

Company Registration Number: 08789220 (England & Wales)

THE CAVENDISH HIGH ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C A Howard
Trustees	C A Howard, Chair E Haver, Principal L McMillian, Vice Chair G Price J Richmond D Sadler T Doyle E Newton (appointed 13 November 2018)
Company registered number	08789220
Company name	The Cavendish High Academy
Principal and registered office	Lincoln Close Runcorn Cheshire WA7 4YX
Senior management team	E Haver, Principal R Miles J Bournes J Munro
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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2018 to 31 August 2019. 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 to commission individual pupil placements at the school. It has a pupil capacity of 92 and had a roll of 92 in 2018-2019.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Cavendish High Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Cavendish High Academy. The trustees are also referred to as Governors and collectively the Governing Body of the School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

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

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

d. 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 2018-2019 is:

- Principal Head Teacher (accounting officer)
- 1 x Staff representative member
- 6 x Community/business members

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

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

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

The current structure of the governing body:

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

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

e. Policies 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.

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

Structure, governance and management (continued)

f. 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 meetings also take place once per term. The Curriculum Review committee meets annually.

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 review the SEF, to approve the annual School Improvement Plan and to approve the budget.

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

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

The Academy's financial control group comprises the Principal Head Teacher, Chief Finance Officer and the Chair of Governors who collectively assess 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

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

Structure, governance and management (continued)

Governors Responsibilities 2018-2019

Name	Position	Category	Responsibilities
Carole Howard	Member Chair Trustee / Director	Community Co-opted	Safeguarding Safer Recruitment Key Skills (Literacy & Numeracy)
Lisa McMillan	Member Vice Chair Trustee / Director	Community Co-opted	Children in Care Special Educational Needs Safeguarding
Tom Doyle	Trustee/Director	Community Co-opted	Responsible Officer
Janet Richmond	Trustee/Director	Community Co-opted	ICT
Gill Price	Trustee/Director	Community Co-opted	Educational Visits & Learning Outside the Classroom. SMSC.
Elisha Newton	Trustee/Director	Parent Community Co-opted	Business & Continuity Sub Committee Chair
Donna Sadler	Trustee/Director	Staff	Training, Health & Safety
Elaine Haver	Trustee/Director	Ex officio Principal	Accounting Officer, Child Protection
John Munro		Officer Assistant head	Reporting on Progress Data Achievement & Accreditation Subject Curriculum Reporting on Children in Care
Joanna Bourmes		Officer Deputy head	Reporting on Children in Care Non-subject specific curriculum Staff CPD
Wendy McDonnell		Officer TLR	Reporting on Safeguarding

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000
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Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	0.15

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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h. Related parties and other connected charities and organisations

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

The Academy is 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.

Objectives and activities

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

Objectives and activities (continued)

The Trust operates as The Cavendish High Academy: a special school academy, for pupils aged 11 to 19 years, with 93 students on roll 2018-2019. Cavendish High chose to become an Academy in February 2014. The majority of our students have severe learning difficulties and secondary SEND including Autism (57%), SLCN (18%), SEMH (6%), HI (3%), PD (3%), VI (3%), MLD (2%), PMLD (2%) and other including ADHD, FAS, PDA. 89 students currently on roll September 2019 (designated for 90). 90% (80/89) students from Halton and 10% (9/89) from neighbouring local authorities. 100% of students have EHCP. 65% (58/89) male and 35% (31/89) female. 8% LAC. 54% FSM. Approximately two thirds of our students follow a subject specific curriculum and a third follow a non-subject specific curriculum. In March 2017 Ofsted noted "Parents clamour to secure places at The Cavendish High Academy for their children".

This remains the case in September 2019 with a rising number of requests from mainstream primary schools for places for their pupils for year 7 and a rising roll predicted over the next 3 years.

100% students who attended Cavendish 2018-2019 have an EHCP.

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.

Objectives, Strategies and Activities

The academy undertook self-evaluation activities to identify overarching priorities for the School Development Plan:

Quality of Education: Sustain level of quality of provision through continued rigorous quality assurance, support and challenge.

Leadership & Management: Ensure leadership and management remains outstanding

Personal Development: Ensure all staff have training to consistently support students to be healthy and happy both physically and mental.

Behaviour & attitudes: Work with Halton EWO to improve attendance of small cohort of p-16 students.

Our plans for expansion of our physical premises to meet rising demand for places have been hit by significant funding cuts. We are working with the local authority to identify possible premises to develop a Cavendish model. We are focused 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.

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

Objectives and activities (continued)

Quality of Education

1. Sustain level of quality of provision through continued rigorous quality assurance, support and challenge: undertake self and peer review through the SSAT Framework for Exceptional Education, AET framework and Networking & Economically viable curricula.

1.1 Re-evaluate the use of data: SLT & Governors continue to review processes for both collecting data and for making use of the data once gathered. School and trust leaders have a duty to evaluate the time costs for each stage of collecting and analysing data. Decide on whom the burden of collection and analysis should fall and ensure they have the capacity to complete this, be explicit about what time spent on data collection and investment is displacing, and have a means of deciding when a data collection process is no longer necessary.

1.2 Review curricula statements & policies to ensure consistency of clarity of intent, implementation and impact.

1.3 Further develop the use of Arbor to ensure consistency of language and communication with parents/carers.

1.4 Continue to ensure that all groups of pupils make progress against their baseline, regardless of individual high level of need.

Leadership & Management

2. Ensure leadership and management remains outstanding

2.1 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.

2.2 Ensure that governance is effective in holding the school to account

2.3 Review staffing levels and structure (including SLT) to ensure both strategic and operational capacity is appropriate, affordable and maintains an effective level of provision & staff well-being.

2.4 Improve strategic and operational capacity by continuing with distributed leadership strategy to develop succession plan and effectiveness of middle leaders and effectively embed them in both strategic and operational practice.

2.5 Continue to improve efficiency across the academy - Continue working towards economic efficiencies with the intent of delivering a balanced budget for 2020-2021

2.6 Continue increasing the level of consistency regarding teachers working harmoniously to support and challenge one another, including the teaching assistants.

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

Objectives and activities (continued)

Personal Development

3. Ensure all staff have training to consistently support students to be healthy and happy both physically and mentally.

3.1 Ensure safeguarding capacity and practice remains outstanding

3.2 Further develop staff capacity to support students mental health and well-being

Behaviour & attitudes

4. Improve student attendance - Work with Halton EWO to improve student attendance

4.1 Review positive behaviour support training

4.2 Further grow and develop the in-house behaviour support team

4.3 Review behavioural impact of students on others attendance

4.4 Review economic viability of student placements in Pathways

Please see section: Strategic Report - Achievements and Performance for achievement of our stated aims and objects on page 15.

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'.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the 2019-2020 and 2020-2021 academic years. However, it does recognize that beyond that timeframe the Academy is at significant risk of not being a going concern if the Local Authority does not address the ongoing issue of 1:1 and 2:1 top up funding rates for students. However, at the end of the 2018-2019 academy accounting period the academy does still have a greater carry forward than the majority of the local authority maintained schools (as per data disseminated at local schools forum). The demand for special school places is growing significantly and Cavendish has already had interest from 30 potential placements for September 2020 with only 12 places available to reach capacity. The local authority holds Cavendish in high regard as is evident from discussions regarding the local SEND review and future planning for support for resources bases within the local authority. Due to a significant deficit in the local authority high needs budget the local authority does expect schools with a high carry forward figure to spend their current funds before requesting any additional top up funding, this has been the position for the last three years, hence why our carry forward has been gradually eroded over the past two years.

We believe that it is in the best interests of the local authority to ensure that Cavendish remains a going concern as it cannot afford for the school not to provide placements, given the continuing and rising high demand for SEND provision. For this reason the board of trustees 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.

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

Objectives and activities (continued)

Date	Balance at end of year - carry forward	In year +/- or deficit	ESFA Placement - funding - no increase with inflation	Local authority top up rates	ESG & protection - decreasing income	Inflation & Workforce pay award increases - increasing on-going costs
31.08.15	£397,000	+	£920,000	As previous year another 1.5% reduction	£54,740	Inflation & pay awards
31.08.16	£686,000	+	£920,000	Additional 7% reduction	£44,992	Inflation & pay awards
31.08.17	£714,000	+	£920,000	Remained at 7% on 2015	£32,988	Inflation & pay awards
31.08.18	£623,000	-	£920,000	Additional 5% reduction	£22,626	2% TA pay award no grant
31.08.19	£	-	£920,000	Remained static	£13,200	9% TA pay award (£32,000)
31.08.20	Projected	-	£920,000	Unknown as yet	£3,868	Teacher pay grant and teacher pensions allocation from LA unknown as yet. TA pay awards unknown

Financial Review

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

The General Annual Grant (GAG) received from the Education Funding Agency is place funding and is paid on a monthly basis -this amount has not changed for over 5 years now. ESG has now been phased out but we have received a protection factor this year (2018-2019) of £13,204.00. For 2019-2020 this protection factor has further reduced to £3,868.04 (a cut of £9,336).

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

Objectives and activities (continued)

Top up funding is received from the Local Authority's High Needs Funding Block and was historically 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 are now working with us to provide documentation to review and support their per head payments for Spring and Summer 2018 and Autumn 2018, Spring 2019 and Summer 2019; so the Academy can begin to reconcile the payment made with expected/projected income.

Breakdown of academic year 2018-2019 School Allocation

Education Services grant	£0
ESG Protection	£13,200.04
High Needs Placement Funding	£920,000
16 – 19 Student Support Services (Bursary)	£3,004
Total Allocation from ESFA	£936,204.04
Pupil Premium (yr. 7-11)	£32,023
Yr 7 Catch up premium	£5,000
Capital income	£7,000 £11,000
Local Authority High Needs Block Top up Funding	
Halton	£811,103
Warrington	£74,266
St Helens	£21,513
Knowsley	£14,699
Cheshire East	£2,988
Total income from local authority top up funding	£924,569
Total	£1,915,796.04

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

Objectives and activities (continued)

The grants received during the year ended 31st August 2019 and associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

2014-2019 Education Services Grant (ESG) was decreased:

Academic Year	ESG inc any ESG Protection	Decrease / year	Cumulative decrease
2014 - 2015	£54,740	-	-
2015 - 2016	£44,992	£9,748	£9,748
2016 - 2017	£30,107 ESG £ 2,881.65 protection	£12,003	£21,858.35
2017 - 2018	£0 ESG £22,626.30 protection	£10,255.35	£32,113.70
2018 - 2019	£0 ESG £13,200.04 protection	£9,426.26	£41,539.96
2019 - 2020	£0 ESG £3,868.04 protection	£9,332	£50,871.96

During the year ended 31st August 2019, total expenditure of £2,263,000 was covered by grant funding from the DfE combined with top up funding from Local Authorities and other incoming resources such as Pupil Premium and year 7 catch-up funding. There was an in year deficit of income under expenditure for the period (excluding fixed asset funds and pension reserve) of £326,000 but including carry forward from previous years the overall carry forward was £480,000.

We regularly reassess our 5 year projected budget. Our carry forward was historically stable and we had been saving for significant building work to increase capacity and quality of provision. However, the local authority reduced students individual top up funding and this has led to us having to use our reserves to sustain staffing levels at appropriate health and safety levels instead. We have students with significant challenging behaviour who require intensive 1:1 or 2:1 support and have received top up funding of between £7,171 and £14,699. This combined with their placement funding of £10,000 provides a maximum of £24,699 – a single teaching assistant costs the school approximately £26,500. This does not include a share of the general running costs of the school or the management either. These placements are not financially, economically sustainable. Once our reserves have been diminished we will no longer be able to provide placements for these students as it is not economically feasible. We have been in discussion with the local authority about the level of provision we can afford to offer going forward on the current funding formula and have regrettably informed them we can no longer sustain the number of 1:1 students we currently provide for on both an economic and health and safety basis.

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 and what are now becoming increasingly unavoidable in year deficits.

We continue to be very prudent and to mitigate risk we continually work on scenario planning and potential staff restructuring to present to governors. We have worked with an ESFA SRMA over the summer and their report did not identify any significant opportunity for cutting costs that we had not already considered. The local context of the North West and year-round salaries for teaching assistants is a significant factor and the principal has taken this to the local SEND strategy and relevant SEND sub-committee meetings over the summer of 2019. The Principal attended NAHT course: Securing long-term financial viability for your school. This again supported all of the work we have already done.

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

Objectives and activities (continued)

The local authority has historically paid top up funding on a very belated termly basis for a financial year. It has not paid on a monthly basis as is standard for academies unless agreed otherwise. 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 to ensure we do not go overdrawn. We met with the local authority in September 2019 and have now agreed a mutually beneficial payment schedule: we will receive our top up funding in the second week of each term.

At August 2019, the net book value of fixed assets was £2,370,023 and movements in tangible fixed assets are shown in Note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the academy.

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

Strategic Report

Achievements and Performance

i. Key performance indicators

2018 Aim: To grow and develop the governing board

2019 Outcome: The governing board has gained 2 additional trustees

2018 Aim: Improve strategic and operational capacity by continuing with distributed leadership strategy to develop succession plan for middle leaders

2019 Outcome: we supported 2 NPQSL, 2 NPQML, 1 degrees, 1 DTTLS, 1 NQT, 1 RQT and have taken advantage of free training for CPD as Cat 5 area so NPQML NPQSL training free for 2018-2019.

2018 Aim: Improve efficiency across the academy

2019 Outcome: New systems introduced have led to some reduced costs going forwards including a redundancy in admin office due to paperless system introduction.

2018 Aim: Restructure SLT to reduce costs

2019 Outcome: Reduced SLT by 1 member as they retired wef 31st August 2019 -- financial benefit as no redundancy costs incurred.

2018 Aim: Work with AfA to gain Quality Lead status

2019 Outcome: AfA Quality Lead awarded June 2019 - *"Wow! - how impressive, many thanks for this QL submission and all your hard work to pull this wide range of evidence together. The comments from parents are really positive."* AfA

"I want to add my thanks and appreciation - for the significant amount of work that has gone into creating the Quality Lead form and providing us with links to the supporting evidence. It is of the highest quality that I have witnessed so far in my role at AfA." AfA June 2019

2018 Aim: Gain appropriate national awards - *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.*

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TRUSTEES' REPORT (CONTINUED)
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Strategic Report (continued)

2019 Outcomes - Key Performance Indicators

- Invited to become SSAT Leading Edge School July 2019
- Awarded the Learning Outside the Classroom Gold Award December 2018.
- Awarded the Nurturing Schools Award awarded June 2019
- 2 Subject co-ordinators/project leads very successfully contributed to Get Up and Goals International Seminar for teachers entitled 'Global Challenges in the World - Challenges in Our Teaching' Portugal July 2019. The work they presented was so well received with significant interest from a number of European countries that it is now going to be published as a resource. Going forward we have been asked to be the representative for England on the next project and to represent our country at conferences in Italy, Hungary and Sweden.
- RHS Level 1 and Level 2 Schools Gardening Award 2019
- Jass accredited centre January 2018
- 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'.
- Parents and carers feel valued and welcomed in the establishment. Parents and carers are made to feel valued and welcomed by all members of staff. Support for families includes coffee mornings, performances, school fairs and enterprise events. Communication is frequent and consistent with home to school diaries, newsletters and social media feed. Comments from parents and carers include:
- "Here, it is like a big family ... my child has gained great social awareness... he used to shut down but very quickly settled here and he is much more relaxed. The staff here understand."
- "The school are great ... the support goes beyond the hours in school ... they got to know my daughter really well and very quickly... They want young people to be their absolute best before they leave."
- 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.
- *"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.*

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

Strategic Report (continued)

The main body of our students (61/91, 67%) follow a subject specific curriculum and the reminder (28/91, 35%) follow a non-subject specific curriculum.

English Whole School 18-19

A majority, 76% (+5% on 17-18, 4 pupils), of students are making expected or above progress with 51% (+1% on 17-18) students making exceptional progress across the whole school.

KS3 in general terms has a secure spread across Speaking, Reading and Writing with 79% (+9% on 17-18) working within their targets and 50% (+9%) exceeding their targets. 20% of pupils in this cohort are working towards their targets this is a reduction of 5% in comparison to the previous academic year.

The 20% (-5%) of pupils who are working towards their targets amount to 7 students in both subject specific and non-subject specific settings across the school. Whilst the number of pupils in this cohort remain static at seven, the cohort as a group has increased in size from 31 to 34 pupils. This demonstrates a year-on-year improvement in percentage terms of pupils exceeding their targets, and is testament to the hard work and outstanding provision our teachers continue to provide, during continued challenging times.

Of the 23 pupils at KS4, 17 are working within or exceeding their targets, therefore 39% (-7% on 17-18) at KS4 are exceeding the targets set for them. 74% of this cohort were either working within or exceeding the targets set for them for this academic year.

Of the six pupils in KS4 working towards their targets three were poor attendees additionally two of those were suffering from significant mental health issues, another was also suffering significant mental health issues and transitioned between settings within the school, another transitioned between settings and the final had significant health problems.

There were 32 pupils in KS5 a reduction in 5 pupils on the previous year (37), of this cohort 24 were working towards or exceeding their targets, 19 (+1 pupils on 17/18) exceeded set targets and 8 (-2 pupils on 17/18) pupils continued to work towards their targets. These results show an improvement on the pupils exceeding their targets +11%, however the biggest statistical shift was in the working within category with 9% less pupils in this category in comparison to the previous 12 months, 25% of pupils in this cohort continued to work towards their targets a reduction of 2%.

This KS5 cohort contained our last true SLD contingent about to transition from the school, they had reached their potential and were consolidating their independent living skills and application of knowledge as they prepared to enter adulthood.

Male and female pupil numbers remained stable with an increase of one pupil in the male cohort from 57 to 58 pupils in 17-18, and a reduction of two pupils from 34 to 32 females in this cohort in 17-18.

Both male and female cohorts continue to perform well, with a significant improvement (+6) for males moving into the working within data set from those working towards their targets.

English continues to be an area of strength across the school.

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

Strategic Report (continued)

Free School Meals and Non-Free School Meals

During 2016/17 there were some differences between these 2 groups with pupils on FSM's attaining slightly higher than their counterparts, in English. This has changed during 2017/18 with NFSM outperforming their counterparts by +8% when working within and exceeding their targets and -6% when working towards their targets.

During the 2018/19 academic year the trend continues but the margins are miniscule with NFSM outperforming their counterparts by 1% in both areas respectively. It is worth noting that the FSM cohort is larger than the NFSM cohort by 12 pupils (24%).

The children on FSM's exceeding their targets amount to 51% (26 pupils) of that cohort. Those working within or exceeding their targets amount to 72% of that cohort (37 pupils).

There were some variances between these 2 groups with pupils on FSM's performing slightly better than their counterparts, in Mathematics when working towards their targets (-7%) demonstrating a +2% swing between the two groups based on previous academic years results.

There is a 9% (-3% on 18/19) variance in pupil attainment of those in receipt of FSM's exceeding their targets in comparison to their non-FSM counterparts.

Pupil Premium

In English, the pupils exceeding their targets amounted to 43% (18 pupils) with those exceeding or working within their targets rising to 75% +6% on 17-18 (31 pupils). Those working towards their targets amount to 24% of the cohort, a decrease of 6% on the previous year (+2 pupils).

During the 2018/19 academic year, 75% (31/41) of pupils in this cohort were working within or exceeding their targets, with 51% (+3% 21/41) of those exceeding targets set for them.

Looked After Children (7/89)

100% of LAC children are working within or exceeding their targets and increase of 43% on last years figures, of these 43% are exceeding their targets consistently an increase of 15%.

71% of LAC children are working within or exceeding their targets, of these 57% (+28%) are exceeding their targets consistently.

28% of this cohort are working towards their targets in real terms 2 pupils across the school, this cohort consists of and 2 Pathways students on IEPs working well below age related expectations.

Male and female pupil numbers remained stable with an increase of one pupil in the male cohort from 57 to 58 pupils in 17-18, and a reduction of two pupils from 34 to 32 females in this cohort in 17-18.

Both male and female cohorts continue to perform well, of the 31 female pupils, 21 are working within or exceeding their targets (67%), 52% of female pupils are exceeding the targets set for them.

Mathematics continues to be an area of strength across the school.

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

Strategic Report (continued)

Mathematics whole school 2018-2019

67% (-3% on 18-19, -2 pupils) of students making expected progress or above with 49% (+1 pupils on 18/19 data) of students making exceptional progress.

All sub-subject areas within Math's at KS3 are performing well. Those exceeding their targets amount to 44% of the cohort (-10% on 18-19), those working within and exceeding those targets amounting to 66% of the cohort (-8%), again rigorous baselining at year 6/7 transition has affected numbers with those working towards at 34% (+9%) amounting to 11 pupils of these 11 pupils 8 (88%) are pathways pupils on IEPs

Of the 23 pupils at KS4, 15 are working within or exceeding their targets (73% +6%), over 60% (+16%) of pupils at KS4 are exceeding the targets set for them. Of the six pupils working towards their targets one of those is a pathways pupil. Of the 13 subject specific pupils 31% (4 pupils) are exceeding their targets, 49% (6 pupils) are exceeding or working within their targets.

There are 33 pupils in KS5, of this cohort 63% are working towards or exceeding their targets, 45% are exceeding set targets and 36% pupils continue to work towards their targets, of these pupils six had attendance issues, two were taught off site, three are in Pathways on IEPs and one is designated EAL.

76% (+6%) of all pupils at Cavendish are working within or exceeding their targets for Mathematics as a core subject.

Data indicates that Mathematics teaching is again an area of strength across the school.

Summary

Whole subject teaching in Mathematics and English remains strong across the school.

Rigorous transition baselining (year 6 to year 7) has impacted progression in KS3, pupils arriving in the school can expect to drop between one and in the most extreme cases 4 levels during the baselining process. (a trend that appears nationally during transition between phases, and may be exacerbated by the learning needs of our young people)

In KS5 an additional accreditation stream has been introduced (Ascentis) which will allow pupils to develop their learning journeys and apply their functional skills in new ways, ASDAN units continue to be taught to some learners in KS5 as this remains the most appropriate accreditation pathways for these pupils.

Opportunities are available to exploit; excellent teaching is taking place and targeted weaknesses are being managed with appropriate interventions being introduced to support learning journeys. Teachers share expertise across departments and dialogue days continue to be a success.

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

Strategic Report (continued)

Accreditation

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

2017 - 2018

Transition Challenge – 2 awards

Towards Independence - 67 units passed

Personal Progress Working towards entry 1 - 3 achieved

PSD - Entry 1 - 9 achieved

Qualification 2017-2018	Level	Awards
Ascentis English Skills	Entry 1	20 credits
Ascentis English Skills	Entry 2	5 credits
Ascentis English Skills	Entry 3	2 credits
Ascentis Maths Skills	Entry 1	28 credits
Ascentis Maths Skills	Entry 2	17 credits
Ascentis Maths Skills	Entry 3	5 credits

2018 - 2019

Transition Challenge – 3 awards

Towards Independence - 160 units passed

Personal Progress Working towards entry 1 - 8 achieved

PSD - Entry 1 - 3 achieved

Qualification 2018-2019	Level	Awards
Ascentis English Skills	Entry 1	22 credits
Ascentis English Skills	Entry 2	10 credits
Ascentis English Skills	Entry 3	4 credits
Ascentis Maths Skills	Entry 1	22 credits
Ascentis Maths Skills	Entry 2	12 credits
Ascentis Maths Skills	Entry 3	7 credits

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

Strategic Report (continued)

Financial review

a. 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 termly cash-flow issues associated with historically lagged local authority top up funding though this should improve for 2019-2020 under the new payment schedule agreed.
- 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

- N.B. SRMA advised reserves can no longer provide sufficient working capital for future expansion and/or building this will have to be gained from bids and grants going forward.

The Governors will be mindful that existing students are not disadvantaged through the retention of excessive reserves. To this end the Governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Governors will keep the level of reserves under review. A Capital & Reserves policy is now in place. At 31st August 2019 the balance of the Academy's Unrestricted Funds was £390,000 in surplus and its Restricted General Funds, bar the Pension and Fixed Assets Funds, was £90,000 in surplus

b. 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.

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

Strategic Report (continued)

Financial review (continued)

c. 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. It will not be sustainable for us to take any further cut to funding from the LA without it putting the academy at financial risk as a going concern.

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 = £46920 cut – approx. 5% reduction
April 2019 – March 2020	banding figures not cut but underlying rate of inflation and staffing cost increase such as the teaching assistants pay award which cost the school £32,000 with no additional income to offset.

Underlying rate of inflation and staffing costs:

The Academy is mindful of inflation. We project our 5 year budgets mindful of the national picture: teaching staff pay rates and pension contributions as per national agreements and support staff pay rate increases (11% over 2 year 1st April 2018 & 1st April 2019 - this cost us an additional £32,000 for 2019 alone) in-line with government policy on public sector pay. The Academy is mindful of progression within salary grades due to successful appraisal increases costs. Recruitment and retention of skilled SEN staff also increases costs. It is becoming increasingly common for SLTs to decrease in size and for schools to restructure without deputy heads and the like but we must also remain mindful of workforce well-being, work-life balance and quality of provision when considering such options for cutting budget 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 and benchmark regularly 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 that are projected.

It has become impossible to continue to provide some services: this year we have had to take the difficult decision to cut external counselling provision, external PPA cover activities and an IAG contract. Previously we have reduced the number of trained speech and language therapists as they are non-classroom based staff and we had to begin reducing our curriculum offer 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 both in financial and staffing terms and does not represent effective value for money therefore under current funding it will not be sustainable.

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

Strategic Report (continued)

Financial review (continued)

Increased the number of governors with significant financial and business experience.

Principal has focused own personal CPD on financial training including NAHT Securing long-term viability for your school and Finance for Non-Finance Directors (in>pd & Chester University) to ensure equipped to best meet these financial challenges.

Fundraising

Governors recognize they must act in the charity's best interest, manage the charity's resources responsibly and act with reasonable skill and care. The academy trust does not use any external fundraisers.

Plans for future periods

The local authority is currently reviewing SEND provision so we will need to hold an extraordinary Governors meeting to discuss the role of Cavendish in terms of our vision for provision 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.

Within the local area context: Consider and scenario plan restructure of staffing as we cannot reduce costs significantly enough in any other area of the budget. The ongoing impact of decreased top up funding, continual erosion of ESG, increase in staffing costs not fully met by any pay award grants or pension grant distributed by the LA or from central government and the year on year erosion of place funding value (which hasn't been increased for a significant number of years) means a continual and increasing challenge to decrease in year deficits year on year.

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

Utilise Integrated curriculum and finance review planning going forwards. Use to analyse our potential collaborative purchasing power and possible centralised purchasing. Utilise ICFP to ensure we are making best use of available resources and are offering an affordable curriculum and appropriate number of economically viable placements.

We aim to deliver best practice including:

- Education-based financial planning
- 3-5 year strategic financial planning based on a clear vision for delivering school improvement
- Prioritising the most effective and efficient deployment of staff - reviewing job descriptions and leadership structure.
- Looking at cost-effectiveness of classroom provision
- Limiting spend on back office and procurement as far as is viable
- Ensuring staff managing finance access appropriate training for continuing professional development
- Ensuring financial systems and processes in place across the school remain transparent and continue to encourage constructive challenge

Funds held as custodian on behalf of others

The School does not hold funds on behalf of others.

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


Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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 was approved by order of the board of Trustees, as the company directors, on 13 December 2019 and signed on its behalf by:

C A Howard
Chair of Trustees

A handwritten signature in black ink, appearing to read 'C A Howard', with a long horizontal stroke extending to the right.

THE CAVENDISH HIGH ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Principal Head Teacher (Elaine Haver), 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 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 3 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C A Howard, Chair	3	3
E Haver, Principal	2	3
L McMillian, Vice Chair	3	3
G Price	3	3
J Richmond	2	3
D Sadler	0	3
T Doyle	2	3
E Newton	2	2

We have successfully recruited 2 new governors to the board in 2019. Both have brought additional finance and business skill set to the governors. We continue to actively recruit governors using websites such as governorsforschools.org.uk

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.

During the year Elisha Newton joined the governing board. Elisha has extensive experience of financial planning and management as part of her job as a finance director as well as experience of procurement/purchasing and premises/facilities management.

Trustee	Meetings attended	Out of a possible
C A Howard, Chair	3	3
E Haver, Principal	3	3
L McMillian, Vice Chair	2	3
G Price	3	3
D Sadler	0	3
T Doyle	3	3
E Newton	2	2

THE CAVENDISH HIGH ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

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 has attended NAHT training course Securing long-term viability for your school and used this course to review and discuss current situation with another external professional with extensive experience and to seek potential alternative income generation opportunities. The outcome was we have already utilized the vast majority of tools at our disposal to review our financial viability & support our benchmarking and had already undertaken a range of exercises as presented at the course. We utilise the Academies Financial handbook, the DfE Financial Benchmarking website, the DfE website - schools financial health and efficiency collection and have signed up for and used a number of the DfE list of providers to support improving financial viability.

The school has utilized the services of an SRMA from the ESFA to review the schools financial situation. The SRMA report did not identify any further savings opportunities that had not already been identified by the accounting officer, chief financial officer and the board of trustees.

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:

Reduction in out of class staffing costs to facilitate increased number of support staff in class.

- Reduction in SLT to reduce overall staffing costs
- Financial benchmarking against similar schools using the DfE Financial Benchmarking website
- Using the Schools financial health and efficiency collection
- Using the DfE list of providers to support improving financial viability
- Reviewing workforce deployment for effectiveness and efficiencies
- Maximising potential of existing staff
- Utilising DfE deals
 - Crown Purchasing Consortium
 - RPA - insurance
 - School Switch - utilities
 - Advertising jobs in Teaching Vacancies - DfE Teacher recruitment website
 - Registering with DfE supply teachers and temporary staff
- Reviewing utilisation of space and considering income generating possibilities
- Categorising budget expenditure into essentials/desirables and RAG rating for recovery plan.
- True deficit pushed back by a year on 5 year forecast plan that the SRMA considered to be based on sound assumptions and to represent a best estimate of future costs and revenue.
-

The purpose of the system of internal control

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

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided: not to appoint an internal auditor. However, from 20th June 2017, the trustees appointed trustee T Doyle as responsible officer and from 15th September 2019 Elisha Newton has taken up the role of chair of the Business Continuity Sub Committee and is working with the chief finance officer to consider best format for finance reporting using new on-line finance system adopted as of 1st September 2019.

The Business Continuity Committee role includes giving advice on financial matters and performs a range of internal checks on the academy trust's financial systems. The Principal Head Teacher, Chair of Governors, and from October 2019 the Chair of the Business Continuity Committee, 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 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) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the the Business Continuity committee members; especially Tom Doyle & Elisha Newton ;
- the work of the ESFA SRMA;
- the work of the external accountant
- the work of the external auditor

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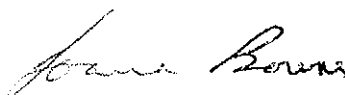
GOVERNANCE STATEMENT (CONTINUED)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business Continuity Committee and also following discussions with the ESFA and the follow up to the SRMA report of September 2019 a Finance action plan (as part of the wider school development plan) has been written to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 13 December 2019 and signed on their behalf by:



C A Howard
Chair of Trustees



E Haver
Head Teacher

THE CAVENDISH HIGH ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

C A Howard, Chair
Chair of Trustees
Date: 13 December 2019



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

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

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

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

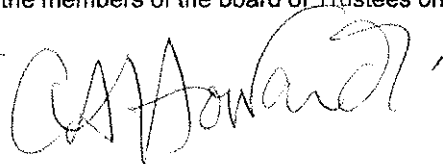
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the board of Trustees on 13 December 2019 and signed on its behalf by:

C A Howard
Chair of Trustees



THE CAVENDISH HIGH ACADEMY
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAVENDISH HIGH ACADEMY

Opinion

We have audited the financial statements of Cavendish High Academy ("the Academy") for the year ended 31 August 2019 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 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance the Academies Accounts Direction 2018 to 2019.

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.

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

THE CAVENDISH HIGH ACADEMY
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAVENDISH HIGH ACADEMY
(CONTINUED)

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.

Opinions 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.

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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

THE CAVENDISH HIGH ACADEMY
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAVENDISH HIGH ACADEMY
(CONTINUED)

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 at the Financial Reporting Council's website at:

<https://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.

BDO LLP

Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

18.12.19

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

THE CAVENDISH HIGH ACADEMY
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CAVENDISH HIGH ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25/09/19 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cavendish High Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Cavendish High Academy and the 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's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Cavendish High Academy's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw 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
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CAVENDISH HIGH ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

BDO LLP
Reporting Accountant
Manchester
United Kingdom

18-12-19.

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

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

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
Income from:						
Donations and capital grants	2	-	-	19	19	7
Charitable activities	3	-	1,917	-	1,917	1,935
Other trading activities	4	1	-	-	1	3
Total income		1	1,917	19	1,937	1,945
Expenditure on:						
Charitable activities	5	-	2,160	103	2,263	2,268
Total expenditure		-	2,160	103	2,263	2,268
Net income/(expenditure)		1	(243)	(84)	(326)	(323)
Transfers between funds	14	-	(6)	6	-	-
Net movement in funds before other recognised gains/(losses)		1	(249)	(78)	(326)	(323)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	19	-	(343)	-	(343)	194
Net movement in funds		1	(592)	(78)	(669)	(129)

THE CAVENDISH HIGH ACADEMY
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
Reconciliation of funds:					
Total funds brought forward	389	(344)	2,448	2,493	2,622
Net movement in funds	1	(592)	(78)	(669)	(129)
Total funds carried forward	390	(936)	2,370	1,824	2,493

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

The notes on pages 41 to 65 form part of these financial statements.

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REGISTERED NUMBER: 08789220

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	11	2,370	2,448
		<u>2,370</u>	<u>2,448</u>
Current assets			
Debtors	12	46	53
Cash at bank and in hand		516	623
		<u>562</u>	<u>676</u>
Creditors: amounts falling due within one year	13	(82)	(81)
Net current assets		<u>480</u>	<u>595</u>
Total assets less current liabilities		<u>2,850</u>	<u>3,043</u>
Net assets excluding pension liability		<u>2,850</u>	<u>3,043</u>
Defined benefit pension scheme liability	19	(1,026)	(550)
Total net assets		<u><u>1,824</u></u>	<u><u>2,493</u></u>

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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Funds of the Academy			
Restricted funds:			
Fixed asset funds	14	2,370	2,448
Restricted income funds	14	90	206
Restricted funds excluding pension liability	14	2,460	2,654
Pension reserve	14	(1,026)	(550)
Total restricted funds	14	1,434	2,104
Unrestricted income funds	14	390	389
Total funds		1,824	2,493

The financial statements on pages 36 to 65 were approved by the Trustees, and authorised for issue on 13 December 2019 and are signed on their behalf, by:

C A Howard, Chair



The notes on pages 41 to 65 form part of these financial statements.

THE CAVENDISH HIGH ACADEMY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	16	(101)	(78)
Cash flows from investing activities	17	(6)	(13)
Change in cash and cash equivalents in the year		(107)	(91)
Cash and cash equivalents at the beginning of the year		623	714
Cash and cash equivalents at the end of the year	18	<u>516</u>	<u>623</u>

The notes on pages 41 to 65 form part of these financial statements

THE CAVENDISH HIGH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

1.2 Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the 2019-2020 and 2020-2021 academic years. However, it does recognize that beyond that timeframe the Academy is at significant risk of not being a going concern if the Local Authority does not address the ongoing issue of 1:1 and 2:1 top up funding rates for students. However, at the end of the 2018-2019 academy accounting period the academy does still have a greater carry forward than the majority of the local authority maintained schools (as per data disseminated at local schools forum). The demand for special school places is growing significantly and Cavendish has already had interest from 30 potential placements for September 2020 with only 12 places available to reach capacity. The local authority holds Cavendish in high regard as is evident from discussions regarding the local SEND review and future planning for support for resources bases within the local authority. Due to a significant deficit in the local authority high needs budget the local authority does expect schools with a high carry forward figure to spend their current funds before requesting any additional top up funding, this has been the position for the last three years, hence why our carry forward has been gradually eroded over the past two years.

We believe that it is in the best interests of the local authority to ensure that Cavendish remains a going concern as it cannot afford for the school not to provide placements, given the continuing and rising high demand for SEND provision. For this reason the board of trustees continues to adopt the going concern basis in preparing the financial statements.

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

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities 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 School received a deed of variation dated 01 February 2014 relating to its Funding Agreement. Clause 78 of the Funding Agreement has been deleted and replaced with the following clause.

At the beginning of any Academy Financial Year the Academy Trust may hold unspent GAG from previous Academy financial Years amounting to such percentage (if any) as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust prior to the beginning of that Academy Financial Year of the total GAG payable for the Academy in the Academy Financial Year just ended or such higher amount as may from time to time be agreed. The Academy Trust shall use such carried forward amount for such purpose, or subject to such restriction on its use, as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust.

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

1. 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life with a nil residual value.

The Trust separately identifies the major components of its schools buildings and charges depreciation so as to write-down the cost of each component to its estimated residual value, over its expected useful life.

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Structure	- 50 years
Furniture and equipment	- 10% straight line
Computer equipment	- 33% straight line
Boilers	- 15 years
Kitchen	- 15 years

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.

1.6 Debtors

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

1.7 Liabilities

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

1.8 Provisions

Provisions are recognised when the Academy 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.

1.9 Leased assets

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

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

1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

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

1. Accounting policies (continued)

1.12 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.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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

1. Accounting policies (continued)

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

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 judgment:

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 is it 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.

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

2. Income from donations and capital grants

	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Grants	19	19	7

3. Funding for Academy's educational operations

	Restricted funds 2019 £000	Total funds 2019 £000	Totals funds 2018 £000
DFE/ESFA grants			
General Annual Grant (GAG)	946	946	956
Other DYE/ESFA grants	34	34	32
	980	980	988
Other government grants			
Local authority grants	936	936	939
	936	936	939
Other income from the academy			
Trusts educational operations	1	1	8
	-	-	-
	1	1	8
	1,917	1,917	1,935
Total 2018	1,935	1,935	

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

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

4. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Staff Consultancy	<u>1</u>	<u>1</u>	<u>3</u>

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

5. Expenditure

	Staff Costs	Premises	Other	Total
	2019	2019	2019	2019
	£000	£000	£000	£000
Academy's educational operations:				
Direct costs	1,477	98	95	1,670
Allocated support costs	316	112	165	593
	<u>1,793</u>	<u>210</u>	<u>260</u>	<u>2,263</u>

Total expenditure was £2,263,000 (2018: £2,268,000) of which £Nil (2018: £Nil) was unrestricted, £2,160,000 restricted (2018: £2,165,000) and £103,000 restricted fixed assets (2018: £103,000).

	Staff Costs	Premises	Other	Total
	2018	2018	2018	2018
	£000	£000	£000	£000
Academy's educational operations:				
Direct costs	1,471	98	75	1,644
Allocated support costs	323	116	185	624
	<u>1,794</u>	<u>214</u>	<u>260</u>	<u>2,268</u>

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).

6. Analysis of expenditure by activities

	Activities	Support	Total
	undertaken	costs	funds
	directly	2019	2019
	2019	£000	£000
	£000	£000	£000
Charitable activities	1,670	593	2,263

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

6. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total funds 2018 £000
Charitable activities	1,644	624	2,268

Analysis of support costs

	Activities 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Staff costs	316	316	323
Depreciation	5	5	5
Other support costs	128	128	154
Technology costs	14	14	9
Premises costs	102	102	112
Governance costs	28	28	21
	593	593	624

7. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	1	1
Depreciation of tangible fixed assets - owned by the charity	103	103
Fees paid to auditor for:		
- audit	11	12
- other services	3	8

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	1,264	1,244
Social security costs	118	122
Pension costs	351	367
	<u>1,733</u>	<u>1,733</u>
Agency staff costs	59	55
Staff restructuring costs	1	6
	<u>1,793</u>	<u>1,794</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Staff restructuring costs	1	6
	<u>1</u>	<u>6</u>

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

Included in staff restructuring costs is one non-statutory/non-contractual payment of £561 (2018: £5,847) which was agreed on the 17 September 2019 and paid to staff members in October 2019.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	9	11
Administrations and support	37	38
Management	4	4
	<u>50</u>	<u>53</u>

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8. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1

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 £317,000 (2018: £309,000).

9. Trustees' remuneration and expenses

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

		2019 £000	2018 £000
E Haver, Principal	Remuneration	85 - 90	80-90
	Pension contributions paid	10 - 15	10-15
G Price	Remuneration	0 - 5	0 - 5
	Pension contributions paid	0 - 5	0 - 5
D Sadler	Remuneration		15 - 20
	Pension contributions paid		0 - 5

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

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10. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,840 (2018 - £6,000). The cost of this insurance is included in the total insurance cost.

11. Tangible fixed assets

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2018	2,678	161	78	2,917
Additions	-	24	1	25
At 31 August 2019	2,678	185	79	2,942
Depreciation				
At 1 September 2018	357	46	66	469
Charge for the year	76	17	10	103
At 31 August 2019	433	63	76	572
Net book value				
At 31 August 2019	2,245	122	3	2,370
At 31 August 2018	2,321	115	12	2,448

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NOTES TO THE FINANCIAL STATEMENTS
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12. Debtors

	2019	2018
	£000	£000
Due within one year		
Trade debtors	-	5
Other debtors	10	12
Prepayments and accrued income	36	36
	<u>46</u>	<u>53</u>

13. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	1	1
Accruals and deferred income	81	80
	<u>82</u>	<u>81</u>

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14. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	389	1	-	-	-	390
Restricted general funds						
General Annual Grant (GAG)	206	946	(1,056)	(6)	-	90
Pupil Premium	-	34	(34)	-	-	-
LA Grants	-	936	(936)	-	-	-
Other restricted income	-	1	(1)	-	-	-
Pension reserve	(550)	-	(133)	-	(343)	(1,026)
	(344)	1,917	(2,160)	(6)	(343)	(936)
Restricted fixed asset funds						
On transfer from conversion	2,383	-	(100)	6	-	2,289
Dfe/EFA capital grants	-	19	(1)	-	-	18
Capital expenditure from GAG	65	-	(2)	-	-	63
	2,448	19	(103)	6	-	2,370
Total Restricted funds	2,104	1,936	(2,263)	-	(343)	1,434
Total funds	2,493	1,937	(2,263)	-	(343)	1,824

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14. 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 2019.

Restricted general funds

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

Restricted fixed asset funds

Restricted fixed asset funds are resources which are to be 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.

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

14. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General funds	386	3	-	-	-	389
Restricted general funds						
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)
	(295)	1,935	(2,165)	(13)	194	(344)
Restricted fixed asset funds						
On transfer from conversion	2,471	-	(88)	-	-	2,383
Capital expenditure from GAG	60	-	(8)	13	-	65
Dfe/ESFA capital grants	-	7	(7)	-	-	-
	2,531	7	(103)	13	-	2,448
Total Restricted funds	2,236	1,942	(2,268)	-	194	2,104
Total funds	2,622	1,945	(2,268)	-	194	2,493

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NOTES TO THE FINANCIAL STATEMENTS
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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	2,370	2,370
Current assets	390	172	-	562
Creditors due within one year	-	(82)	-	(82)
Provisions for liabilities and charges	-	(1,026)	-	(1,026)
Total	390	(936)	2,370	1,824

Analysis of net assets between funds - prior year

	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)
Total	389	(344)	2,448	2,493

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NOTES TO THE FINANCIAL STATEMENTS
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16. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £000	2018 £000
Net expenditure for the year (as per statement of financial activities)	(326)	(323)
Adjustments for:		
Depreciation	103	103
Capital grants from DfE and other capital income	(19)	(7)
Defined benefit pension scheme cost less contributions payable	116	135
Defined benefit pension scheme finance cost	17	16
Decrease in debtors	7	11
Increase/(decrease) in creditors	1	(13)
Net cash used in operating activities	(101)	(78)

17. Cash flows from investing activities

	2019 £000	2018 £000
Purchase of tangible fixed assets	(25)	(20)
Capital grants from DfE Group	19	7
Net cash used in investing activities	(6)	(13)

18. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	516	623
Total cash and cash equivalents	516	623

19. Pension commitments

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

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19. Pension commitments (continued)

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

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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 review of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates were set at 16.48% of pensionable pay (including the additional 0.08% employer administration charge). As a result of recent valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Pension commitments (continued)

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at valuation date) of £196.100 million giving a notional past service deficit of £22,000 million.

- 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%.
- an employer cost cap of 15.1% of pensionable pay will be applied to future valuation

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Total contributions paid to TPS in the period amounted to £93,000 (2018 - £91,000) of which employers contributions totalled £40,497 (2018 - £53,914) and employees contributions totalled £52,503 (2018 - £37,086).

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

Under the definitions set out in Financial Reporting Standard (FRS 102), the TPS is an unfunded 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £177,000 (2018 - £177,000), of which employer's contributions totalled £138,000 (2018 - £138,000) and employees' contributions totalled £ 39,000 (2018 - £39,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

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19. Pension commitments (continued)

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.60%	2.70%
Rate of increase for pensions in payment/inflation	2.30%	2.40%
Discount rate for scheme liabilities	1.80%	2.80%
Expected return on assets	2.30%	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:

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.2	22.3
Females	23.5	24.5
<i>Retiring in 20 years</i>		
Males	22.1	23.9
Females	25.0	26.5

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NOTES TO THE FINANCIAL STATEMENTS
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19. Pension commitments (continued)

Sensitivity Analysis

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	925	871
Corporate bonds	1,012	780
Property	172	145
Cash and other liquid assets	43	18
Total market value of assets	2,152	1,814

The actual return on scheme assets was 9.6% (2018 - £3.6%).

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

	2019 £000	2018 £000
Current service cost	(244)	(273)
Net interest cost	(17)	(16)
Total amount recognised in the Statement of financial activities	(261)	(289)

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

	2019 £000	2018 £000
At 1 September 2018	2,364	2,188
Interest cost	70	58
Employee contributions	39	39
Benefits paid	(20)	(18)
Past service costs	10	-
Current service cost	244	273
Actuarial (gains)/losses	471	(176)
At 31 August 2019	3,178	2,364

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19. Pension commitments (continued)

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

	2019 £000	2018 £000
At 1 September 2018	1,814	1,595
Expected return on assets	128	18
Interest income	53	42
Employee contributions	39	39
Employer contributions	138	138
Plan introductions, benefit changes, curtailments and settlements	(20)	(18)
At 31 August 2019	2,152	1,814

20. Operating lease commitments

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

	2019 £000	2018 £000
Not later than 1 year	1	1
Later than 1 year and not later than 5 years	1	2
	2	3

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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

22. Related party transactions

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

No other related party transactions took place in the period of account, other than trustees' remuneration already disclosed in note 9.