

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

Annual Report and Financial Statements

Year Ended

31 August 2018

Company Number 08789220

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

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

**Reference and Administrative Details**  
**For the Year Ended 31 August 2018**

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**Members**

C A Howard  
C Mills  
D Gilligan

**Trustees**

C A Howard, Chair  
E Haver, Principal  
L McMillian, Vice Chair  
G Price  
G Burke (resigned 31 December 2016)  
J Richmond  
D Sadler  
T Doyle (appointed 20 June 2017)  
E Newton (appointed 13 November 2018)

**Senior Leadership Team (SLT)**

E Haver, Principal  
R Miles  
J Bournes  
J Munro  
A Nokes (resigned 23 April 2017)

**Company registered number**

08789220

**Company name**

The Cavendish High Academy

**Principal and registered office**

The Cavendish High Academy, Lincoln Close, Runcorn, Cheshire, WA7 4YX

**Independent auditor**

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

**Bankers**

Lloyds Bank plc, Horsemarket Street, Warrington, WA1 1TP

**Solicitors**

Hill Dickinson LLP, No 1 St Paul's Square, Liverpool, L3 9SJ

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report** **For the Year Ended 31 August 2018**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. 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 92 in 2017-2018.

#### **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 2017-2018 is:

- Principal Head Teacher (accounting officer)
- 1 x Staff representative member
- 5 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.

Governor's terms of office shall be 4 years. This time limit does not apply to the Principal Head Teacher who is ex-officio. Subject to remaining eligible any governor may be re-appointed or re-elected.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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*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.

#### **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.

#### **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 Cavendish High Academy

## (A Company Limited by Guarantee)

### Trustees' Report (continued) For the Year Ended 31 August 2018

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	Mr Tom Doyle

#### *Governors Responsibilities 2017-2018*

Name	Position	Category	Responsibilities
Carole Howard	Member Chair Trustee / Director	Community Co-opted	Safeguarding Safer Recruitment Key Skills (Literacy & Numeracy)
Lisa McMillan	Member Chair Trustee / Director	Community Co-opted	Children in Care Special Educational Needs
Tom Doyle	Trustee/Director	Community Co-opted	Responsible Officer Joined governing body June 20 <sup>th</sup> 2017
Janet Richmond	Trustee/Director	Community Co-opted	ICT
Gill Price	Trustee/Director	Parent	Educational Visits & Learning Outside the Classroom. SMSC.
Donna Sadler	Trustee/Director	Staff	Training. Health & Safety
Elaine Haver	Trustee/Director	Ex officio Principal	Accounting Officer. Child Protection
Rick Miles		Officer Deputy Head	Reporting on Health & Safety Behaviour
John Munro		Officer Assistant Head	Reporting on Progress Data - Achievement & Accreditation. Subject Curriculum.
Joanna Bournes		Officer Deputy head	Reporting on Children in Care Non-subject specific curriculum Staff CPD
Wendy McDonnell		Officer TLR	Reporting on Safeguarding

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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### **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 head teachers.

### **Trade union facility time**

#### ***Relevant union officials***

There were no relevant union officials during the relevant period so therefore there were no associated costs.

### **Related Parties and other Connected Charities and Organisations**

Friends of Cavendish Farm Special School (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 charity is considered to be connected to Cavendish High Academy by way of common Trustees and control.

The Academy is an outward facing school as is reflected in its membership of, and contributions to, a range of networks, consortia and alliances both locally and regionally including; Merseyside SLD Schools (MSLD), Cheshire Special Schools Consortium (CSSC) Halton Secondary Heads (HASH), Halton Special Schools, Merseyside Special Teaching School Alliance (MSTSA) Palmerston Teaching School Alliance, and the Adelaide Multi Academy Trust. We have played a key role in the development and delivery of ITT & NQT training through our Merseyside connections. 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.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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#### **Objectives and Activities**

The Trust operates as The Cavendish High Academy: a special school academy, for pupils aged 11 to 19 years, with 92 students on roll 2017-2018. 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. 36% (33/92) of the students are female and 64%(59/92) are male. The school serves students from Halton and it's neighbouring authorities; currently educating 6 'out of borough' students from Warrington, Knowsley and St Helens 2017-2018 academic year. Ofsted noted that the school is "held in high regard by parents, the local authority, external agencies and other schools" and that "Parents clamour to secure places at The Cavendish High Academy for their children".

100% students who attended Cavendish 2017-2018 had an EHCP. A majority of students have Severe Learning Difficulties (53%), ASC (32%), a minority has profound and multiple learning difficulties (6%) or SLCN (8%) 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 55% of students are entitled to FSM. 8% (7/92 students) are Children in Care. Approximately 74% of students Years 7-11 are entitled to pupil premium. The main body of our students (60/92, 65%) follow a subject specific curriculum and the remainder (32/92, 35%) follow a non-subject specific curriculum.

#### **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. We are an outward facing school. 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.



# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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

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

Our plans for expansion to meet rising demand for places have been hit by significant funding cuts. We are now refocusing on ensuring the academy remains a going concern.

We are an outward facing school. We are very aware of, and use, research and development to move our school forward. We are working together with colleagues and our community on a local, regional and national level to:-

- Grow and develop the governing board – we are actively recruiting members and trustees and developing an action plan to meet training needs as outlined by the governors skills audit
- Improve strategic and operational capacity by continuing with distributed leadership strategy to develop succession plan for middle leaders – we support staff to undertake a range of training & qualifications such as NVQ, degrees, DTTLS, NQT, NPQML, NPQSL
- Explore opportunities for collaborative professionalism through consortia and possible federation with MAT – we are members of the Merseyside SLD consortia, Cheshire Special Schools Consortia,
- Improve efficiency across the academy – review systems and processes, consider restructuring staffing
- Ensure assessment remains outstanding for all students – work with consortia to ensure effective moderation, work with AfA to gain Quality Lead status
- Increase on-site opportunities for outdoor learning by improving our grounds – invest in school grounds working with the school council and PTA
- Use Google docs, Survey Monkey & Arbor to increase opportunities and consistency across the school with regards to home-school communication and parental engagement –ensure parent voice is broad and captured effectively to impact positively on student support and consequently student progress
- Ensure safeguarding capacity and practice remains outstanding – constantly reviewing capacity of staff responsible for safeguarding – increasing numbers where required, planned programme of safeguarding training in place that is a combination of face to face internal, external and e-learning.
- Gain appropriate national awards e.g the National Nurturing Schools Award (October 2018) & Rights respecting School Award (Silver) – distributed leadership opportunities present themselves through the action planning and working towards national awards. Ensure these are fit for purpose and meet what we already have in place so in effect we accredit what we are already doing and are not creating extra workload for the sake of it. Highlights to our stakeholders and wider community what we are very effectively providing for our students.
- Work towards AFA Quality Lead Status (*ongoing*)

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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#### **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**

October 2016 Cavendish was awarded the Achievement for All Quality Mark Award 2016-2017 and has been working towards AfA Quality Lead status throughout 2017-2018. The Quality Mark Award recognises the impressive work being done by the school to improve progress in reading, writing and maths for all students. This national accolade for quality has been awarded to us in recognition of the work we do improving the well-being, resilience and self-esteem of our students who are vulnerable to underachievement.

Cavendish has raised the level of challenge for students and as an Ascentis centre we saw 13 students from KS5 completing both Entry 1 and Entry 2 qualifications in the following topics: Grammar and Punctuation, time and money, speaking, addition and subtraction. Eight students in years 12 and 13 undertook Ascentis Accreditation during the 2017/18 academic year, at Entry Level 1, 41 units were awarded and Entry Level 2, 11 units were awarded. In their final year two additional students exceeded expectation and completed Entry level 3 qualifications.

Whole school attendance for 2016-2017 was 92.8% which compares very favourably with the recently (Oct 18) published national average special school attendance figure of 90.3%. The overall absence rate for autumn/spring 2016/17 in special schools was 9.7% whereas Cavendish was 7.9%. Within the Merseyside Consortium our attendance is 3rd highest of the 16 schools.

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. Termly progress assessments identify any students assessed as not yet on target and ensure interventions are timely. Year on year data fluctuated as expected when changing from PIVATS to B Squared as an assessment tool (providers consulted with stated this would be evident as we base-lined on a new system and is a similar picture nationally). Data collection and analysis (Sept 2015 to June 2016, Sept 2016 to June 2017, Sept 2017 to June 2018) continues to indicate that students across the school make outstanding progress. Cavendish adopted 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, 77% (-1% change on 16/17), of students making expected progress or above expected progress with 33% (-4% differential on 16/17) students making exceptional progress.

**Headline English data** includes NSS (Non-Subject Specific) pupils whole school, the second layer of data concentrates on subject specific pupils only.

Within KS3 cohort (77%) of students are making expected or above expected progress in English across the whole school, subject specific pupils (SSP) in the main body of the school are making 94% expected or above expected progress.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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KS4 shows a similar pattern with SSP pupils outperforming their non-subject specific (NSS) counterparts 87% and 58% respectively, this can be accounted for by the very different needs of these cohorts and their individual education profiles that often contain a heavy bias towards self-regulation and life skills for our NSS pupils. AFLLS and ABLs-r reflects progression in smaller steps and is a better tool for recording and monitoring NSS pupils, Key skills is again used to track, target and monitor these cohorts.

Overall progress in KS5 shows that whole school 73% of pupils are making expected or above expected progress in English there is a drop in SSP attainment to 63%, however, when adjusting the data it should be taken into consideration that included in this data there are a small cohort of pupils that impact these scores due to attendance, being taught off site and having significant speech and language difficulties, the figures adjusted to account for this results spike to 82% of pupils making expected or above expected progress in English in KS5.

**Mathematics** whole school 71% achieving or exceeding expectations and 35% making exceptional progress. This demonstrates a -8% (7 pupils whole school including NNS) and -2% (2 pupils whole school including NNS) decrease on the previous year's attainment. A deep dive on this data suggests that the increase in numbers in our non-subject specific settings, an increase in our hard to reach pupils, compounded by stringent baselining on our new pupils have impacted this data significantly.

Within KS3 cohort (70%) of students are making expected or above expected progress in Mathematics across the whole school, subject specific pupils (SSP) in the main body of the school are making 88% expected or above expected progress.

Once again KS4 shows a similar pattern with SSP pupils outperforming their non-subject specific (NSS) counterparts 80% and 54% respectively, again this can be accounted for by the very different needs of these cohorts and their individual education profiles.

Overall progress in KS5 shows that whole school 73% of pupils are making expected or above expected progress in Mathematics whilst again there is a significant drop in SSP attainment to 52% again impacted by these hard to reach pupils. When the figures are adjusted to account for this, results increase to 59% of pupils making expected or above expected progress in Mathematics in KS5.

On average **Pupil premium** and **FSM** students perform favourably against their non-PP non-FSM peers in both English and Mathematics this has been the case now for three academic years, 2017/18 has seen these two groups fall broadly in line with the rest of the school.

Highlights include PP Mathematics and English with 81% of pupils making expected and above progress, and 47% making exceptional progress in Mathematics.

Female Math's with 77% of pupils making expected and above progress and 55% making exceptional progress and FSM 65% of pupils making expected and above progress and 44% making exceptional progress. LAC pupils are the exception with 100% of pupils making good or exceptional progress. In English 100% of LAC make or exceed expected progress and 66% making above or exceptional progress in maths. KS3 English 94% making expected or above with 56% making exceptional progress. At KS5 59% of students are making above progress in Math's while 47% make exceptional progress, 88% expected or above progress in English with 76% achieving exceptional progress.

The nature of the classes and the delivery of the curriculum in a creative, thematic and cross-curricular manner continues to have a positive impact in KS4 and has been shown to aid progress across the strands of the English & Maths. The curriculum design has had a positive effect and a similar model has been adopted within KS3. Initial results in Math's indicate impact with 93% of pupils working within and exceeding their targets. English shows similar results with 93% working within or exceeding their targets.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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"You and your staff are not afraid to make changes when you see that things are not as effective as you would like. You have used evidence-based research recently from neuroscience to improve outcomes for pupils. You have launched a thematic curriculum which succeeds in meeting the wide-ranging needs of your pupils. You and your staff have reorganised teaching so that pupils spend most of their time in one class with the same teacher. Your own assessment and tracking data evidences the positive difference these changes have made." - Ofsted 2017.

March 2017 Ofsted stated "You and your staff involve yourselves in academic research. You recognise the value of working with academics who are leaders in their fields. Your pupils reap the benefits of the school's engagement in research projects such as 'Rhythm for Reading'. You encourage your staff to be professionally inquisitive. You make sure that your teachers keep up to date with developments in education through frequent 'professional dialogue days'. Consequently, The Cavendish High Academy is an exciting place to be, whether as a pupil or member of staff."

Staff have developed and introduced a system to monitor progress of non-subject specific learning, using data gathered from ABLLS-r and AFLS assessments. Staff have also worked on curriculum development within Pathways, mapping AFLS and ABLLS-r across the terms' themes. During the 2017 – 2018 academic year, 29 students were following a non-subject specific curriculum and are assessed using either Assessment of Basic Language and Learning Skills (ABLLS) or Assessment of Functional Living Skills (AFLS). Analysis of data shows the following:

#### ABLLS

51% of students follow and are assessed using ABLLS.

Overall 14% are exceeding, 24% are working within and 18% are working towards their expected level of progress. The data is then broken down further to highlight the attainment of specific groups of students:

Males: 10% are exceeding, 6% are working within and 17% are working towards

Females: 3% are exceeding, 6% are working within and 0% are working towards

Free School Meals: 10% are exceeding, 6% are working within and 6% are working towards

Pupil Premium: 10% are exceeding, 13% of working within and 10% are working towards

Looked After Children: 3% are working within and 3% are working towards

#### AFLS

49% of students follow and are assessed using AFLS.

Overall 34% are exceeding, 3% are working within and 7% are working towards their expected level of progress.

The data is then broken down further to highlight the attainment of specific groups of students:

Males: 27% are exceeding, 10% are working within and 3% are working towards

Females: 10% are exceeding, 0% are working within and 3% are working towards

Free School Meals: 17% are exceeding, 6% are working within and 3% are working towards

Pupil Premium: 17% are exceeding, 6% of working within and 0% are working towards

Progress in terms of behaviour support is also monitored in school and in some cases by external agencies such as the Positive Behaviour Support Service: "I am stunned by the boys progress, we really appreciate your commitment to placing our interventions in the classroom" - Behaviour Analyst.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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#### **Key Performance Indicators**

2017-2018 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'.

Ofsted visited the school on 7th March 2017 and stated that Cavendish continues to be outstanding.

Attendance is excellent. Whole School attendance for 2017-2018 is 92.7%. Special Schools National Average 90.3% (DfE Oct 2018). The overall absence rate for autumn/spring 2016/17 in special schools was 9.7% whereas Cavendish was 7.9%.

"Pupils enjoy coming to school. The overwhelming majority of pupils are in school on time every day. School staff follow up assiduously on any pupil absence. If any pupil is absent without good reason, the school attendance officer makes a home visit. The school is quick to help any parents who are struggling to get their children to school." Ofsted 2017.

#### **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 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. There are funding challenges as identified in the financial review below. The Academy has developed plans to mitigate the impact of funding reduction.

# The Cavendish High Academy

## (A Company Limited by Guarantee)

### Trustees' Report (continued) For the Year Ended 31 August 2018

#### Financial Review

The Academy receives funding from two principal sources: The Education & Skills Funding Agency and Halton Local Authority.

The General Annual Grant (GAG) received from the Education & Skills Funding Agency is place funding and is paid on a monthly basis. ESG has been reduced significantly but has been supported by a protection factor as it has been phased out this year. We have seen a reduction of £10,362.35 from £32,988.65 ESG & ESG protection income in 2016-2017 to no ESG and £22,626 ESG protection in 2017-2018. This will obviously reduce further over the coming years.

Top up funding is received from the Local Authority's High Needs Funding Block and is currently paid, very belatedly, on a termly basis – for example the summer term 2018 top up funding was paid in the middle of the school holidays in August 2018. The local authority, despite several requests, have yet to provide documentation to support their per head payments for Spring and Summer 2018 so the Academy cannot reconcile the payment made with expected/projected income.

Top up funding levels were reduced significantly (over £125,000,000 from Halton alone) by the LA going above the MFG in April 2016 and above the MFG again in April 2018 (approx. 5% reduction equivalent to £510 per head per student which totalled approximately £47,000 decrease). Inflation and up to 11% pay increases for support staff (April 2018- April 2019) and 2% for teaching staff (2017) mean in real terms we have had significant cuts to our funding.

The grants received during the year ended 31st August 2018 and associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

Local authority top up funding was reduced mid-academic and financial year for the academy.

N.B. A meeting with the local authority in December 2018 confirmed that there will be no decrease to top up funding in April 2019. This is very positive news for the Academy. Additionally in December, Damien Hinds, Education Secretary, announced that councils will receive an additional £250 million over the next two years to support children with complex needs and disabilities. There will also be another £100 million investment to create more specialist places and state-of-the-art facilities such as sensory rooms and specialist equipment.

2017-18 Education Services Grant (ESG) was decreased:

Academic Year	Education Services Grant inc any ESG Protection	Decrease each academic year	Cumulative decrease
2014 - 2015	£54,740	-	-
2015 - 2016	£44,992	£9,748	£9,748
2016 - 2017	£30,107 ESG £ 2,881 ESG protection	£12,004	£21,752
2017 - 2018	£0 ESG £22,626 ESG protection	£10,362	£32,114

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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During the year ended 31st August 2018, total expenditure 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 £595,000 (2017: £684,000).

We regularly reassess our 5 year projected budget. Our carry forward has historically been high as we were saving for significant building work and projects we had earmarked funds for. However, the local authority have now reduced students individual top up funding to a level that does not meet individual need for the majority of students. We have students with significant challenging behavior who require intensive 2:1 support and have received top up funding of just £7171. This combined with their placement funding totals £17,171 – a single teaching assistant costs the school approximately £26,500. This does not include a share of the running costs of the school or the management either. At present we are having to use the carry forward we had hoped to build with to sustain staffing levels at a safe level for health and safety.

The local authority pays top up funding on a very belated termly basis for a financial year. There has been no set schedule for these payments. Therefore, our overall bank balance 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 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. We need to maintain a minimum balance of approximately £150,000 in the current account.

Our greatest asset and most significant cost is our staff. For health and safety reasons we need to maintain staffing levels in classrooms. This level of staffing is threatened by rapidly reducing budgets.

We continue to be very prudent and to mitigate risk we continually work on scenario planning and potential staff restructuring to present to governors.

#### **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. At 31st August 2018 the balance of the Academy's Unrestricted Funds was £389,000 and the balance of its Restricted General Funds was £2,104,000.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2018**

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#### **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.

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	banding figures remained same – no inflation so real terms cut.
April 2018 - March 2019	banding figures cut by £510 / pupil cut to funding = £46,920 cut – approx. 5% reduction

All 4 Halton Special school heads attended meeting with the LA operational director on 13th December 2017 to discuss budgets as we were made aware there would have to be cuts to top up funding for April 2018. This increased our expected in year deficit for 2017-2018. The Academy has been informed that will be no further decrease to top up funding in April 2019.

#### **Underlying rate of inflation and staffing costs:**

The Academy is mindful of inflation. Teaching staff pay rates were increased by 1% for Leadership and UPS and SEN allowances for teachers and 2% for teachers on the MPS from 1st September 2017 as per national agreements and support staff pay rates were also increased (11% over 2 year 1st April 2018 & 1st April 2019) 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.

We are very prudent and are mindful of the need to continue being as efficient as we possibly can be. We carefully monitor 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 as opposed to the current in year deficits. Going forward we will have to consider restructuring staffing.

It has become impossible 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 reduced the number of trained speech and language therapists as they are non-classroom based staff and we have had to reduce our curriculum e.g. we can no longer afford to staff rebound therapy sessions or to repair and run one of our minibuses. The hydrotherapy pool is currently under-threat as it carries a considerable operational cost and therefore under current funding in the long term will not be sustainable.



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

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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**Plans for Future Periods**

Transfer to alternative software for finance (e.g. HCSS) to reduce risk of human error and ensure most effective 5 year planning forecasts.

Hold an extraordinary Governors meeting to discuss premises and to consider the most effective and least risk use of reserves to ensure future provision for students remains as effective as possible for as long as possible.

Consider restructuring staff in consideration of future funding as we cannot recoup projected in year deficits through procurement processes alone.


Review the school population and consider future placement capacity taking into account reduced funding, reduced staffing and therefore also health and safety considerations.

**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.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19-12-2018 and signed on its behalf by:

 19.12.18

**C A Howard**  
**Chair of Trustees**

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Governance Statement**

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#### **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 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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C Howard (member, chair of trustees)	2	3
L McMillian (vice chair)	2	3
J Richmond (trustee)	1	3
T Doyle (trustee - responsible officer)	2	3
G Price (parent trustee)	3	3
D Sadler (staff trustee appointed)	2	3
E Haver (principal / accounting officer)	3	3

It has been very challenging to recruit for members and trustees, and although we were unsuccessful in 2017-2018 we continue to actively recruit governors using websites such as [governorsforschools.org.uk](http://governorsforschools.org.uk)

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

Ofsted met with 2 governors during their inspection on 7th March 2017 and in their letter following the visit stated that: "Next steps for the school - Those responsible for governance should ensure that: They have the skills, experience and expertise to provide the highly effective, strategic leadership required to maintain the school's outstanding provision."

Over the past 12 months governors have made headway in recruiting both a member and an additional governor. Governors minutes now record notes of the impact governors have had on the Academy.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

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

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The Business & Continuity 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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C A Howard	3	3
L McMillian	3	3
T Doyle	3	3
J Richmond	0	3
G Price	3	3
D Sadler	1	3
E Haver	3	3

#### **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
- Reduction in out of class staffing costs to facilitate increased number of support staff in class.
- Financial benchmarking

#### **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 2017 to 31 August 2018 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 2017 to 31 August 2018 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 Cavendish High Academy**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

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**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, from 20th June 2017, the trustees have appointed trustee T Doyle 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 who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on 19-12-2018 and signed on their behalf, by:



**C A Howard**  
Chair of Trustees



**E Haver**

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

**Statement on Regularity, Propriety and Compliance**

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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 2017.

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 2017.

I confirm that no 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.



**E Haver**  
**Principal Head Teacher**

Date: 18<sup>th</sup> December 2018

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

**Statement of Trustees' Responsibilities**  
**For the Year Ended 31 August 2018**

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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:

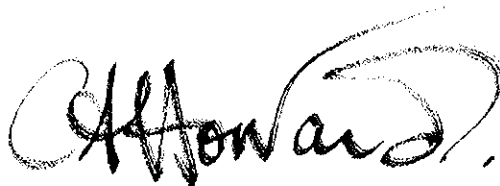
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 19-12-2018 and signed on its behalf by:



**C A Howard**  
**Chair of Trustees**

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Independent Auditor's Report on the Financial Statements to the Members of The Cavendish High Academy**

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#### **Opinion**

We have audited the financial statements of The Cavendish High Academy ("the Academy") for the year ended 31 August 2018 which comprise the statement of financial activities (incorporating income and expenditure account), balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Independent Auditor's Report on the Financial Statements to the Members of The Cavendish High Academy**

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#### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

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

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

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

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



# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Independent Auditor's Report on the Financial Statements to the Members of The Cavendish High Academy**

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#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

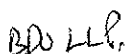
We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

#### **Use of our report**

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hamid Ghafoor (Senior Statutory Auditor)  
for and on behalf of  
BDO LLP, statutory auditor  
Manchester

Date: 20 - 12 - 2018

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 24 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cavendish High Academy during the period 1 September 2017 to 31 August 2018 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 and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Cavendish High Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Cavendish High Academy and ESFA, 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 2017, 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 2017 to 2018. 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 period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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.

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

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

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**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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*BDO LLP*

**BDO LLP**

Reporting Accountant  
Manchester

Date: 20-12-2018

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

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the Year Ended 31 August 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>Income from:</b>						
Donations and capital grants	2	-	-	7	7	38
<b>Charitable activities:</b>	3					
Funding for the academy trust's educational operations		-	1,935	-	1,935	1,937
Other trading activities	4	3	-	-	3	3
<b>Total income</b>		<b>3</b>	<b>1,935</b>	<b>7</b>	<b>1,945</b>	<b>1,978</b>
<b>Expenditure on:</b>						
Academy trust educational operations		-	2,165	103	2,268	2,130
<b>Total expenditure</b>	5	<b>-</b>	<b>2,165</b>	<b>103</b>	<b>2,268</b>	<b>2,130</b>
<b>Net (expenditure)/ income before transfers</b>		<b>3</b>	<b>(230)</b>	<b>(96)</b>	<b>(323)</b>	<b>(152)</b>
Transfers between Funds	15	-	(13)	13	-	-
<b>Net(expenditure)/income before other recognised gains and losses</b>		<b>3</b>	<b>(243)</b>	<b>(83)</b>	<b>(323)</b>	<b>(152)</b>
Actuarial gains on defined benefit pension schemes	19	-	194	-	194	518
<b>Net movement in funds</b>		<b>3</b>	<b>(49)</b>	<b>(83)</b>	<b>(129)</b>	<b>366</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		386	(295)	2,531	2,622	2,256
<b>Total funds carried forward</b>		<b>389</b>	<b>(344)</b>	<b>2,448</b>	<b>2,493</b>	<b>2,622</b>

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

The notes on pages 29 to 48 form part of these financial statements.

**The Cavendish High Academy**  
**(A Company Limited by Guarantee)**  
 Company number: 08789220

**Balance Sheet**  
**As at 31 August 2018**

	<b>Note</b>	<b>2018 £000</b>	<b>2018 £000</b>	<b>2017 £000</b>	<b>2017 £000</b>
<b>Fixed assets</b>					
Tangible assets	12		<b>2,448</b>		2,531
<b>Current assets</b>					
Debtors	13	<b>53</b>		<b>64</b>	
Cash at bank and in hand		<b>623</b>		<b>714</b>	
		<b>676</b>		<b>778</b>	
<b>Creditors: amounts falling due within one year</b>	14	<b>(81)</b>		<b>(94)</b>	
<b>Net current assets</b>			<b>595</b>		<b>684</b>
<b>Total assets less current liabilities</b>			<b>3,043</b>		<b>3,215</b>
Defined benefit pension scheme liability	19		<b>(550)</b>		<b>(593)</b>
<b>Total net assets</b>			<b>2,493</b>		<b>2,622</b>
<b>Funds of the academy trust</b>					
<b>Restricted funds:</b>					
Restricted income fund	15	<b>206</b>		<b>298</b>	
Fixed asset fund	15	<b>2,448</b>		<b>2,531</b>	
Pension reserve		<b>(550)</b>		<b>(593)</b>	
Total restricted funds			<b>2,104</b>		<b>2,236</b>
Unrestricted income funds	15		<b>389</b>		<b>386</b>
<b>Total funds</b>			<b>2,493</b>		<b>2,622</b>

The financial statements on pages 26 to 48 were approved by the Trustees, and authorised for issue, and are signed on their behalf, by:

on 19-12-18

**C A Howard**  
**Chair of Trustees**



The notes on pages 29 to 48 form part of these financial statements.

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

**Statement of Cash Flows**  
**For the Year Ended 31 August 2018**

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	17	(78)	65
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(20)	(72)
Capital grants from DfE Group		7	35
<b>Net cash used in investing activities</b>		(13)	(37)
<b>Change in cash and cash equivalents in the year</b>		(91)	28
Cash and cash equivalents brought forward		714	686
<b>Cash and cash equivalents carried forward</b>	18	623	714

The notes on pages 29 to 48 form part of these financial statements.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 August 2018**

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#### **1. Statement of accounting policies**

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

##### **1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Cavendish High Academy constitutes a public benefit entity as defined by FRS 102.

##### **1.2 Going concern**

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

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 August 2018**

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#### **1. Statement of accounting policies (continued)**

##### **1.3 Income**

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

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

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

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

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

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

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

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected cost of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'income from other trading activities'. Upon sale, the value of stock is charged against 'income from other trading activities' and the proceeds are recognised as 'income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'income from other trading activities'.



# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 August 2018**

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#### **1. Statement of accounting policies (continued)**

##### **1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

##### **1.5 Tangible fixed assets**

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	3% straight line
Furniture and fixtures	-	10% straight line
Computer equipment	-	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 incorporating Income and Expenditure Account.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 August 2018**

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#### **1. Statement of accounting policies (continued)**

##### **1.6 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.

##### **1.7 Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **1.8 Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **1.9 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

##### **1.10 Taxation**

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

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 August 2018**

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#### **1. Statement of accounting policies (continued)**

##### **1.11 Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

##### **1.12 Fund accounting**

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

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/donor and include grants from the Department for Education Group.

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 August 2018**

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#### **1. Statement of accounting policies (continued)**

##### **1.13 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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 company's tangible assets. 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 received 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 and when changes take place with regards to intakes.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	-	-	-	-	3
Capital grants	-	-	7	7	35
	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>38</u>
	-	-	7	7	38
	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>38</u>
<b>Total 2017</b>	<u>-</u>	<u>3</u>	<u>35</u>	<u>38</u>	

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	956	956	970
Other DfE/ESFA grants	-	32	32	36
	<u>-</u>	<u>988</u>	<u>988</u>	<u>1,006</u>
	-	988	988	1,006
	<u>-</u>	<u>988</u>	<u>988</u>	<u>1,006</u>
<b>Other government grants</b>				
Local authority grants	-	939	939	913
	<u>-</u>	<u>939</u>	<u>939</u>	<u>913</u>
	-	939	939	913
	<u>-</u>	<u>939</u>	<u>939</u>	<u>913</u>
<b>Other income from the academy trusts educational operations</b>				
	-	8	8	18
	<u>-</u>	<u>8</u>	<u>8</u>	<u>18</u>
	-	8	8	18
	<u>-</u>	<u>8</u>	<u>8</u>	<u>18</u>
	-	1,935	1,935	1,937
	<u>-</u>	<u>1,935</u>	<u>1,935</u>	<u>1,937</u>
<b>Total 2017</b>	<u>-</u>	<u>1,937</u>	<u>1,937</u>	

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**4. Other trading activities**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>Charity trading income</b>				
Staff consultancy	3	-	3	3
Net income from other trading activities	3	-	3	3

Total trading income for the prior year was £3,000. All income was unrestricted.

**5. Expenditure**

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Academy's educational operations:					
Direct costs	1,471	98	75	1,644	1,561
Allocated support costs	323	116	185	624	569
	1,794	214	260	2,268	2,130
<b>Total 2017</b>	1,674	223	233	2,130	

Total expenditure was £2,268,000 (2017: £2,130,000) of which £Nil (2017: £Nil) was unrestricted, £2,165,000 restricted (2017: £2,025,000) and £103,000 restricted fixed assets (2017: £105,000).

Included within expenditure are the following transactions:

	Total £	Individual items Amount £	Reason/nature
Ex-gratia payments	5,847	5,847	Settlement agreement

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2017, being delegated authority or approval from the Education and Skills Funding Agency.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**6. Analysis of expenditure by activities**

	Direct costs 2018 £000	Support costs 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Charitable activities	1,644	624	2,268	2,130
<b>Total 2017</b>	1,561	569	2,130	

**7. Analysis of support costs**

	Activities £000	Total 2018 £000	Total 2017 £000
Depreciation	5	5	5
Technology costs	9	9	4
Premises costs	112	112	123
Other support costs	154	154	112
Governance costs	21	21	22
Wages and salaries	157	157	188
National insurance	10	10	7
Pension cost	156	156	108
	624	624	569
<b>Total 2017</b>	569	569	

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

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	103	105
Operating lease rentals	1	1
Auditor's remuneration - audit	12	11
Auditor's remuneration - other services	8	8

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,249	1,132
Social security costs	119	106
Pension costs	365	286
	<u>1,733</u>	<u>1,524</u>
Agency staff costs	55	150
Staff restructuring costs	6	-
	<u>1,794</u>	<u>1,674</u>

Staff restructuring costs comprise:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Settlement payments	6	-

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs is one non-statutory/non-contractual payment of of £5,847 (2017: £Nil) which was agreed on the 8 May 2018 and paid to a staff member in May 2018.

**c. Staff numbers**

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

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Teachers	11	12
Administrations and support	38	35
Management	4	5
	<u>53</u>	<u>52</u>



# The Cavendish High Academy

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2018

#### 9. Staff costs (continued)

##### d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-

The above employees participated in the Teachers' Pension Scheme (TPS). During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £32,000 (2017: £30,000).

##### e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contribution and employer national insurance contribution) received by key management personnel for their services to the academy trust was £309,000 (2017: £372,000).

#### 10. Related Party Transaction - Trustees' remuneration and expenses

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

		2018 £000	2017 £000
E Haver (principal and trustee)	Remuneration	80-90	75-80
	Pension contributions paid	10-15	10-15
G Burke (staff trustee)	Remuneration	-	5-10
	Pension contributions paid	-	0-5
G Price (staff trustee)	Remuneration	0-5	0-5
	Pension contributions paid	0-5	0-5
D Sadler (staff trustee)	Remuneration	15-20	20-25
	Pension contributions paid	0-5	0-5

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £Nil to Nil Trustees).

# The Cavendish High Academy

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2018

#### 11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £6,000 (2017 - £6,000).

#### 12. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and fixtures £000	Plant and equipment £000	Total £000
<b>Cost</b>				
At 1 September 2017	2,678	155	64	2,897
Additions	-	6	14	20
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	2,678	161	78	2,917
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 September 2017	281	30	55	366
Charge for the year	76	16	11	103
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	357	46	66	469
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 August 2018	2,321	115	12	2,448
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	2,397	125	9	2,531
	<hr/>	<hr/>	<hr/>	<hr/>

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

#### 13. Debtors

	2018 £000	2017 £000
Trade debtors	5	3
VAT recoverable	12	1
Prepayments and accrued income	36	60
	<hr/>	<hr/>
	53	64
	<hr/>	<hr/>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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

	2018 £000	2017 £000
Other creditors	1	2
Accruals and deferred income	80	92
	<u>81</u>	<u>94</u>

**15. Statement of funds**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
Unrestricted funds	386	3	-	-	-	389
<b>Restricted funds</b>						
General Annual Grant (GAG)	298	956	(1,035)	(13)	-	206
Pupil Premium	-	32	(32)	-	-	-
LA grants	-	939	(939)	-	-	-
Other restricted income	-	8	(8)	-	-	-
Pension reserve	(593)	-	(151)	-	194	(550)
	<u>(295)</u>	<u>1,935</u>	<u>(2,165)</u>	<u>(13)</u>	<u>194</u>	<u>(344)</u>
<b>Restricted fixed asset funds</b>						
On transfer from conversion	2,471	-	(88)	-	-	2,383
Capital expenditure from GAG	60	-	(8)	13	-	65
Dfe/ESFA capital grants	-	7	(7)	-	-	-
	<u>2,531</u>	<u>7</u>	<u>(103)</u>	<u>13</u>	<u>-</u>	<u>2,448</u>
Total restricted funds	<u>2,236</u>	<u>1,942</u>	<u>(2,268)</u>	<u>-</u>	<u>194</u>	<u>2,104</u>
Total of funds	<u>2,622</u>	<u>1,945</u>	<u>(2,268)</u>	<u>-</u>	<u>194</u>	<u>2,493</u>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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

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

**Unrestricted funds**

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.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Restricted general funds**

Restricted general funds comprise of all other restricted funds received and include grants from the Education and Skills Funding Agency and other funds.

**Restricted fixed asset funds**

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

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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

**Statement of funds - prior year**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers In/out £000	Gains £000	Balance at 31 August 2017 £000
Unrestricted funds	383	3	-	-	-	386
<b>Restricted funds</b>						
General Annual Grant (GAG)	310	969	(944)	(37)	-	298
Pupil Premium	-	36	(36)	-	-	-
LA grants	-	913	(913)	-	-	-
Other restricted income	-	22	(22)	-	-	-
Pension reserve	(1,001)	-	(110)	-	518	(593)
	(691)	1,940	(2,025)	(37)	518	(295)
<b>Restricted fixed asset funds</b>						
On transfer from conversion	2,533	-	(62)	-	-	2,471
Capital expenditure from GAG	31	-	(8)	37	-	60
Dfe/ESFA capital grants	-	35	(35)	-	-	-
	2,564	35	(105)	37	-	2,531
<b>Total restricted funds</b>	<b>1,873</b>	<b>1,975</b>	<b>(2,130)</b>	<b>-</b>	<b>518</b>	<b>2,236</b>
<b>Total of funds</b>	<b>2,256</b>	<b>1,978</b>	<b>(2,130)</b>	<b>-</b>	<b>518</b>	<b>2,622</b>

**The Cavendish High Academy**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	2,448	2,448
Current assets	389	287	-	676
Creditors due within one year	-	(81)	-	(81)
Provisions for liabilities and charges	-	(550)	-	(550)
	<u>389</u>	<u>(344)</u>	<u>2,448</u>	<u>2,493</u>

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	2,531	2,531
Current assets	386	392	-	778
Creditors due within one year	-	(94)	-	(94)
Provisions for liabilities and charges	-	(593)	-	(593)
	<u>386</u>	<u>(295)</u>	<u>2,531</u>	<u>2,622</u>

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

	2018 £000	2017 £000
Net expenditure for the year (as per Statement of Financial Activities)	(323)	(152)
<b>Adjustment for:</b>		
Depreciation charges	103	105
Decrease/(increase) in debtors	11	(18)
(Decrease)/increase in creditors	(13)	55
Capital grants from DfE and other capital income	(7)	(35)
Defined benefit pension scheme cost less contributions payable	135	89
Defined benefit pension scheme finance cost	16	21
<b>Net cash (used in)/provided by operating activities</b>	<u>(78)</u>	<u>65</u>

**18. Analysis of cash and cash equivalents**

	2018 £000	2017 £000
Cash in hand	623	714
<b>Total</b>	<u>623</u>	<u>714</u>

# **The Cavendish High Academy**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 August 2018**

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#### **19. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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**

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

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

# The Cavendish High Academy

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2018

#### 19. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £93,000 (2017 - £91,000).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £177,000 (2017 - £137,000), of which employer's contributions totalled £138,000 (2017 - £106,000) and employees' contributions totalled £39,000 (2017 - £31,000). The agreed contribution rates for future years are 19.4% for employers and 5.5 to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80%	2.50%
Rate of increase in salaries	2.70%	2.70%
Rate on increase for pensions in payment/inflation	2.40%	2.40%
Inflation assumption (CP1)	2.40%	2.40%
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:

	2018	2017
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	23.9 years	23.9 years
Females	26.5 years	26.5 years

Sensitivity analysis	2018 £000	2017 £000
0.5% decrease in Real Discount Rate	298	271
0.5% increase in the Salary Increase Rate	60	63
0.5% increase in the Pension Increase Rate	243	202
1 year increase in member life expectancy 3.5 to 5% (2017: 3.5 to 5%).		



# The Cavendish High Academy

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2018

#### 19. Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	871	797
Corporate bonds	780	654
Property	145	112
Cash and other liquid assets	18	32
	<hr/>	<hr/>
<b>Total market value of assets</b>	<b>1,814</b>	<b>1,595</b>
	<hr/>	<hr/>

The actual return on scheme assets was 3.6% (2017 - 10.9%).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(273)	(195)
Interest income	42	29
Interest cost	(58)	(50)
	<hr/>	<hr/>
<b>Total</b>	<b>(289)</b>	<b>(216)</b>
	<hr/>	<hr/>

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

	2018 £000	2017 £000
Opening defined benefit obligation	2,188	2,378
Current service cost	273	195
Interest cost	58	50
Employee contributions	39	31
Actuarial gains	(176)	(443)
Benefits paid	(18)	(23)
	<hr/>	<hr/>
<b>Closing defined benefit obligation</b>	<b>2,364</b>	<b>2,188</b>
	<hr/>	<hr/>

# The Cavendish High Academy

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2018

#### 19. Pension commitments (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	1,595	1,377
Interest income	42	29
Actuarial gains	18	75
Employer contributions	138	106
Employee contributions	39	31
Benefits paid	(18)	(23)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,814	1,595
	<hr/>	<hr/>

#### Contingent liability

On 26 October 2018, the High Court handed down its judgment in the case involving the Lloyds Banking Group's defined benefit pension schemes and the rights of members to equality of treatment in relation to pension benefits. The Court's ruling has made it clear that schemes should be amended to equalise benefits for men and women in respect of guaranteed minimum pension benefits. The extent to which the judgement crystallises additional liabilities of the Cheshire Pension Fund Local Government Pension Scheme is under consideration and any adjustment that may result is expected to be recognised in the 2018/19 financial year. At present, we are unable to quantify the financial effect of this.

#### 20. Operating lease commitments

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
<b>Amounts payable:</b>		
Within 1 year	1	1
Between 1 and 5 years	2	2
	<hr/>	<hr/>
Total	3	3
	<hr/>	<hr/>

#### 21. Members' liability

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

#### 22. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.