

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 2020

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

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THE CAVENDISH HIGH ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C A Howard
Trustees	C A Howard, Chair E Haver, Principal L McMillan, Vice Chair G Price J Richmond D Sadler (Resigned 15 July 2019) T Doyle E Newton M Histon (Appointed 15 July 2019) T McNeill (Appointed 19 November 2019)
Company registered number	06789220
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 Bourmes 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 **(A company limited by guarantee)**

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, strategic and a directors' report under company law.

The trust operates a special school academy for pupils aged 11 to 19 primarily serving the borough of Halton, Cheshire, though surrounding local authorities do commission individual pupil placements at the school. It has a pupil capacity of 92 and had a roll of 89 in 2019-2020.

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) FOR THE YEAR ENDED 31 AUGUST 2020

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 2019-2020 is:

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

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

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

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

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

- Not less than three governors (not subject to a maximum)
- 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 2020

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 Senior Leadership Team on appointment of teachers and the senior leadership team. The Senior Leadership Team 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 Senior Leadership Team also makes recommendations to the Governing body regarding the strategic direction of the school.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

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

Pay & remuneration of the Principal Head Teacher is considered & agreed by a minimum of 2 trustees (including the chair and/or vice chair) following performance management review by the external School Improvement Partner and referring to the Pay & Appraisal Policy: Leadership Group calculations, as well as the national standards of excellence for head teachers.

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
Chief Finance Officer
Responsible Officer

Mrs E Haver (Principal Head Teacher)
Ms S Rogers
Mr T Doyle

Governors Responsibilities 2019-2020

Name	Position	Category	Responsibilities
Carole Russell	Member Chair Trustee / Director	Community Co-opted	safeguarding Safeguarding Key Skills (Literacy & Numeracy) COVID Committee
Lisa McMillan	Member Vice Chair Trustee / Director	Community Co-opted	Children in Care Special Educational Needs Safeguarding
Tim Doyle	Trustee/Director	Community Co-opted	Responsible Officer
Janet Richmond	Trustee/Director	Community Co-opted	IGT
Gill Price	Trustee/Director	Community Co-opted	Educational Visits & Learning Outside the Classroom, SAGS.
Stefan Rodion	Trustee/Director	Parent Community Co-opted	Business & Community Sub Committee Chair
Wale Hsiao	Trustee/Director	Staff	Health & Safety Inc COVID Committee
Tim Mitchell	Trustee/Director	Community Co-opted	Website, Curriculum COVID Committee
Elaine Haver	Trustee/Director	Ex-officio Principal	Accounting Officer, Child Protection
John Mann		Officer Assistant head	Reporting on Progress Data Achievement & Attendance Subject Committees COVID Committee
Joanne Barnes		Officer Deputy head	Reporting on Children in Care Non-subject specific curriculum Staff CPD
Shirley McDonald		Officer TLR	Reporting on Safeguarding

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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, Confederation of Schools Trusts (CST). We have played a key role needed 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

The Trust operates as The Cavendish High Academy: a special school academy, for pupils aged 11 to 19 years, with 89 students on roll 2019-2020. Cavendish High chose to become an Academy in February 2014. The majority of our students have severe learning difficulties and secondary SEND including Autism, SLCN, SEMH, HI, PD, VI, MLD, PMLD and other including ADHD, FAS, PDA. 89 students currently on roll September 2019 (designated for 92). 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 remained the case in September 2019 with a rising number of requests from mainstream primary schools for places for their pupils for year 7 in September 2020 and a rising roll predicted over the next 7 years. If we only include pupil projection numbers from our primary special feeder school our total student number would increase by 16 over number places to a total of 108 in September 2021 and by September 2026 we would be 40 over numbers at 132. This is without any pupil placements included from mainstream primary yet in September 2020 over two thirds of the year 7 intake were pupils transitioning from year 6 in mainstream primary.

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 and diverse needs of our pupils. Creativity is core to outstanding teaching and learning and we strive to break down the barriers between subjects to ensure deep and meaningful learning can take place for our students.

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TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

Objectives and activities (continued)

Objectives, Strategies and Activities

The academy undertook self-evaluation activities to identify objectives for the School Development Plan.

Due to the pandemic and national directive the Academy was closed as an educational establishment from March to June 2020. During this period the Academy remained open to provide care to the students of critical key worker families, looked after children and those students identified as most vulnerable. A consequence of the pandemic has been a number of items from the school development plan either being significantly delayed or unable to be completed within the academic year. This was due to the impact of the pandemic on the operations of the academy and the need to utilise all available space and prioritise staff capacity for the re-opening and recovery phase including significant risk assessment, planning and health and safety control measures.

We are an outward facing school and work collaboratively with a wide range of agencies for the benefit of our students and their families and also our staff.

The trust's overarching objective is to provide our students with an exceptional education through a range of curricula that are differentiated to meet their very specific educational needs. We can only do this by being an outward facing school that engages in collaboration & research with a range of other schools and various agencies with the aim of being at the leading edge of best practice.

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.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the 2020-2021 and 2021-2022 academic years. In its 5 year projections it anticipates having revenue reserves of approximately 4% to 5% of conservatively predicted income by August 2022.

At the end of the 2019-2020 accounting period it still had greater reserves than a high number of LA maintained schools (as per data disseminated through the local schools forum) and did not have low enough reserves (4% of income) to be able to reclaim any covid expenses incurred in the summer term.

Beyond that timeframe the previous concern regarding continuing decreases in top up funding from the local authority is no longer a risk due to increased funding for the LA from the Government. Halton will be receipt of over 10% in it's high needs funding budget and the special schools are due to receive a payment equivalent to approx. £650/head in addition to our top up funding from the start of the 2021 financial year. Income projections are also becoming more accurate as previously we have had to project at minimum banding income as the LA was inviting on all students being put on band 1 as they transitioned to our secondary provision but from September 2020 we can predict more accurately with actual student banding figures provided by our feeder school and the LA agreeing to honor the banding levels at the transition phase. The local authority finance officer is aware of the discrepancies of numbers of students in different banding levels between the academy and the other special schools and we will have additional funding to come as we apply for increases in a number of students banding levels to put us on a par with the other schools in the sector. This will ensure we can continue to provide the staffing levels and educational provision required as stated on the students EHCPs. The Principal is sharing provision mapping with the LA and also the academy benchmarking data for parity.

The demand for special school places is extremely high (we had 54 enquires for year 7 places for September 2020 with only 12 places available). We had a double class year 7 intake for the first time in September and went over numbers to 96 students. The projections for the next 7 years from our primary special feeder school show continued growth and demand for our provision. For September 2021 we have a conservative estimate of 16% over numbers. Requests for placements will far exceed physical site capacity.

The local authority continues to hold Cavendish in very high regard. The Academy's reserves have reduced over time to the same level of the maintained schools in the local authority. The director of the LA has assured the PHT that they will do all they can to support Cavendish and to ensure the Academy remains a going concern as it is an integral part of the authorities future plans and local offer for SEND. The director has been working with the Academy to locate a suitable site for off-site satellite provision. There have been assurances that any future placements over the published PAN that are not funded by the ESFA for any reason will be fully funded by the local authority.

The cash flow forecasts for financial years 2021-2022 demonstrate that the Academy will have sufficient cash on hand. 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 2020

Strategic report

Key Performance Indicators

Achievements and Performance: Key Performance Indicators

- The Academy is allocated 92 places by ESFA
- Places are much in demand due to the popularity of the school and predicted numbers are due to continually rise over the next 6 years from the 94 on roll for 2020-2021
- Annual attendance figures have inevitably been impacted by the Coronavirus pandemic but we have been open to students throughout and our average attendance data for 2019-2020 was 91.5% compared to 92% for 2018-2019.
- Our school leavers of summer 2020 moved onto their planned college or social care provision of their choice: 2 students had personal packages and 9 students transitioned to local colleges including Riverside College and specialist college at Petty Pool & the David Lewis Centre.
- Students in our upper FLD provision achieved a range of accreditation from ASCENTIS and ASDAN
- We have been involved with the AGES (Gender Equality) project co-ordinated by the Liverpool World Museum and two teachers have been developing lesson planning & resources and presenting to teaching professionals across Europe.
- We are a LOIC Gold Mark School and our school co-ordinator has been invited to present an online masterclass to teachers across the country about the benefits of learning beyond the classroom as a pedagogy to support young people – both academically as well as with their well-being, especially in-light of covid and as schools re-open to more young people over the coming weeks, focusing on young people with SEN by the Learning Outside the Classroom events co-ordinator.
- We were invited to join SSAT Leading Edge; a network for high performing schools.
- During the Autumn term, robust efforts to complete baseline assessment for both new students & our current cohorts provided staff with up to date knowledge & understanding post spring COVID lockdown & pre-second lockdown in November which allowed staff to gain knowledge of skills students have developed or retained. We were seeing excellent progression & an increasing number of students working within & exceeding their target levels in core subjects & the wider curriculum despite the spring lockdown. Parental testimony supports this statement: *"I think she is more settled since returning to school this half term & more settled than I have ever seen her in any school & it's fantastic to hear that she is progressing so well & not just academically. Thank you for everything that you have done since she has started with you she is achieving more than we thought possible & we have seen this in the work she is bringing home & completing independently."* Year 8 parent, Oct 2020.

Ongoing school improvement plan strategic objectives:

In order to ensure strategic and operational capacity in the long term we reviewed the staffing structure, further developing through a succession planning agenda the roles of Leaders at all levels, recruiting where appropriate and maintaining effective and supportive staff well-being. Established middle leadership tier providing

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

(continued)

development for teachers through head of department roles, lead safeguarding and lead TA CPD. Shared and devolved responsibilities providing opportunities for development.

Placement requests - rising numbers

Academy place funded by the ESFA for 92 students and had 89 (max of 91) on roll for the majority of the 2019-2020 academic year. September 2020 there were 96 students on roll. For September 2021 we have already had requests for approximately 102 places but this could readily rise to 109 places.

Ensure we can meet the needs of the young people of Halton who need our specialist provision.

For the next seven years the academy will be oversubscribed so will need to apply to the ESFA to increase its planned place numbers but only if it can identify a suitable site/premises for satellite provision. If this cannot be located then there is very limited expansion potential/opportunity on the current landlocked site.

The school continues working to strategically manage and plan for the increased demand for places for students. We are working in collaboration with the local authority to identify sites for satellite provision so we can support the increasing demand for high needs places over the next 5-7 years.

Future provision

The SLT have audited the use of the physical space/estate of the school site to prepare proposals for bids for equipping specialist provision rooms including a significant CIF bid for alteration and expansion work for Autumn 2021 submission to increase capacity for learners on site if the satellite provision business case with the LA and diocese is fruitful.

We continue to maintain a high level of appropriate provision by ensuring that the curriculum remains innovative and relevant in order to meet the very individual needs of all pupils. Our innovation in work on gender inequality has been recognised internationally throughout Europe as part of the AGES project. Two teachers were able to present their work representing Cavendish at an international conference in Portugal and were due to present in Italy in January 2021 but this had to be amended to an online/digital conference presentation due to the pandemic.

The students in UFLD are piloting the project devised by two of our exceptional teachers focused on 'Gender & International Inequalities'. The students have had the opportunity to research gender inequality in their educational community & globally. The resources have engaged the students & encouraged them to reflect on the world around them, how they are perceived & how they perceive others. It has strengthened team working amongst them, gripped their interest & promoted deeper thinking skills.

Travel training is being delivered by a fully trained TA to a cohort of students who highlighted during their year 9 Annual Review process that their plan was to leave the Academy earlier than Yr 14 & access college at 16 for Yr 12. Travel Training is an individualised programme that equips young people with the skills & confidence to be able to travel independently & safely in the future.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

(continued)

Further develop student wellbeing and mental health

Over the past year we have established a tiered approach to supporting the mental health of our students with mental health policies and procedures are in place. There are a graded range of supportive interventions available, e.g. Internal Mental Health First Aiders, external Counselling & raising awareness through assemblies (in person and remote). We have given priority to student and staff mental health during the covid crisis as well as links and support on the school website. We have also established telephonic welfare support to family and students.

There are close liaisons with the LA & external agencies to support students and their families. Two of the school's TA's are now certified 'Lifestyle' practitioners supporting students by providing them with the tools to take responsibility for leading a healthier and happier lifestyle.

Staff are working in collaboration with post-school providers such as our local post-16 college to plan an effective virtual transition from Cavendish which reflects the current restrictions that are in place due to the coronavirus pandemic. They have already discussed the effectiveness of using online meetings/video callings/virtual tours to allow the 'leavers' to transition with as much information & support as required. It is envisaged that this plan will be needed for the academic year 2020 -2021 & possibly beyond.

Support staff well-being

Throughout the pandemic we continued to develop a supportive framework to increase staff well-being, resilience and physical and emotional health, ensuring a positive working environment, to promote well-being and encourage appropriate work life balance during a period of great stress for the nation as a whole. We bought in a CB Therapist for a virtual training session to support staff with anxieties around coronavirus. There is generally a low staff turnover. On the whole staff feel valued and supported within a culture of trust.

Attendance

Attendance data has obviously been negatively impacted by the pandemic, national lockdowns and periods of self-isolation for students and staff. Attendance from September 2019 to 17th July 2020 was 91.5%. The 10% absence rate at Cavendish for the autumn term 2019 was slightly below the national average of 10.5% for special schools. Subsequent statistics releases from the DfE are cancelled until at least March 2021 due to the COVID-19 pandemic.

Financial Review

The Academy receives funding from two principal sources: The Education Funding Agency and Halton Local Authority. There are smaller incomes from other local authorities who request places for students at the Academy.

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 6 years now. ESG has now been phased out.

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 earlier in the school term (though this is impacted by their staff capacity to do so and more so during the pandemic when everyone's capacity has been hampered in one way or another) so the Academy can begin to reconcile the payment made with expected/projected income in a much more

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

timely manner. The local authority are very willing to work with us on this.

Breakdown of academic year 2019-2020 School Allocation

Income stream	2017-2018	2018-2019	2019-2020
Education Services grant	£0	£0	£0
ESG Protection	£22,836.30	£13,200.04	£3068.04
High Needs Placement Funding	£50,000	£50,000	£50,000
16 + 10 Student Support Services (Bursary)	£3004	£3,004	£3755
Total Allocation from ESFA	£75,840.34	£66,204.04	£83,771.00
Pupil Premium (yr. 7-11)		£35,850	£32,749
Yr. 7 Catch Up Premium	£5,600	£5,600	Replaced by coronavirus recovery premium
Coronavirus recovery premium @ £260/head - based on previous census	n/a	n/a	Approximately £22,000
Local Authority High Needs Block Top up Funding			
Walsley		£211,101	£
Warrington		£74,250	£25,200
St Helens		£21,513	£21,513
Knowsley		£14,630	£14,630
Chester East		£2,910	£1171
Total income		£214,500.00	

The grants received during the year ended 31st August 2020 and associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

2014-2020 Education Services Grant (ESG) has decreased:

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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	£21,850.35
2017 - 2018	£0 ESG £22,626.30 protection	£10,255.35	£32,113.70
2018 - 2019	£0 ESG £13,250.04 protection	£9,426.26	£41,539.96
2019 - 2020	£0 ESG £3,868.04 protection	£9,332	£50,871.96
2020-2021	£0 ESG £0 protection	£3868.04	£54,740.00

During the year ended 31st August 2020, total expenditure of £2,250,000 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. The excess of expenditure over income for the period (excluding fixed asset funds and pension reserve) was £236,000.

Through detailed provision mapping along with analysis of behavior that challenges, support requirements & assessment and attainment data we continually review class cohorts and staffing structures to maximise value for money from staff and minimise overall costs. Our greatest asset and most significant cost is our staff. Staff costs account for approximately 99% of our annual income. Staffing is regularly reviewed across the whole Academy, both class based and non-class based. For health and safety reasons we need to maintain staffing levels in classrooms.

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 worked with an ESFA SRMA summer 2019 and their report did not identify any significant opportunity for cutting costs that we had not already considered. The Principal attended NAHT course: Securing long-term financial viability for your school. This again supported all of the work we have already done. All new class-based support staff appointments are on a term time only basis.

At August 31st 2020, the net book value of fixed assets was £2,289,000 and movements in tangible fixed assets are shown in Note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the academy.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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

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 2020 the balance of the Academy's Restricted Funds was £47,000 and the balance of its General Unrestricted fund was £390,000.

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 2020

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:

It has been confirmed that Local authority High Needs Block Top Up Funding allocation from national government will be increased by a minimum per pupil amount of 8%. Halton LA is due to receive an above average increase of 10.44%.

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	banded figures remained same – no inflation so real terms cut.
April 2018 - March 2019	banded figures cut by £510/pupil = £46,920 cut – approx. 5%
reduction	
April 2019 - March 2020	banded 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.

However there is now hope in the form of income from the government via the LA to offset some of the pay award and pension costs and although the £5,000 catch-up premium has gone it has been replaced with Coronavirus catch up premium and we are estimated to receive in the region of £22,000. There will also be income from the increased high needs budget on a per head basis and coronavirus mass testing support costs income of approximately £14,000 but this is dependent upon how many tests are registered.

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. The View My Financial Insights from the ESFA Excellent School Resource Management Offer is a very welcome tool as it is more accurate in time than the original benchmarking tool where the financial info is lagged and therefore out of date prior to use.

This past year it has again become impossible to continue to provide some services and we have had to further reduce our curriculum offer e.g. we can no longer afford run two of our minibuses. The hydrotherapy pool is currently closed 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.

Principal has focused own personal CPD on financial training to ensure equipped to best meet these financial challenges. New SBM appointed with significant accounting and audit experience as well as successful experience of gaining bids and grants. The Principal, SBM and Assistant SBM attended the virtual ESFA Finance Directors (FD) Forum training on 21st Jan 2021

THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 was not involved in fundraising activities. Small donations may be received by the Academy throughout the year on an ad-hoc basis such as those from pupil family members (e.g. from bequests) and local clubs or groups.

The academy trust has not used any external fundraisers for 2019 - 2020.

Plans for future periods

The National & Local Authority SEND review was delayed during the pandemic. Within the local area context the school will consider and scenario plan for the restructure of staffing as we cannot reduce costs significantly enough in any other area of the budget.

The school will look to ensure we can provide the best provision possible for cohort of students on site at Cavendish and how we can ensure capacity of staffing and sustain outstanding level of provision on both home site and any satellite sites we may be operating on.

The school will continue to use all of the tools at our disposal from ESFA/DfE to ensure we drive down costs wherever possible.

The SBM and Assistant SBM will register with the appropriate special school business manager's networks.

The SBM & Assistant SBM will generate funds for projects via sourcing appropriate bids and grants.

The SBM & Assistant SBM will provide increasingly accurate forecasts and data to the Principal & Governing Board utilising all the software at their disposal.

The school will strive to deliver a balanced budget for 2022-2023 (supported by appropriate financial provision from the LA).

The school will develop effective succession planning for the Board and ensure appropriate support and training is in place.

The school will continue to support and develop the boards awareness of financial obligations and financial controls ensuring continuing value for money.

The school will continue to develop teaching, support and school leadership staff teams to ensure we have capacity for expected level of growth whilst maintaining excellence and consistency so standards remain very high across all areas of the school.

The school will consider the national agenda regarding academies and trusts and look to the possibilities of merging, joining of a SAT or growing MAT.

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

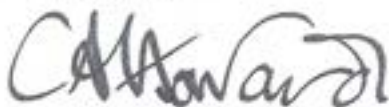
Disclosure of information to auditor

In so far 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, and
- the members will consider appointments to the position of auditor by 21st May 2021.

The Trustees' report was approved by order of the board of Trustees, as the company directors, on
29 June 2021 and signed on its behalf by:

C A Howard
Chair of Trustees



THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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.

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
L McMillan, Vice Chair	3	3
J Richmond	2	3
T Doyle	0	3
G Price	3	3
M Histon	2	3
E Haver, Principal	2	3
E Newton	3	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.

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

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.

Elisha Newton has taken up position of chair of the business & finance committee as she 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. Her industry experience has been invaluable, especially throughout the recruitment process for the new SBM.

THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

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 support our benchmarking and had already undertaken a range of exercises as presented at the course.

Coronavirus has been very expensive for the academy with 3 members of staff off for the best part of a year now. These staff have had to be covered as we had decreased our overall staffing anyway so we have had to buy in supply at significant additional cost that was not budgeted for in 2019-2020. 2020-2021 there is more provision in the budget as we were then aware of coronavirus. We've been unable to claim back any of the costs we've incurred as we have more than 4% reserves so are ineligible to claim despite us meeting the 10% staff absence threshold for the past 10 months.

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

- Reviewing Service Level Agreement contracts and decreasing overall costs through categorizing essentials/desirables
- Reduction in energy/water costs through closure of hydro-pool
- Reduction in transport costs through Statutory Off Road Notification on minibuses during pandemic
- Continually reviewing staff structures to meet the needs of the organisation including with regards to health and safety of all, in the most cost efficient manner
- Reduction in out of class staffing costs through voluntary reduction in premises staff hours
- Reduction in class costs through introduction of TTO contracts for incoming support staff and voluntary staff requests to reduce working hours
- Not replacing DHT who retired in 31st August 2019 to reduce overall staffing costs
- Financial benchmarking against similar schools
- Utilising relevant DfE approved frameworks and tools provided by the ESFA to support excellent school resource management including: Crown Commercial Services, RPA, Teaching Vacancies, Agency Supply Framework

Impact of Coronavirus pandemic

The Academy has had to purchase PPE and other equipment such as hand sanitizer dispensers, hand sanitizer, pedal bins and more to ensure we could fulfil our health and safety remit to be as Covid secure as possible.

THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

We did contact various companies and were lucky enough to receive a donation of hand sanitizer and also the local authority established a PPE hub and we were able to pick up some limited supplies for free from there.

As the trust holds sufficient reserves, above 4% of annual income, we were not eligible to claim back any of the costs incurred as a result of the pandemic.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 Business and Continuity 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
- identification and management of risks

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

- On 15th September 2019 Elisha Newton took 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 the new on-line finance system adopted as of 1st September 2019.
- Internal audit of processes undertaken by the responsible officer including review of procurement and review of bank reconciliation etc.
- At the present time we do still engage the accounts team from the same firm as the auditors who perform our annual audit.

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- The SBM is undertaking a process of procurement to engage an accountancy/audit firm that is not the same firm who conducts our main audit to perform the function of internal auditors in line with section 3.17 of the Academies Financial Handbook with regards to audit independence.

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
- the SBM/CFO informing the Trust Board of Compliance with submission of ESFA returns.
- Accounting Officer working in partnership with the SBM/CFO and external accountants and auditors to endeavor to ensure deadline compliance.
- the work of the ESFA SRMA;
- the work of the external accountant
- the work of the external auditor

As a result of the review of the system of internal controls, and with a view to address weaknesses and improve rigour of these systems for the future, the Accounting Officer has advised the Board to initially look to use an additional accountancy firm to provide services for internal scrutiny (separate to our current accountancy and audit firm BDO) and then the academy could look to engage in a peer review arrangement for the following years as the new school business manager will have capacity to do so in the future.

29 June 2021

Approved by order of the members of the board of Trustees on
on their behalf by:

and signed



C A Howard
Chair of Trustees



E Haver
Head Teacher

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

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 2019.

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 2019.

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



E Haver
Head Teacher

Date: 29 June 2021

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

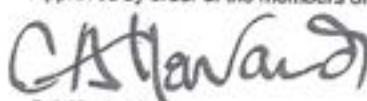
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



C A Howard
Chair of Trustees
Date:

29 June 2021

THE CAVENDISH HIGH ACADEMY

(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Cavendish High Academy ("the Academy") for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 - 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE CAVENDISH HIGH ACADEMY **(A company limited by guarantee)**

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE CAVENDISH HIGH ACADEMY

(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CAVENDISH HIGH ACADEMY (CONTINUED)**

DocuSigned by:

HELEN KNOWLES

DAE000019144447
Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester

Date: 30 June 2021

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

THE CAVENDISH HIGH ACADEMY **(A company limited by guarantee)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CAVENDISH HIGH ACADEMY AND THE EDUCATION & 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 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CAVENDISH HIGH ACADEMY AND THE EDUCATION & 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 2019 to 31 August 2020 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

Date: 30 June 2021

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	2	-	-	7	7	19
Charitable activities	3	-	1,913	-	1,913	1,917
Other trading activities	4	-	-	-	-	1
Total income		-	1,913	7	1,920	1,937
Expenditure on:						
Charitable activities	5	-	2,149	101	2,250	2,263
Total expenditure		-	2,149	101	2,250	2,263
Net movement in funds before other recognised gains/(losses)		-	(236)	(94)	(330)	(326)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	19	-	(58)	-	(58)	(343)
Net movement in funds		-	(294)	(94)	(388)	(669)
Reconciliation of funds:						
Total funds brought forward		390	(936)	2,370	1,824	2,493
Net movement in funds		-	(294)	(94)	(388)	(669)
Total funds carried forward		390	(1,230)	2,276	1,436	1,824

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

The notes on pages 34 to 60 form part of these financial statements.

THE CAVENDISH HIGH ACADEMY
(A company limited by guarantee)
 REGISTERED NUMBER: 06789220

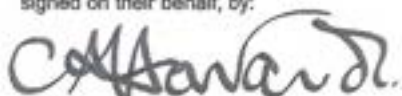
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	11	2,289	2,370
		<u>2,289</u>	<u>2,370</u>
Current assets			
Debtors	12	51	46
Cash at bank and in hand		434	516
		<u>485</u>	<u>562</u>
Creditors: amounts falling due within one year	13	(61)	(82)
Net current assets		<u>424</u>	<u>480</u>
Total assets less current liabilities		<u>2,713</u>	<u>2,850</u>
Net assets excluding pension liability		<u>2,713</u>	<u>2,850</u>
Defined benefit pension scheme liability	19	(1,277)	(1,026)
Total net assets		<u>1,436</u>	<u>1,824</u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	14	2,276	2,370
Restricted income funds	14	47	90
		<u>2,323</u>	<u>2,460</u>
Restricted funds excluding pension liability	14	2,323	2,460
Pension reserve	14	(1,277)	(1,026)
Total restricted funds	14	<u>1,046</u>	<u>1,434</u>
Unrestricted income funds	14	390	390
Total funds		<u>1,436</u>	<u>1,824</u>

THE CAVENDISH HIGH ACADEMY
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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 30 to 60 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:



C A Howard, Chair
Date:

29 June 2021

The notes on pages 34 to 60 form part of these financial statements.

THE CAVENDISH HIGH ACADEMY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	16	(69)	(101)
Cash flows from investing activities	17	(13)	(6)
Change in cash and cash equivalents in the year		(82)	(107)
Cash and cash equivalents at the beginning of the year		516	623
Cash and cash equivalents at the end of the year	18	<u>434</u>	<u>516</u>

The notes on pages 34 to 60 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 2020

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 2019 to 2020 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 2020-2021 and 2021-2022 academic years. In its 5 year projections it anticipates having revenue reserves equivalent to 4% of conservatively predicted income (i.e. predicting projected income from student top up funding at minimum banding rates) by August 2022.

At the end of the 2019-2020 accounting period it still had greater reserves than a high number of LA maintained schools (as per data disseminated through the local schools forum) and did not have low enough reserves (4% of income) to be able to reclaim any covid expenses incurred in the summer term.

However, it does recognize that beyond that timeframe the Academy is at significant risk of not being a going concern if the Local Authority top up funding rates for the highest need students remain the same. The previous concern regarding continuing decreases in top up funding from the local authority is no longer a risk due to increased funding for the LA from the Government. Halton will be receipt of over 10% in its high needs funding budget and the special schools are due to receive a payment in addition to our top up funding but this has not yet been received. Income projections are also becoming more accurate as in. Previously we have had to project at minimum banding income as the LA was inviting on all students being put on band 1 as they transitioned to our secondary provision but from September 2020 we can predict more accurately with actual student banding figures provided by our feeder school and the LA agreeing to honour the banding levels at the transition phase. We may also have additional funding to come as we are applying for increases in a number of students banding levels to ensure we can continue to provide the staffing levels they require. The Principal is sharing provision mapping with the LA.

The demand for special school places is extremely high (we had 54 enquires for year 7 places for September 2020 with only 12 places available). We had a double class year 7 intake for the first time in September and went over numbers to 96 students. The projections for the next 7 years from our primary special feeder school show continued growth and demand for our provision.

The local authority continues to hold Cavendish in very high regard. The Academy's reserves have reduced over time to the same level of the maintained schools in the local authority. The director of the LA has assured the PHT that they will do all they can to support Cavendish and to ensure the Academy remains a going concern as it is an integral part of the authorities future plans and local

THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.2 Going concern (continued)

offer for SEND. The director has been working with the Academy to locate a suitable site for off-site satellite provision. There have been assurances that any future placements over the published PAN that are not funded by the ESFA for any reason will be fully funded by the local authority.

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.

1.3 Income

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

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

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

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

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

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

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

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

THE CAVENDISH HIGH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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.

- **Charitable activities**

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

THE CAVENDISH HIGH ACADEMY

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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, as follows:

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.

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.

THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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.

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.

THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 deemed 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.

THE CAVENDISH HIGH ACADEMY (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020

2. Income from donations and capital grants

	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Grants	7	7	19
	<u>7</u>	<u>7</u>	<u>19</u>

3. Funding for Academy's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
General Annual Grant (GAG)	924	924
Other DfE/ESFA grants	75	75
	<u>999</u>	<u>999</u>
Other government grants		
Local authority grants	913	913
	<u>913</u>	<u>913</u>
Other income from the academy		
Trusts educational operations	1	1
	<u>1</u>	<u>1</u>
	<u>1,913</u>	<u>1,913</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Funding for Academy's educational operations (continued)

	Restricted funds 2019 £000	Total funds 2019 £000
DFE/ESFA grants		
General Annual Grant (GAG)	946	946
Other DFE/ESFA grants	34	34
Other government grants	980	980
Local authority grants	936	936
Other income from the academy	936	936
Trusts educational operations	1	1
	1	1
	1,917	1,917

4. Income from other trading activities

	Total funds 2020 £000	Total funds 2019 £000
Staff Consultancy	-	1

THE CAVENDISH HIGH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Academy's educational operations:				
Direct costs	1,477	91	45	1,613
Allocated support costs	431	91	115	637
	<u>1,908</u>	<u>182</u>	<u>160</u>	<u>2,250</u>

Total expenditure was £2,250,000 (2019: £2,263,000) of which £Nil (2019: £Nil) was unrestricted, £2,149,000 restricted (2019: £2,160,000) and £101,000 restricted fixed assets (2019: £103,000).

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £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).

6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Charitable activities	<u>1,613</u>	<u>637</u>	<u>2,250</u>

THE CAVENDISH HIGH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Analysis of expenditure by activities (continued)

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

Analysis of support costs

	Activities 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	431	431	316
Depreciation	10	10	5
Other support costs	96	96	128
Technology costs	2	2	14
Premises costs	82	82	102
Governance costs	16	16	28
	<u>637</u>	<u>637</u>	<u>593</u>

7. Net expenditure

Net expenditure for the year includes:

	2020 £000	2019 £000
Operating lease rentals	-	1
Depreciation of tangible fixed assets - owned by the charity	101	103
Fees paid to auditor for:		
- audit	11	11
- other services	<u>5</u>	<u>3</u>

THE CAVENDISH HIGH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	1,218	1,264
Social security costs	114	118
Pension costs	442	351
	<u>1,774</u>	<u>1,733</u>
Agency staff costs	134	59
Staff restructuring costs	-	1
	<u>1,908</u>	<u>1,793</u>
Staff restructuring costs comprise:		
Staff restructuring costs	<u>-</u>	<u>1</u>

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

Included in staff restructuring costs is a non-statutory/non-contractual payment of £Nil (2019: £561) paid to no staff members (2019: 1 staff member).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	11	9
Administrations and support	33	37
Management	3	4
	<u>47</u>	<u>50</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Staff costs (continued)

d. Higher paid staff

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

	2020 No.	2019 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
	<hr/>	<hr/>

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 £264,092 (2019: £317,000).

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:

		2020 £000	2019 £000
E Haver, Principal	Remuneration	80 - 90	80-90
	Pension contributions paid	15 - 20	10-15
G Price	Remuneration	5 - 10	0 - 5
	Pension contributions paid	0 - 5	0 - 5
J Bourmes	Remuneration	60 - 70	
	Pension contributions paid	0 - 5	
M Histon	Remuneration	15 - 20	
	Pension contributions paid	0 - 5	

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - *ENIL*).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 2020 was £1,656 (2019 - £1,840). 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 2019	2,678	185	79	2,942
Additions	-	17	3	20
At 31 August 2020	2,678	202	82	2,962
Depreciation				
At 1 September 2019	433	63	76	572
Charge for the year	76	19	6	101
At 31 August 2020	509	82	82	673
Net book value				
At 31 August 2020	2,169	120	-	2,289
At 31 August 2019	2,245	122	3	2,370

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Debtors

	2020 £000	2019 £000
Due within one year		
Trade debtors	10	-
Other debtors	13	10
Prepayments and accrued income	28	35
	<u>51</u>	<u>45</u>

13. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	1	1
Other creditors	1	-
Accruals and deferred income	58	81
	<u>61</u>	<u>82</u>

	2020 £000	2019 £000
Resources deferred during the year	<u>10</u>	<u>-</u>

The amounts deferred as at 31 August 2020 are in relation to 20/21 school trip income and government grants for summer top up funding.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
General Funds	390	-	-	-	390
Restricted general funds					
General Annual Grant (GAG)	90	924	(967)	-	47
Pupil Premium	-	34	(34)	-	-
LA Grants	-	913	(913)	-	-
Other restricted income	-	1	(1)	-	-
Other DfE/EFA grants	-	41	(41)	-	-
Pension reserve	(1,026)	-	(193)	(58)	(1,277)
	(936)	1,913	(2,149)	(58)	(1,230)
Restricted fixed asset funds					
On transfer from conversion	2,289	-	(98)	-	2,191
DfE/EFA capital grants	18	7	(1)	-	24
Capital expenditure from GAG	63	-	(2)	-	61
	2,370	7	(101)	-	2,276
Total Restricted funds	1,434	1,920	(2,250)	(58)	1,046
Total funds	1,824	1,920	(2,250)	(58)	1,436

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

THE CAVENDISH HIGH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Statement of funds (continued)

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

	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

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FOR THE YEAR ENDED 31 AUGUST 2020

14. Statement of funds (continued)

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
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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15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	2,289	2,289
Current assets	390	95	-	485
Creditors due within one year	-	(48)	(13)	(61)
Provisions for liabilities and charges	-	(1,277)	-	(1,277)
Total	390	(1,230)	2,276	1,436

Analysis of net assets between funds - prior period

	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

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16. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net expenditure for the period (as per statement of financial activities)	(330)	(326)
Adjustments for:		
Depreciation	101	103
Capital grants from DfE and other capital income	(7)	(19)
Defined benefit pension scheme cost less contributions payable	173	116
Defined benefit pension scheme finance cost	20	17
(Increase)/decrease in debtors	(5)	7
(Decrease)/increase in creditors	(21)	1
Net cash used in operating activities	(69)	(101)

17. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets	(29)	(25)
Capital grants from DfE Group	7	19
Net cash used in investing activities	(13)	(6)

18. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	434	516
Total cash and cash equivalents	434	516

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

19. Pension commitments (continued)

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 0.06% 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.
- 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

19. Pension commitments (continued)

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 £196,688 (2019 - £93,000) of which employers contributions totalled £138,204 (2019 - £40,497) and employees contributions totalled £58,484 (2019 - £52,503).

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 2020 was £167,707 (2019 - £177,000), of which employer's contributions totalled £130,675 (2019 - £138,000) and employees' contributions totalled £ 37,032 (2019 - £39,000). The agreed contribution rates for future years are 21.8 per cent for employers and 5.5-12.5 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.

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.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.90%	2.60%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.60%
Expected return on assets	5.40%	2.30%
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:

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	21.9	22.1
Females	25.0	25.0

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19. Pension commitments (continued)

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

	At 31 August 2020 £000	At 31 August 2019 £000
Equities		
Corporate bonds	1,057	925
Property	939	1,012
Cash and other liquid assets	235	172
	117	43
Total market value of assets	2,348	2,152

The actual return on scheme assets was 5.4% (2019: 9.6%).

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

	2020 £000	2019 £000
Current service cost		
Net interest cost	(303)	(244)
	(20)	(17)
Total amount recognised in the Statement of financial activities	(323)	(261)

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

	2020 £000	2019 £000
At 1 September 2019		
Interest cost	3,178	2,364
Employee contributions	60	70
Benefits paid	37	39
Past service costs	(29)	(20)
Current service cost	14	10
Actuarial (gains)/losses	289	244
	76	471
At 31 August 2020	3,625	3,178

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19. Pension commitments (continued)

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

	2020 £000	2019 £000
At 1 September 2019	2,152	1,814
Expected return on assets	18	128
Interest income	40	53
Employee contributions	37	39
Employer contributions	130	138
Plan introductions, benefit changes, curtailments and settlements	(29)	(20)
At 31 August 2020	2,348	2,152

20. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	1	1
Later than 1 year and not later than 5 years	-	1
	1	2

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 compositions of the board of trustees' being drawn from local public and private sector organisations, transactions may take place in organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arms 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.