

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

Report and Financial Statements

Period Ended

31 August 2014

Company Number: 08789220

SATURDAY



A40QF4ZV

A13

07/02/2015

#282

COMPANIES HOUSE

BDO

The Cavendish High Academy

Report and financial statements for the period ended 31 August 2014

Contents

Page:

0	Reference and Administrative Details
1-8	Trustees' Report
9-12	Governance Statement
13	Statement on Regularity, Propriety and Compliance
14	Statement of Trustees' Responsibilities
15-16	Independent Auditor's Report on the Financial Statements
17-18	Independent Reporting Accountant's Report on Regularity
19	Statement of Financial Activities incorporating Income & Expenditure Account
20	Balance Sheet
21	Cash Flow Statement
22-43	Notes to the Financial Statements, incorporating:
	- Statement of Accounting Policies
	- Other Notes to the Financial Statements

Members: Mrs C Howard, Mrs C Mills, Mrs D Gilligan

Trustees: Mrs C Dickinson, Principal Head Teacher, Mrs Carole Howard,
Mrs C Mills, Mrs D Gilligan, Mr G Burke, Miss G Price,
Mrs J Maitland

Secretary and registered office The Cavendish High Academy, Lincoln Close, Runcorn WA7 4YX

Company number 08789220

Bankers Royal Bank of Scotland, 40 Horsemarket Street, Warrington WA1 1XN

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

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

The Cavendish High Academy

Trustees' Report for the period ended 31 August 2014

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 25th November 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The IDACI place Halton as 16th in the bottom percentile of deprivation with Kingston upon Hull as our statistical neighbours.

There is a significant growth in pupil numbers, and the Academy will open in September 2014 with 90 students on roll. It is projected that the number will remain at this level for the next 3-5 years.

The Academy is Graded 1: Outstanding (OfSTED 2011/12 Report).

Structure, Governance and Management

Constitution

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

The trustees of The Cavendish High Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Cavendish High Academy.

The Trustees are also members of the Governing Body reporting to them 3 times a period through an agenda item on the Full Governing Body meetings.

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

Members' Liability

Each member of the charity undertakes to contribute while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding that as required in the Academy Trust's Funding Agreement and Memorandum & Articles of Association dated January 2014.

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

The current structure of the Governing Body is:

- Principal Head Teacher as Trustee/Governor
- 2 x Staff members
- 2 x Parental representative members
- 4 x Community/business members

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

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

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

The Cavendish High Academy

Trustees' Report

for the period ended 31 August 2014 (*continued*)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy is a newly converted academy and has undertaken a two-year conversion process. Extensive training in the role of the Trustees/Governing Body has been undertaken using DfE and Academy Trust recommended providers, including attendance to DfE Academy Road-shows and Regional Conferences.

As part of the conversion process Hill Dickinson Solicitors were appointed at the early stages and they have provided extensive bespoke and organisational training prior and during the conversion process. The Trustee/Governors were well prepared for the changing policy and procedures required of them as Trustees.

BDO were appointed, in the first instance, as Financial Advisors to the Governors and have subsequently been appointed as Auditors and trainers for the Finance Officer.

During the conversion process a new Induction Pack was produced with the support of our advisors and given to all Trustees, this is also available on-line by accessing the designated area on the Academy's website: www.chs.academy. Halton & Warrington provide a package of training and Governors have access to this training as required. Further training is available on line and newly appointed trustees have availed themselves of this Service i.e. The Key and Governor.support.net.

On-line training has proven to be a more effective means of induction both in terms as a new Trustee but also their specific role within the sub-committee structure.

All Governors have undertaken Safeguarding training as part of their induction which is delivered by Hayes Educational both on-line and bespoke training. A training record is maintained at school using the Hayes on-line system. (Period 01-02-14 to 31-08-14)

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

The Cavendish High Academy

Trustees' Report for the period ended 31 August 2014 (*continued*)

Organisational Structure

Accounting Officer	Mrs C A Dickinson, Principal Head Teacher	
Scheme of Delegation	Financial delegation	Attached
Board of Trustees	Governors delegated responsibilities	Attached
	Sub-committee membership	Attached
Senior Leadership Team	Academy Organisational Structure	Attached

Connected Organisations including Related Party Relationships

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 for education at the school (not formally provided by the Local Education Authority).

The Academy also has a member of the *Greater Merseyside Consortium of CLD Special Schools and the Palmerston Teaching School Alliance*. These are teaching and learning alliances for the benefit of the wider community.

Objectives and Activities

The trust operates as a special school academy for pupils aged 11 to 19 serving the borough of Halton, Cheshire. It has a pupil place capacity of 90 with 83 on roll in the school census on 16th January 2014. The IDACI place Halton as 16th in the bottom percentile of deprivation with Kingston upon Hull as our statistical neighbours.

The Academy is designated for pupils and young people who have a Statement of Educational Need for the following SEN criteria:

- Profound & Multiple Learning Difficulties
- Severe Learning Difficulties
- Autistic Spectrum Disability and/or Communication & Interaction Difficulties + SLD

Currently the Academy has a Grade 1: Outstanding, following and OfSTED Inspection in February 2011

Objects and Aims

The Cavendish High Academy is a converter Special School academy providing specialist education for students aged 11 years to 19 years.

Our aim is to provide outstanding education for all our students which is differentiated to meet their specific educational needs.

The Academy offers 3 differentiated curriculums including The National Curriculum, Functional Curriculum and Independent Living Skills.

All learning is assessed and accredited at Key Stages 4 & 5 (14 yrs. – 19 yrs.) including ASDAN, OCR and U-Choose accreditation routes.

To achieve these aims the Academy provides excellent educational facilities including specialist areas such as specific ASD Provision, Hydro Therapy and adapted sports facilities.

(For further details please see the prospectus on www.chs.academy).

Objectives, Strategies and Activities

The Academy is currently in the final year of Cavendish High School, School Improvement Plan (2011 -15) with a focus on embedding changes in curriculum.

Conversion to an Academy has given Cavendish the confidence to implement the changes that has seen a substantial benefit to the students' access to an appropriate curriculum.

The School Improvement Plan Contains 4 Key Intents that are monitored 3 x yearly by the Governing Body and School Improvement Partner

The Cavendish High Academy

Trustees' Report

for the period ended 31 August 2014 (*continued*)

KEY INTENT 2011-15
1. Develop rich, creative and progressive learning experiences through diverse curriculum approaches designed to suit the individual learning of complex learners and those with disabilities.
Definition (SSAT 2011) <i>"Children and young people with Complex Learning Difficulties and Disabilities (CLDD) have conditions that co-exist. These conditions overlap and interlock creating a complex profile. The co-occurring and compounding nature of complex learning difficulties requires a Personalised learning pathway"</i> As referred to above. Personalised Learning Plans linked to differentiated curriculums Year 3. The impact of the change in curriculum has been substantial with learning pathways that are suited to individual learning needs. Students are accessing dynamic and exciting programmes of study linked delivered in line with the Academy's Learning to Learn Philosophy
2. Provide learning opportunities for SEN students aged 18-25 years
Key Intent 2: A paper has been produced and presented to Halton Borough Council for their due consideration as part of the 'Halton Special Needs Offer' that is currently under review. The offer includes building on the specialist curriculum offer for students with CLDD in particular Profound and Multiple Learning Difficulties.
3. Support specialist provision by ensuring succession management and facilitating opportunities to cascade skills, knowledge and expertise of staffs
The school is a strategic partner to The Palmerstone Teaching Alliance and is currently engaged in driving forward the Initial Teacher Training initiative, supporting two salaried students 2014-15. The school is providing programme development and delivering a range of taught modules during the academic year.
4. Engagement in The White Paper: The Importance of Teaching – Academies
The school converted to an Academy on 1 st February 2014 following extensive stakeholder consultation and business systems planning.

Public Benefit

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

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

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

Strategic Report

Achievements and Performance

The Academy continues to be a highly successful school due to the personalised approach to education. Students' achievements are measured in the broadest sense ranging from personal target setting and through Personal Learning Targets to APP tracking using data sets including PIVATS, CASPA, ABLLS & Quest, as detailed below:

The Cavendish High Academy

Trustees' Report

for the period ended 31 August 2014 (continued)

CASPA Progress Measure + 3

Pupils on roll who have +3 years accurate data. The School may remove data for pupils with significant mental health and medical needs which impact on attendance in line with published PAS attendance figures

Total pupils in CASPA data set = 47	English	Maths	Science	Overall NC
% Pupils making expected progress	82%	90%	89%	100%
% making better than expected progress	57%	26%	74%	72%
% making less than expected progress	0% = 0	2% = 1	4% = 2	0% = 0
% pupils showing regression	0%	0%	0%	0%

OOR Progress Measure + 3

% Pupils making expected progress	0%	25%	25%
% making better than expected progress	88%	63%	63%
% making less than expected progress	12% (= 1)	12% (=1)	12% = (1)
% pupils showing regression	0%	0%	0%

ABLLS Progress Measure

Date	Assessment	Number in Cohort	% making less than expected progress	% making expected progress	% making above expected progress
2011-12	ABLLS-R	1	0	0	1
2012-13	ABLLS-R	4	0	1	3
2013-14	AFLS	8	0	2	6

Pathways - QUEST

Total pupils in CASPA data set = 7	English	Maths	Science	Overall
Pupils making expected progress	5	6	6	6
Pupils making better than expected progress	5	3	5	5
Pupils making less than expected progress	1	0	0	0
Pupils showing regression	0	0	0	0

The vast majority of students have achieved expected or better than expected progress and are achieving well against their PPTs.

Key Financial Performance Indicators

The total number of place funded students in period ended 31st August 2014 was 90 with actual numbers 81. Pupil admission for 2014-15 has increased and the school is at capacity with effect from September 2014 with a 4 place over-subscription. The Academy has agreed an increase in admission for 2014-15, 2015-16 and 2016-17 projected required places to meet the increasing SEN needs of the Local Authority and surrounding areas.

The Academy continues to have a stable workforce and as part of the School Improvement Planning Key Intent 3 is ensuring continuity in highly skilled workforce including SEN trained teachers through School Direct. The extensive and advanced professional development of staffs has given opportunity to provide training to other schools and services which draws some income for the school as well as providing a services to other parties,

The Cavendish High Academy

Trustees' Report

for the period ended 31 August 2014 (*continued*)

this includes behaviour management i.e. Team Teach. It is anticipated to franchise services and currently has contracts with Halton Borough Council for two sports projects: Bikeability & Disability Sports Coordination.

OfSTED improvement indicator (2011) referenced students with a potential to exceed the current data assessment or Out of Range (OOR) students which has been successful addressed as described above. This has included ASD students who are now assessed against ABLLS and Functional Skills Analysis including ABA. The results have been excellent raising the standards of education provision for ASD.

The Academy has made considerable investment in raising the professional standards and capabilities of staffs which reflected in the increase in pupil intake, particularly the projected numbers for 2014-15 onwards.

The Cavendish High Academy

Trustees' Report for the period ended 31 August 2014 (continued)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

The majority of the Academy's income is obtained from the DfE, via the EFA (Place funding) in the form of recurrent grants + LA SEND Top-Up funding which is restricted to particular purposes. The grants received from the DfE during the period ended 31st August 2014 and associated expenditure are shown as restricted general funds in the statement of financial activities.

During the period ended 31 August 2014, total expenditure of £1,565k was more than covered by Grant Funding from the DfE together with the SEN Top-Up funding and other incoming resources. The excess of income over expenditure for the period (excluding fixed asset funds and pension reserve) was £340k.

At 31 August 2014, the net book value of fixed assets was £2,716k and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors will keep the level of reserves under review.

Investment Policy

In a period of financial uncertainty and low interest rates, the Academy's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

Principal Risks and Uncertainties

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

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

The Cavendish High Academy

Trustees' Report for the period ended 31 August 2014 (*continued*)

- The Academy is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposition
- The proper records are maintained and financial information used within the Academy or for publication is reliable.
- The Academy complies with relevant laws and regulations

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body
- Regular reviews by the Business Continuity & Finance Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes
- Delegation of authority and segregation of duties
- Identification and management of risks

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

The external auditor (BDO) has been appointed to perform agreed upon procedure work at the request of the Governing Body on the operation of their systems of control. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Cavendish High Academy

Trustees' Report for the year ended 31 August 2014 (*continued*)

The Academy's pension liability is £481,000, with sufficient liquid assets to cover this figure.

Plans for Future Periods

As outlined in the School Improvement Plan: Key Intent 2 - Development of Halton SEND Local Offer. The Academy has placed a proposal to provide learning opportunities for students 18-25 who have profound and multiple learning difficulties. The offer will provide specialist therapeutic teaching linked to Education Health & Care Plans,

Extend 6th Form provision to meet the increase in place numbers following Halton restructuring of provision for SEND 16+ students. To facilitate any further increase in numbers the Academy will require additional teaching space and will be applying to the EFA for funding grant in 2015.

Funds Held as Custodian Trustee on Behalf of Others

The academy is a member of the Greater Merseyside Consortium of CLD Special Schools. This is a consortium of 15 schools in Merseyside who contribute towards training for special needs. No profit is made by the school and excess fund are rolled over to the next year's budget. Therefore as at the year end, the academy was holding £62,378 within deferred income.

Auditor

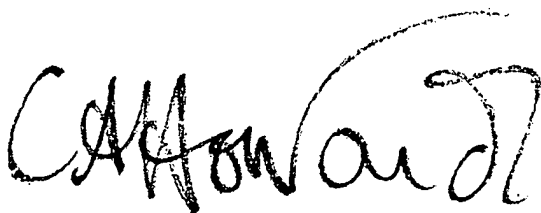
The Governors have appointed BDO LLP as auditors in accordance with section 485 of the Companies Act 2006

Each of the persons who are Governors at the time when this Trustee's report is approved has confirmed that:

Insofar as the trustees are aware:

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

Trustees' report, incorporating a Strategic Report, approved by order of the board of trustees, as the company directors, on 19 December 2014 and signed on the board's behalf by:



Carole A Howard
Trustee

The Cavendish High Academy

Governance Statement for the period ended 31 August 2014

As central government public sector bodies academy trusts are required to provide assurance that they are appropriately managed and are controlling the resources for which they are responsible. The Cavendish High Academy is a newly converted Special school and our assurance is communicated in the governance statement.

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Howard	2	2
Mrs C Mills	2	2
Mrs D Gilligan	0	2

The Board of Trustees will change with effect from 1st September 2014 with the election of a new Trustee Member to be elected due to the resignation of Mrs D Gilligan due to ill-health.

Governance reviews:

As a newly converted academy we have been informed that an external review of Governance by the Education Funding Agency will take place in the Autumn Term 2014

The Trustees intend to undertake a full review of effectiveness in 2015 following a full-year of conversion

Where a review has taken place, describe the findings, any actions taken and the impact they had.

Indicate when the trust intends to conduct its next self-evaluation or external review of governance. If the trust has not carried out a review it should still indicate when it intends to do so.

The Cavendish High Academy

Governance Statement

for the period ended 31 August 2014 (*continued*)

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

Trustee	Meetings attended	Out of a possible
Mrs C Howard	2	2
Mrs C Mills	0	0
Mrs D Gilligan	0	0
Mrs C Dickinson as Principal & Returning Officer	2	2

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Cavendish High Academy

Governance Statement for the period ended 31 August 2014 (continued)

The Risk and Control Framework

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

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

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

- Not to appoint an internal auditor. However the trustees have appointed the Continuity and Finance Committee, as responsible officer (RO); and
- have appointed BDO LLP as external auditor, to perform additional checks

The Responsible officer role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the Academy's Finance Officer reports to the board of trustees, through the Business & Continuity and Finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Cavendish High Academy

Governance Statement for the period ended 31 August 2014 (*continued*)

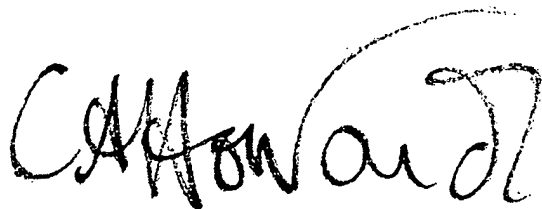
Review of Effectiveness

As accounting officer the Principal Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the Finance Officer within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 19 December 2014 and signed on its behalf by:



Carole A Howard
Trustee



Celia Anne Dickinson
Accounting Officer

The Cavendish High Academy

Statement on Regularity, Propriety and Compliance

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

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

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



Celia Anne Dickinson
Accounting Officer

Date 19 December 2014

The Cavendish High Academy

Statement of Trustees' Responsibilities for the period ended 31 August 2014

The trustees (who act as governors of The Cavendish High Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

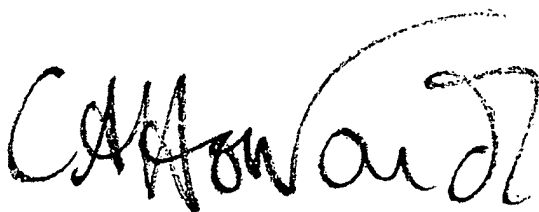
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 19 December 2014 and signed on its behalf by:



Carole Howard
Trustee

The Cavendish High Academy

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

We have audited the financial statements of The Cavendish High Academy ("the Academy") for the period ended 31 August 2014 which comprise the statement of financial activities, incorporating the income and expenditure account and statement of total recognised gains and losses, the balance sheet, the cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2013 to 2014. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of The Cavendish High Academy and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

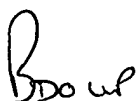
The Cavendish High Academy

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

Matters on which we are required to report by exception

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

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



Mark Sykes (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
3 Hardman Street
Manchester
M3 3AT
United Kingdom
Date 19 December 2014

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

The Cavendish High Academy

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

In accordance with the terms of our engagement letter dated 14 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cavendish High Academy during the period to 31 August 2014 have been applied to the purposes identified by Parliament and the financial statements conform to the authorities which govern them.

This report is made solely to The Cavendish High Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cavendish High Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Cavendish High Academy and the EFA, 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 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period to 31 August 2014 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

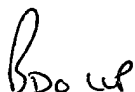
The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 10 of the Academies Accounts Direction 2013 to 2014.

The Cavendish High Academy

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



BDO LLP

Chartered Accountants

Manchester

United Kingdom

Date 19 December 2014

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

The Cavendish High Academy

Statement of financial activities for the period ended 31 August 2014

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	-	6	-	6
Activities for generating funds	3	3	-	-	3
Transfer from local authority on conversion		475	12	2,746	3,233
<i>Incoming resources from charitable activities:</i>					
Funding for the academy trust's educational operations	4	-	627	-	627
Total income resources		478	645	2,746	3,869
Resources expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		-	-	-	-
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,128	56	1,184
Governance costs	7	-	25	-	25
<i>Other resources expended:</i>					
Total resources expended	5	-	1,153	56	1,209
Net incoming/(outgoing) resources before transfers		478	(508)	2,690	2,660
Gross transfers between funds	14	(138)	131	7	-
Net income/(expenditure) for the year		340	(377)	2,697	2,660
Other recognised gains and losses					
Actuarial (losses) gains on defined benefit pension schemes	14,21	-	(104)	-	(104)
Net movement in funds		340	(480)	2,696	2,556
Reconciliation of funds					
Total funds brought forward at 25 November 2013		-	-	-	-
Total funds carried forward at 31 August 2014		340	(481)	2,697	2,556

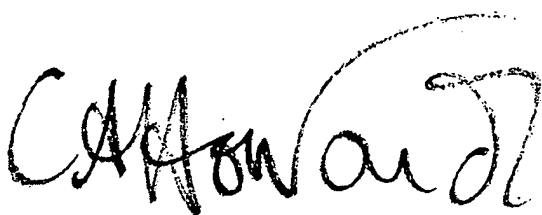
All of the academy's activities derive from acquisitions during the above financial period.

The Cavendish High Academy

Balance sheet at 31 August 2014

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

The financial statements on pages 20 to 43 were approved by the trustees, and authorised for issue on 19 December 2014 and are signed on their behalf by:



Carole Howard- Trustee

The Cavendish High Academy

Cash flow statement for the period ended 31 August 2014

	Note	2014 £'000
Net cash inflow from operating activities	16	(91)
Returns on investments and servicing of finance	17	-
Capital expenditure	18	(20)
Cash on conversion		473
		<hr/>
(Decrease)/increase in cash in the year	19	362
		<hr/>
Reconciliation of net cash flow to movement in net funds		
Net funds at 25 November 2013		-
		<hr/>
Net funds at 31 August 2014		362
		<hr/>

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

The Cavendish High Academy

Notes forming part of the financial statements for the period ended 31 August 2014

1 Accounting policies

Basis of Preparation

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

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Cavendish High School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Cavendish High Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 23.

Going Concern

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

Incoming Resources

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

▪ Grants Receivable

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

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

▪ Sponsorship Income

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

▪ Donations

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

The Cavendish High Academy

Notes forming part of the financial statements for the period ended 31 August 2014 (*continued*)

1 Accounting policies (*continued*)

▪ Other Income

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

▪ Donated Services and Gifts in Kind

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

Resources Expended

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

▪ Costs of Generating Funds

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

▪ Charitable Activities

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

▪ Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

1 Accounting policies (*continued*)

Tangible Fixed Assets (*continued*)

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leased Assets

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 2 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The Cavendish High Academy

**Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)**

1 Accounting policies (*continued*)

Pensions Benefits (*continued*)

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

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

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

2 Voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
Transfer from local authority on conversion	475	2,758	3,233
Other donations	-	6	6
	<u>475</u>	<u>2,764</u>	<u>3,239</u>

3 Activities for Generating funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
Hire of facilities			
- Sales of goods and services	3	-	3
	<u>3</u>	<u>-</u>	<u>3</u>

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	523	523
Start up grants	-	-	-
Capital grants	-	7	7
Other DfE/EFA grants	-	13	13
	<u>-</u>	<u>543</u>	<u>543</u>

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

4 Funding for the Academy Trust's Educational Operations (continued)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
Other Government grants			
Local authority grants	-	423	423
Staff services - consultancy	-	4	4
	<u>-</u>	<u>427</u>	<u>427</u>
Non-Government income			
Other income	-	4	4
Consortium income	-	9	9
	<u>-</u>	<u>13</u>	<u>13</u>
	<u>-</u>	<u>983</u>	<u>983</u>

5 Resources expended

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2014 £'000
<i>Costs of generating voluntary income</i>	-	-	-	-
<i>Costs of activities for generating funds</i>	-	-	-	-
<i>Academy's educational operations:</i>				
Direct costs	810	-	107	917
Allocated support costs	90	67	110	267
<i>Other resources expended:</i>				
Pension scheme liability on conversion	-	-	356	356
	<u>900</u>	<u>67</u>	<u>573</u>	<u>1,540</u>
Governance costs including allocated support costs	-	-	25	25
	<u>900</u>	<u>67</u>	<u>598</u>	<u>1,565</u>

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

6 Charitable activities

	Total 2014 £'000
Direct costs – educational operations	
Teach and educational support staff costs	810
Depreciation	51
Technology costs	15
Educational supplies	12
Staff development	16
Other direct costs	13
	<u>917</u>
Support costs – educational operations	
Support staff costs	90
Depreciation	6
Technology costs	14
Recruitment and support	2
Maintenance of premises and equipment	36
Cleaning	3
Rent and rates	2
Energy costs	15
Insurance	20
Travel and subsistence	3
Other support costs	432
	<u>623</u>
Total direct and support costs	<u><u>1,540</u></u>

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

7 Governance costs

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

8 Staff

	2014 £'000
a. Staff costs	
Staff costs during the period were:	
Wages and salaries	713
Social security costs	57
Pension costs	108
	<hr/>
	878
	<hr/>
Supply staff costs	22
	<hr/>
	900
	<hr/>

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

8 Staff (*continued*)

b. Staff numbers

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

	2014 No
Charitable activities	
Teachers	16
Administrations and support	35
Management	4
	<hr/>
	55
	<hr/>

c. Staff numbers

There were no employees whose emoluments exceeded £60,000 in the year.

Three of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 employer's pension contributions for these staff amounted to £6,438.

The Cavendish High Academy

**Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)**

9 Related Party Transactions – trustees remuneration and expenses

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

The value of trustees' remuneration was as follows:

Celia Dickinson (principal and trustee):	£45,000 - £50,000
Gil Price (parent trustee):	£0 - £5,000
Gareth Burke (staff trustee):	£10,000 - £15,000

During the period ended 31 August 2014, travel and subsistence expenses totalling £149 were reimbursed to 2 trustees.

Other related party transactions involving the trustees are set out in note 29.

10 Trustees' and Officers' Insurance

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

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

11 Debtors

	2014 £'000
Trade debtors	-
VAT recoverable	19
Prepayments and accrued income	95
	<hr/>
	114
	<hr/>

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

12 Tangible fixed assets

	Land and Buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 January 2014				
Inherited on conversion	2,678	53	15	2,746
Additions	-	6	21	27
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	2,678	59	36	2,773
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2014	-	-	-	-
Charged in year	49	3	5	57
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	49	3	5	57
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2014	2,629	56	31	2,716
	<hr/>	<hr/>	<hr/>	<hr/>

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

13 Creditors: amounts falling due within one year

	2014 £'000
Trade creditors	54
Taxation and social security	27
Other creditors	-
Accruals and deferred income	74
	<hr/>
	155
	<hr/>

Deferred income	2014 £'000
Deferred income at 25 November 2013	-
Resources deferred in the year	62
Amounts released from previous years	-
	<hr/>
Deferred income at 31 August 2014	62
	<hr/>

At the balance sheet date the academy trust was holding funds received in relation to Consortium income for the next academic year.

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

14 Funds

	Balance at 1 January 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
Restricted general funds					
Inherited on conversion		12	(12)	-	-
General Annual Grant (GAG)	-	530	(523)	(7)	-
LA Grants	-	423	(423)	-	-
Other DfE/EFA grants	-	13	(13)	-	-
Other restricted	-	14	(152)	138	-
Consortium income	-	9	(9)	-	-
Pension reserve	-	(356)	(21)	(104)	(481)
	-	645	(1,153)	27	(481)
Restricted fixed asset funds					
Inherited on conversion		2,746	(49)	-	2,697
DfE/EFA capital grants	-	-	(7)	7	-
	-	2,746	(56)	7	2,697
Total restricted funds	-	3,391	(1,209)	34	2,216
Unrestricted funds					
Unrestricted funds	-	478	-	(138)	340
Total unrestricted funds	-	478	-	(138)	340
Total funds	-	3,869	(1,209)	(104)	2,556

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

15 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	2,716	2,716
Current assets	476	-	-	476
Current liabilities	(136)	-	(19)	(155)
Pension scheme liability	-	(481)	-	(481)
Total net assets	340	(481)	2,697	2,556

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

	2014 £'000
Net income	2,660
Depreciation (note 13)	57
Capital grants from DfE/EFA and others	(7)
FRS 17 pension cost less contribution payable (note 27)	16
FRS 17 pension finance income (note 27)	5
(increase)/decrease in debtors	(114)
Increase/(decrease) in creditors	155
Pension on conversion	356
Cash on conversion	(473)
Non-cash on conversion	(2,746)
	(91)

17 Returns on investments and servicing of finance

	2014 £'000
Interest received	-
Net cash inflow from returns on investment and servicing of finance	-

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

18 Capital expenditure and financial investment

	2014 £'000
Purchase of tangible fixed assets	(27)
Capital grants from DfE/EFA	7
	<hr/>
Net cash outflow from capital expenditure and financial investment	(20)
	<hr/>

Cash on conversion

	2014 £'000
Cash received on conversion from local authority	473
	<hr/>
Net cash outflow from cash on conversion	473
	<hr/>

19 Analysis of changes in net debt

	At 25 November 2013 £'000	Cash flow £'000	At 31 August 2014 £'000
Cash in hand and at bank	-	362	362
	<hr/>	<hr/>	<hr/>
	-	362	362
	<hr/>	<hr/>	<hr/>

20 Member's liability

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

The Cavendish High Academy

Notes forming part of the financial statements for the year ended 31 August 2014 (*continued*)

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

The Cavendish High Academy

Notes forming part of the financial statements for the year ended 31 August 2014 (*continued*)

21 Pension and similar obligations (*continued*)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

The Cavendish High Academy

Notes forming part of the financial statements for the year ended 31 August 2014 (continued)

21 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £62,000, of which employer's contributions totalled £48,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are in the process of being agreed.

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 period. 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.

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.

Additional disclosure should be made where the scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels, including the number of years over which it is anticipated that the additional contributions will be paid.

Principal actuarial assumptions	2014
Rate of increase in salaries	3.4%
Rate of increase for pensions in payment/inflation	2.6%
Discount rate for scheme liabilities	3.7%
Expected return on assets	5.2%
Commutation of pensions to lump sums	

Sensitivity analysis

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

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

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2014
<i>Retiring today</i>	
Males	
Females	22.3 years
	24.4 years
<i>Retiring in 20 years</i>	
Males	24.1 years
Females	26.7 years

The Cavendish High Academy

Notes forming part of the financial statements
for the year ended 31 August 2014 *(continued)*

21 Pension and similar obligations *(continued)*

Local Government Pension Scheme *(continued)*

	Expected return at 31 August 2014 £'000	Fair value at 31 August 2014 £'000
Equities	6.3%	505
Bonds	3.4%	177
Property	4.5%	59
Cash	3.3%	101
		<hr/>
Total market value of assets		842
Present value of scheme liabilities		
Funded		(1,323)
		<hr/>
Surplus/(deficit) in the scheme		(481)
		<hr/> <hr/>

The actual return on scheme assets was £71,000.

Amounts recognised in the statement of financial activities	2014 £'000
Current service cost (net of employee contributions)	64
	<hr/>
Total operating charge	64
	<hr/>
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	(23)
Interest on pension liabilities	28
	<hr/>
Pension finance income/(costs)	69
	<hr/> <hr/>

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

21 Pension and similar obligations (*continued*)

Local Government Pension Scheme (*continued*)

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

Movements in the present value of defined benefit obligations were as follows:	2014 £'000
At 25 November 2013	-
On conversion	1,065
Current service cost	64
Interest cost	28
Employee contributions	14
Actuarial (gain)/loss	152
	<hr/>
At 31 August	1,323
	<hr/>

Movements in the fair value of academy's share assets:	2014 £'000
At 25 November 2013	-
On conversion	709
Expected return on assets	23
Actuarial (gain)/loss	48
Employer contributions	48
Employee contributions	14
	<hr/>
At 31 August	842
	<hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £96,000.

The Cavendish High Academy

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

21 Pension and similar obligations (*continued*)

Local Government Pension Scheme (*continued*)

The five-year history of experience adjustments is as follows:

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

22 Related party transactions

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

23 Conversion to an Academy Trust

On 21 January 2014 the Cavendish High Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cavendish High Academy from Halton Borough Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities were transferred at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total
	£'000	£'000	£'000	£'000
Tangible fixed assets				
- Leasehold land and buildings	-	-	2,678	2,678
- Other tangible assets	-	-	68	68
Budget surplus on LA Funds	475	-	-	475
Budget surplus on other school funds	-	12	-	12
LGPS pension (deficit)	-	(356)	-	(356)
Net assets	475	(344)	2,746	2,877