academy Trust accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Cavendish High Academy Trust funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016 (SORP 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 2016 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 work in accordance with the Academies Accounts Direction 2015 to 2016 (SORP 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 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.

Conclusion

In the course of our work, except for the matters listed below, 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 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1: The Academy made a non-statutory severance payment (special payment) of £4,782 plus the gift of a laptop with a nil net book value during the year. The Academies Financial Handbook requires that the Academy should consider whether such payment is justified and is value for money, based on a legal assessment of the case. The Academy has not demonstrated that a legal assessment has been made or that the staff severance payment is value for money.

BDO LLP
Chartered Accountants
Manchester
United Kingdom

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Cavendish High Academy

Statement of financial activities
for the year ended 31 August 2016

	Note	Un-restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2016 £'000	Total 2015 £'000
Income from:						
Donations and capital grants	2	-	2	7	**9**	8
Other trading activities	3	16	-	-	**16**	26
Investments	4	1	-	-	**1**	-
Charitable activities:						
Funding for the academy trust's educational operations	5	-	2,078	-	**2,078**	2,068
Total		17	2,080	7	**2,104**	2,102
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	-	1,854	98	**1,952**	2,130
Total	6	-	1,854	98	**1,952**	2,130
Net income/(expenditure)		17	226	(91)	**152**	(28)
Transfers between funds	14	-	(31)	31	-	-
Net income/(expenditure) for the year		17	195	(60)	**152**	(28)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	14,24	-	(452)	-	**(452)**	28
Net movement in funds		17	(257)	(60)	**(300)**	-
Reconciliation of funds						
Total funds brought forward at 1 September 2015	14	366	(434)	2,624	**2,556**	2,556
Total funds carried forward at 31 August 2016		383	(691)	2,564	**2,256**	2,556

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 2016

Company number: 08789220	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible assets	11		**2,564**		2,624
Current assets					
Debtors	12	**46**		63	
Cash at bank and in hand		**686**		397	
		732		460	
Liabilities					
Creditors: amounts falling due within one year	13	**(39)**		(29)	
Net current assets			**693**		431
Total assets less current liabilities			**3,257**		3,055
Defined benefit pension scheme liability			**(1,001)**		(499)
Net assets including pension liability	14		**2,256**		2,556
Funds of the academy trust					
Restricted funds					
Fixed asset fund	14	**2,564**		2,624	
General fund	14	**310**		65	
Pension reserve	14	**(1,001)**		(499)	
Total restricted funds			**1,873**		2,190
Unrestricted income funds					
General fund	14	**383**		366	
Total unrestricted funds			**383**		366
Total funds			**2,256**		2,556

The financial statements on pages 22 to 45 were approved by the trustees, and authorised for issue on _____ and are signed on their behalf by:

C A Howard
Chair of Trustees

C A Howard
20 December 2016

The Cavendish High Academy

Cash flow statement
for the year ended 31 August 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	**319**	43
Cash flows from investing activities	19	**(30)**	(8)
Change in cash and cash equivalents in the reporting period		**289**	35
Cash and cash equivalents at 1 September 2015		**397**	362
Cash and cash equivalents at 31 August 2016	20	**686**	397

1 Accounting policies

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

Legal status

The academy trust is a company limited by guarantee registered in England and Wales with no share capital and an exempt charity. The member's liability is included in note 23.

Basis of Preparation

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of The Cavendish High Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Cavendish High Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made following the adoption of FRS 102 and SORP 2015.

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.

1 Accounting policies *(continued)*

Income

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

- **Grants Receivable**

  Included within grants receivable are government grants from the Education Funding Agency, the Department for Education and the Local Authority.

  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.

- **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.

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

Expenditure

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.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

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.

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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust 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.

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

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.

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 the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, 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 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 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 Accounting policies *(continued)*

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 funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Local Government Pension Scheme

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Critical areas of judgement

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The most important factor in determining the amount of GAG the school receives each year is the number of pupils on roll. Regular reports are provided to members of the Finance Committee estimating the size of the School Budget. These are updated as & when changes take place with regards to intakes.

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Other donations	-	2	**2**	1
Capital grants	-	7	**7**	7
	-	9	**9**	8
2015 analysis by fund	-	8	8	

3 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Staff consultancy	14	-	**14**	23
Sales of goods and services	2	-	**2**	3
	16	-	**16**	26
2015 analysis by fund	26	-	26	

4 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	1	-	**1**	-
2015 analysis by fund	-	-	-	

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	973	**973**	985
Other DfE/EFA grants	-	36	**36**	33
	-	1,009	**1,009**	1,018
Other Government grants				
Local authority grants	-	1,049	**1,049**	1,024
	-	1,049	**1,049**	1,024
Other income from the academy trust's educational operations	-	20	**20**	26
	-	20	**20**	26
	-	2,078	**2,078**	2,068
2015 analysis by fund	-	2,068	2,068	

6 Expenditure

	Non Pay Expenditure				
	Staff costs £'000	**Premises £'000**	**Other £'000**	**Total 2016 £'000**	**Total 2015 £'000**
Academy's educational operations:					
Direct costs	1,357	93	60	**1,510**	1,684
Allocated support costs	153	170	119	**442**	446
	1,510	263	179	**1,952**	2,130

Total expenditure was £1,952,000 (2015: £2,130,000) of which £Nil (2015: £Nil) was unrestricted, £1,854,000 restricted (2015: £2,023,000) and £98,000 restricted fixed assets (2015: £107,000).

Net income/(expenditure) for the period includes:

	2016 £'000	**2015 £'000**
Depreciation	**98**	107
Operating lease rentals	**1**	1
Fees payable to auditor:		
- audit	**10**	7
- other services	**8**	-

7 Charitable activities

	Total 2016 £'000	**Total 2015 £'000**
Direct costs - educational operations	**1,510**	1,684
Support costs - educational operations	**442**	446
	1,952	2,130

Analysis of support costs - educational operations

Support staff costs	**153**	142
Depreciation	**5**	5
Technology costs	**9**	14
Premises costs	**165**	150
Other support costs	**87**	116
Governance costs	**23**	19
	442	446

8 Staff

	Total 2016 £'000	Total 2015 £'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	**1,129**	1,301
Social security costs	**92**	95
Operating costs of defined benefit pension schemes	**217**	218
	1,438	1,614
Supply staff costs	**67**	38
Staff restructuring costs	**5**	-
	1,510	1,652
Staff restructuring costs comprise:		
Other restructuring costs	**5**	-
	5	-

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual payment of £4,782 (2015: £Nil).

c. Staff numbers

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

	2016 No	2015 No
Teachers	**11**	16
Administrations and support	**35**	36
Management	**5**	4
	51	56

8 Staff *(continued)*

d. Higher paid staff

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

	2016 No	2015 No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1

Both of the above employees participated in the Teachers' Pension Scheme (TPS). During the year ended 31 August 2016 employer's pension contributions for these staff amounted to £31,000 (2015: £20,000)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership 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 £385,000 (2015: £414,000).

9 Related Party Transactions – 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 staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

E Haver (appointed 1 September 2015)		
Remuneration:	£70,001 - £75,000	(2015: Nil)
Employers pension:	£10,001 - £15,000	(2015: Nil)
G Burke		
Remuneration:	£25,001 - £30,000	(2015: 20,001 - £25,000)
Employers pension:	£0 - £5,000	(2015: Nil)
G Price		
Remuneration:	£0 - £5,000	(2015: £0 - £5,000)
Employers pension:	£0 - £5,000	(2015: £0 - £5,000)
D Sadler (appointed 18 May 2016)		
Remuneration:	£10,001 - £15,000	(2015: Nil)
Employers pension:	£0 - £5,000	(2015: Nil)

During the year ended 31 August 2016, travel and subsistence expenses totalling £Nil (2015: £Nil) were reimbursed to no trustees (2015: nil trustees).

Other related party transactions involving the trustees are set out in note 25.

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees, employees 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 2016 was £26,000 (2015: £23,000). 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
Cost				
At 1 September 2015	2,678	64	46	2,788
Additions	-	28	10	38
Disposals	-	-	(1)	(1)
At 31 August 2016	**2,678**	**92**	**55**	**2,825**
Depreciation				
At 1 September 2015	129	13	22	164
Charged in year	76	7	15	98
Disposals	-	-	(1)	(1)
At 31 August 2016	**205**	**20**	**36**	**261**
Net book values				
At 31 August 2016	**2,473**	**72**	**19**	**2,564**
At 31 August 2015	2,549	51	24	2,624

The leasehold land and buildings was acquired on conversion, being a 125 year agreement between the Trust and the Local Authority for the land and building of the school.

12 Debtors

	2016 £'000	2015 £'000
Trade debtors	-	4
VAT recoverable	8	5
Prepayments and accrued income	38	54
	46	63

13 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Accruals and deferred income	39	29
	39	29

Deferred income

	2016 £'000	2015 £'000
Deferred income at 1 September 2015	-	62
Resources deferred in the year	-	-
Amounts released from previous years	-	(62)
Deferred income at 31 August 2016	-	-

14 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant (GAG)	65	973	(697)	(31)	310
Pupil Premium	-	36	(36)	-	
LA grants	-	1,049	(1,049)	-	
Other restricted income	-	22	(22)	-	
Pension reserve	(499)	-	(50)	(452)	(1,001)
	(434)	2,080	(1,854)	(483)	(691)
Restricted fixed asset funds					
On transfer from conversion	2,624	-	(91)	-	2,533
DfE/EFA capital grants	-	7	(7)	-	-
Capital expenditure from GAG	-	-	-	31	31
	2,624	7	(98)	31	2,564
Total restricted funds	**2,190**	**2,087**	**(1,952)**	**(452)**	**1,873**
Unrestricted funds					
Unrestricted funds	366	17	-	-	383
Total unrestricted funds	366	17	-	-	383
Total funds	**2,556**	**2,104**	**(1,952)**	**(452)**	**2,256**

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

Restricted general funds

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

Restricted fixed asset funds

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 funds where the asset acquired or created is held for a specific purpose.

Unrestricted funds

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

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 2016.

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

	2016 £'000	2015 £'000
Net income/(expenditure) for the reporting period (as per SOFA)	**152**	(28)
Adjusted for:		
Depreciation (note 11)	**98**	107
Capital grants from DfE and other capital income	**(7)**	(7)
Interest receivable (note 4)	**(1)**	-
Defined benefit pension scheme cost less contributions payable (note 24)	**31**	27
Defined benefit pension scheme finance cost (note 24)	**19**	19
Decrease in debtors	**17**	51
Increase/(decrease) in creditors	**10**	(126)
Net cash provided by operating activities	**319**	43

19 Cash flows from investing activities

	2016 £'000	2015 £'000
Dividends, interest and rents from investments	**1**	-
Purchase of tangible fixed assets	**(38)**	(15)
Capital grants from DfE/EFA	**7**	7
Net cash (used in) investing activities	**(30)**	(8)

20 Analysis of cash and cash equivalents

	At 31 August 2016 £'000	At 31 August 2015 £'000
Cash in hand and at bank	**686**	397
Total cash and cash equivalents	**686**	397

21 Guarantees, Letters and comfort and Indemnities

There were no guarantees, letters of comfort and indemnities provided by the trust during the year.

22 Contingent liabilities

There were no contingent liabilities in the year.

23 Member's liability

Each trustee 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 trustee.

24 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. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. 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.

24 Pension and similar obligations *(continued)*

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 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 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 will be as at March 2016, 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 £93,000 (2015: £97,000).

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

Under the definitions set out in FRS 102, the TPS is 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

24 Pension and similar obligations *(continued)*

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £122,000 (2015 - £122,000) of which employer's contributions totalled £94,000 (2015 - £94,000) and employees' contributions totalled £28,000 (2015: £28,000). 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

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	**3.10%**	3.50%
Rate of increase for pensions in payment/inflation	**2.10%**	2.60%
Discount rate for scheme liabilities	**2.00%**	3.70%
Inflation assumptions (CPI)	**2.10%**	3.70%
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:

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	**22.3**	22.3
Females	**24.4**	24.4
Retiring in 20 years		
Males	**24.1**	24.1
Females	**26.7**	26.7

24 Pension and similar obligations *(continued)*

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	**730**	489
Bonds	**537**	417
Property	**96**	94
Cash	**14**	42
Total market value of assets	**1,377**	1,042
Present value of scheme liabilities		
- Funded	**(2,378)**	(1,541)
Deficit in the scheme	**(1,001)**	(499)

The actual return on scheme assets was 19.2% (2015: £77,000).

Amounts recognised in the statement of financial activities	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	**(126)**	122
Net interest cost	**(19)**	(19)
Total operating charge	**(145)**	(103)

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

	2016 £'000	2015 £'000
At 1 September	**1,541**	1,323
Current service cost	**126**	122
Interest cost	**60**	52
Employee contributions	**28**	28
Actuarial (gain)/loss	**623**	16
At 31 August	**2,378**	1,541