

REGISTRAR OF COMPANIES

The Cavendish School Charitable Trust Limited

Annual Report and Financial Statements

31 August 2011

Company Limited by Guarantee
Registration Number
987480 (England and Wales)

Charity Registration Number
312727

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Contents

Reports

Legal and administrative information	1
Governors' report	2
Independent auditor's report	10

Financial Statements

Statement of financial activities	12
Balance sheet	13
Principal accounting policies	14
Notes to the financial statements	16

Legal and administrative information

Governors	J B Addinall (Chair of Education) E M Blain P J C Cook J A Critchley N P Higgins G M T Howe (Chair of Finance and General Purposes Committee) D J Kehoe D H R Lochrane R McNab A Poole (appointed September 2011) F M M Robey (Chair of Governors) D Sewell
Headmistress	T Dunbar
Secretary	S Chen Cooper (appointed May 2011)
Bursar and Clerk to the Governors	S Chen Cooper (appointed May 2011)
Registered Principal office	The Cavendish School 31 Inverness Street London NW1 7HB
Telephone	020 7485 1958
Facsimile	020 7267 0098
Website	www.cavendishschool.co.uk
Company registration number	987480 (England and Wales)
Charity registration number	312727
Auditors	Buzzacott LLP 130 Wood Street London E2V 6DL
Bankers	Lloyds TSB Bank plc 140 Camden High Street London NW1 0NG

Governors' report Year to 31 August 2011

The Governors (who are also directors of The Cavendish School Charitable Trust for the purposes of company law and trustees for the purposes of charity law) present their statutory report together with the financial statements of The Cavendish School Charitable Trust Limited (company registration number 987480 (England and Wales)) (the "charity") for the year ended 31 August 2011

The report has been prepared in accordance with Part VI of the Charities Act 1993

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 and 15 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005

Legal status

The charity is constituted as a company limited by guarantee and not having a share capital. The members, who are also Governors, are liable to contribute an amount not exceeding £1 each on the event of winding up.

The charity was incorporated on 20 August 1970 by Memorandum of Association.

Principal aims and objects

The principal aims and objects of the charity are the advancement and promotion of education and, in particular, the running of The Cavendish School in Camden Town, London NW1 (the "school")

Mission

The Cavendish School aims to provide

- ◆ A high quality education founded on the promotion, development and practice of Catholic, Christian principles throughout the life of the school
- ◆ A broad, purposeful, balanced and stimulating curriculum which acknowledges the individual contributions and needs of all members of the community so that each can work towards reaching their full potential in all areas – spiritual, intellectual, emotional, social and physical
- ◆ Excellent preparation for pupils to move with confidence towards the next stage of their education

Through

- ◆ Appointment, development and maintenance of a teaching and support staff of the highest quality
- ◆ Effective (distributed) leadership that works to anticipate, plan for and manage change for future improvement in all areas of the school

We see ourselves as a caring, inclusive, non-selective community of individuals who enjoy working together to aid and appreciate each other's personal development and love of lifelong learning

Public benefit

The Charities Act 2006 made changes which affect the school principally removing the presumption in law that education is for public benefit. The effect of this is a requirement that educational charities demonstrate the public benefit they provide. The Charity Commission have provided guidelines on the changes together with an analysis of the law affecting charities. These documents have been considered by the Board, who are confident that the charity is operating in the interest of the public. Furthermore, the object of the charity is the advancement and promotion of education, specifically the running of the Cavendish School for, but not exclusively for, children of the Roman Catholic faith, which is a charitable purpose within the meaning of the 2006 Act.

This report is designed to meet the Charity Commission's requirement to describe the public benefit provided by the charity. The paragraphs below describe the various ways in which the Board believes that the charity provides public benefit.

- ◆ The major public benefit the school provides is a rich and diverse education, without recourse to the public purse and a strong ethos of a positive contribution to our local community. Much of the curriculum taught follows the areas prescribed by law for state schools, on the basis it is considered essential for a successful society. Consequently its provision is to benefit the public.
- ◆ The school is open to all and Governors aim to make it as affordable as reasonably possible, consistent with the aim of providing a high quality of education in a small school environment.
- ◆ During the last year the school had sixteen pupils with bursaries which covered 50 to 100% of their fees.
- ◆ The school also offered further bursaries for amounts up to full fees. These were advertised on the school's notice board outside the school and on the school's website.
- ◆ The headmistress also operates a fund raised by parents of around £1,400 per annum to assist pupils from less well off families with support for educational assessment and music lessons.
- ◆ As part of the commitment to promoting education the school also provides training for teachers in excess of £4,000 for the year. The aim of providing teachers' skills, who in turn will use these skills at The Cavendish School or at other schools, is for the benefit of the wider public.
- ◆ A range of initiatives has also been undertaken to enhance public benefit including working with local schools to provide specialist educators in music, art and design technology. For example, from September 2010 class music teaching for Years 1 to 3 pupils and a fife club for Year 6 pupils were provided at a local state school.
- ◆ During the year the school raised over £4,000 for a range of local and national charities, the activities of which we believe support the educational goal of good citizenship.
- ◆ The school is particularly active in supporting local community and church initiatives including funding the 'tea and sandwiches' service for the local church and providing Christmas presents for local children from underprivileged backgrounds.

Governors' report Year to 31 August 2011

Public benefit (continued)

We estimate that the value of these actions exceeds £150,000 equivalent to around 7% of the total revenues of the school. This is in addition to the saving to the public purse which is estimated to exceed £600,000.

Governance, structure and management

♦ **Governance**

The Board of Governors is responsible for setting aims and agreeing a strategy for the school, recruiting and assessing senior management and for ensuring frameworks exist to meet legal, financial and regulatory obligations. Management of the school is the responsibility of the Head and the management team.

The school has a rolling programme for reviewing procedures and policies.

The Governors would like to express their thanks to Mrs Dunbar and the staff of the school for their hard work during the year and for the considerable progress that has been made in the school during the period.

A special word of thanks is due to Alan Forbes who had previously retired as bursar in 2006 and came back to resume his position in 2009, and whose contribution has been invaluable. After a thorough external recruitment process, Sharon Chen Cooper has joined us and we are confident she will prove an excellent addition to the school.

♦ **Governors**

The following officers served throughout the year, except where shown

Governors	Appointed/Retired
J B Addinall	
E M Blain	
P J C Cook	
J A Critchley	
Sister P M Grimley	Appointed September 2010, retired June 2011
N P Higgins	
G M T Howe	
D J Kehoe	
D H R Lochrane	
R McNab	
F M M Robey	
D Sewell	

A Poole was appointed director in September 2011.

Secretary	Appointed/Retired
A Forbes (Acting Bursar and Clerk to the Governors)	Retired June 2011
S Chen Cooper	Appointed May 2011

None of the Governors received any remuneration in respect of their services during the year (2010 - £nil).

Governors' report Year to 31 August 2011

Governance, structure and management (continued)

♦ **Governors** (continued)

Out of pocket expenses of £12 (2010 - £88) were reimbursed to one (2010 - one) Governor during the year

Three (2010 - four) Governors who are also parents had children attending the school during the financial year Fees paid by the Governors are the same as fees paid by others There were no outstanding amounts at the year end

The school has purchased insurance to protect the school from loss arising from the neglect or defaults of its Governors The insurance premium paid by the school during the year totalled £3,021 (2010 - £2,905) and provides cover of up to a maximum of £2 million

♦ **Appointment of Governors and training procedures**

New Governors are elected by existing Governors and may serve for a period of three years before being required to stand for re-election

The Governors have put in place a system whereby individual Governors have nominated links with individual teachers to enhance the links between Governors and the teaching staff and with the responsibility for Early Years Foundation Stage (E Y F S), safeguarding and curriculum specific areas

The Governors are members of the Association of Governing Bodies of the Independent Schools The Governors are offered the opportunity to attend seminars and conferences

♦ **Structure and management reporting**

The day to day running of the school is undertaken by the Headmistress and the senior staff

Committees

The general school governance continued with regular board and sub-committee meetings

The composition of the sub-committees for this year was as follows

Education	Finance & General Purposes
J B Addinall (Chair)	P J C Cook
E M Blain	N P Higgins
J A Critchley	G M T Howe (Chair)
Sister P Grimley (to June 2011)	D J Kehoe
D Sewell	

The Chair of the Governors was an ex-officio member of both committees

Governance, structure and management (continued)

Statement of Governors' responsibilities

The Governors (who are also directors of The Cavendish School Charitable Trust for the purposes of company law and trustees for the purposes of charity law) are responsible for preparing the Governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Governors are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP),
- ◆ make judgements and estimates that are reasonable and prudent,
- ◆ state whether applicable United Kingdom 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 charity will continue in operation

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that

- ◆ so far as the Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- ◆ the Governor has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Governance, structure and management (continued)

◆ **Working with other organisations**

Friends of the Cavendish

The Governors are very grateful to the Friends of the Cavendish for their support during the year. Purchases from their fund-raising on behalf of the school this year have been used to augment the school's sport resources and to provide a commemorative stained glass window.

◆ **Risk management**

In line with the requirement for Governors to undertake a risk assessment exercise and report on the same in their annual report, the Governors have looked at the risks the school currently faces and have reviewed the measures already in place, or needing to be put in place, to deal with them. The Governors have identified four main areas where risks may occur:

- Strategic
- Operational
- Financial
- Regulatory

Strategic considers the long term health of the school. It is concerned with areas such as pupil numbers, staff recruitment and retention, quality of management, financial development and identification of changes to the school environment.

Operational looks at the risks inherent in the school's activities including the operation of its school – reputational, current needs, communication with parents, training, transport, Camden policies, fraud, suitability of buildings, maintenance, staff, health and safety, disaster recovery policy, etc.

Financial risks include those relating to budgetary control, spending, accounting, investment policies, etc.

Regulatory looks at the effects of government policies, the consequences of new laws and regulations, etc.

Activities, specific objectives and relevant policies

◆ **Activities and specific objectives**

The principal activity of the charity in the year under review was the running of The Cavendish School, which was established to provide a Catholic education for girls aged between three and eleven with sibling boys accepted into the nursery and reception classes.

◆ **Volunteers**

The Governors would like to thank all the parents for their much valued contribution to the school community. Parents have participated in activities such as fundraising, tuck shop, library, uniform sales and outings.

Governors' report Year to 31 August 2011

Activities, specific objectives and relevant policies (continued)

◆ **Protection of children and vulnerable adults**

Along with all other organisations who work with children, the Governors recognise the absolute necessity of ensuring the protection and safety of all those the school serves. This means that all staff, including peripatetic staff, have to undergo a check with the Criminal Records Bureau. In addition to this, some staff have to follow a training course in Child protection. Additionally there is a designated Governor assigned to safeguarding children.

Review of activities and performance

◆ **Inspection Report**

The last school inspection was carried out by the Independent School Inspectorate in January 2010. It is highly complimentary and is available at www.cavendishschool.co.uk

Financial review

◆ **Results for the year**

Incoming resources for the year were £2,209,889 (2010 - £2,108,620). Resources expended were £2,272,563 (2010 - £2,102,678). Resources expended include £35,811 (2010 - £38,037) for interest on the bank loans and £114,855 (2010 - £113,395) in respect of depreciation charges. The net expenditure for the year was £62,674 (2010 - net income of £5,942). The net expenditure was due principally to two factors. First, staffing was increased for the year but pupil numbers were lower than anticipated. Secondly, a number of bursaries were granted as part of the school's public benefit agenda. It is expected that the charity will return to a net income position in the next financial year.

◆ **Reserves policy and financial position**

Reserves policy

The Governors have examined the requirement for free reserves (also referred to as the general fund), i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Governors consider that, given the nature of the school's work, the level of free reserves should be equivalent to 50% of the termly expenditure at any one time. Based on current expenditure levels this should be in the region of £350,000. The Governors are of the opinion that this level of reserves would provide sufficient flexibility to respond to unforeseen emergencies whilst specific action plans are implemented. The free reserves in the balance sheet fall short of the school's policy but the Governors are aiming to build up the free reserves over a period of 5 to 7 years.

Financial position

The balance sheet shows total funds of £1,682,556.

The freehold property fund, which represents the net book value of the school's freehold property less the related borrowings is £1,654,024.

Governors' report Year to 31 August 2011

Financial review (continued)

♦ **Reserves policy and financial position** (continued)

Financial position (continued)

General funds of the school at 31 August 2011 are £28,147 and the Head's Discretionary fund was £385

Overall, the Governors consider the affairs of the school to be satisfactory but they are aware of potential financial issues facing the independent schools' sector and the need to constantly monitor budgets and forecasts

♦ **Fixed assets**

The main asset of the school is the freehold building

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements

♦ **Summary**

The Cavendish School has again had a reasonably good year and our thanks go to all those who have helped to achieve this, staff, pupils and parents

Future plans

The main objective for the future is to consolidate and expand the excellence of education for pupils of all abilities providing a learning and pastoral experience which is personalised to meet the needs of each individual student

Approved by the Governors and signed on their behalf by

F.M.M. Robey

F M M ROBEY

Governor of The Cavendish School Charitable Trust

Company registration number

987480 (England and Wales)

Approved by the Governors on

13.12.11

Independent auditor's report Year to 31 August 2011

Independent auditor's report to the members of The Cavendish School Charitable Trust

We have audited the financial statements of The Cavendish School Charitable Trust for the year ended 31 August 2011 which comprise the statement of financial activities, the balance sheet, the principal accounting policies 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).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

The Governors are also the directors of the charitable company for the purposes of company law, and trustees of the company for the purposes of charity law. As explained more fully in the Statement of Governors' Responsibilities set out in the Governors' report, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended,

Independent auditor's report Year to 31 August 2011

Opinion on financial statements (continued)

- ◆ 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

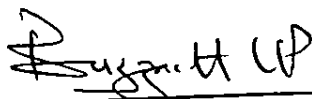
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

20 December 2011

Statement of financial activities Year to 31 August 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Income and expenditure					
Incoming resources					
Incoming resources from charitable activities					
School fees	1	2,139,517	—	2,139,517	2,016,769
Other charges	2	55,137	—	55,137	52,665
Incoming resources from generated fund					
Grants and donations		1,775	3,793	5,568	5,005
Activities for generating funds					
Rents and lettings		5,035	—	5,035	942
Interest receivable		118	—	118	117
Fundraising activities		1,052	—	1,052	28,965
Other income		3,462	—	3,462	4,157
Total incoming resources		2,206,096	3,793	2,209,889	2,108,620
Resources expended					
Cost of generating funds					
Financing costs		35,811	—	35,811	38,037
Other fundraising		1,496	—	1,496	4,455
Charitable activities	3				
Bursaries and public benefit costs		150,816	—	150,816	87,504
School operating costs					
Teaching		1,305,779	929	1,306,708	1,247,990
Welfare		167,769	—	167,769	135,239
Premises		268,842	—	268,842	271,235
Administration and support		293,900	—	293,900	268,622
Outings and activities		26,361	—	26,361	23,224
Other costs		—	—	—	1,040
		2,213,467	929	2,214,396	2,034,854
Governance costs	4	20,860	—	20,860	25,332
Total resources expended		2,271,634	929	2,272,563	2,102,678
Net (outgoing) incoming resources before transfers/net (expenditure) income					
		(65,538)	2,864	(62,674)	5,942
Gross transfers between funds	15	2,864	(2,864)	—	—
Net movement in funds	5	(62,674)	—	(62,674)	5,942
Balances brought forward at 1 September 2010					
		1,745,230	—	1,745,230	1,739,288
Balances carried forward at 31 August 2011					
		1,682,556	—	1,682,556	1,745,230

There is no difference between the net movement in funds stated above and the historical cost equivalent

All of the school's activities derived from continuing operations during the above two financial periods

Balance sheet 31 August 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
School buildings and equipment	9		2,310,386		2,386,877
Current assets					
Debtors	10	58,909		84,535	
Cash at bank and in hand		466,377		392,533	
		525,286		477,068	
Creditors amounts falling due within one year	11	(415,368)		(368,471)	
Net current assets			109,918		108,597
Total assets less current liabilities			2,420,304		2,495,474
Creditors amounts falling due after more than one year	12		(737,748)		(750,244)
Total net assets			1,682,556		1,745,230
Represented by.					
Funds and reserves					
Income funds					
Unrestricted funds	14				
General fund			28,147		47,555
Freehold property fund			1,654,024		1,696,650
Head's discretionary fund			385		1,025
			1,682,556		1,745,230
Restricted funds	15		—		—
			1,682,556		1,745,230

Approved by the Governors
and signed on their behalf by

F. M. N. Robey

F M M ROBEY

Governor of The Cavendish School Charitable Trust
Company Registration Number
987480 (England and Wales)

Approved on 13. 12. 11

Principal accounting policies 31 August 2011

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued by the Charity Commission in March 2005 and the Companies Act 2006.

Incoming resources

Incoming resources are recognised in the period in which the school is entitled to receipt and the amount can be measured with reasonable certainty

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered

Resources expended comprise the following

- a Costs of generating funds comprises the costs of financing the loans
- b The costs of charitable activities includes the costs of providing educational bursaries to pupils and the costs of operating the school. Such costs include
 - ♦ Teaching costs, i.e. the cost of teaching and support staff salaries, including pension and national insurance costs, books, other tuition expenses and IT support
 - ♦ Welfare costs, i.e. all costs in connection with the provision of catering and school meals
 - ♦ Premises costs, i.e. all costs associated with the premises and car park belonging to the school and used for the purposes of education, including the salaries, etc. of classroom cleaners and contractors
- c Governance costs comprise the costs associated with governance of the school and its assets. Included within this category are costs associated with the strategic as opposed to day to day management of the school's assets

The majority of costs are directly attributable to specific activities and any apportionment between headings is negligible

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised

- a Functional freehold property
Freehold property used for the direct charitable work of the school is included in these financial statements at cost at the date of acquisition together with the cost of additions and improvements to date

Principal accounting policies 31 August 2011

Tangible fixed assets (continued)

Functional freehold property is depreciated at a rate of 2% per annum on a straight-line basis in order to write the buildings off over their estimated useful economic lives to the school. Certain improvements to property are depreciated on a straight-line basis in order to write off the costs over a period of fifteen years.

b Other tangible fixed assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful economic lives:

◆ Furniture and general office equipment	10% - 20% per annum based on cost
◆ Computer and similar equipment	33.3% per annum based on cost
◆ Piano	33.3% per annum based on cost

Fund accounting

The freehold property fund comprises the net book value of the school's freehold property, less the related loans. The value represented by such assets should not be regarded, therefore, as realisable.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the school's charitable objects.

Cash flow

The financial statements do not include a cash flow statement because the school, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1, Cash Flow Statements.

Pension costs

Teaching staff employed by the company are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory, contributory, unfunded defined benefit scheme administered by Teachers' Pensions on behalf of the Department of Education. Pension costs are assessed in accordance with the advice of the Government Actuary.

Notes to the financial statements 31 August 2011

1 School fees receivable

	2011 £	2010 £
Fees receivable consist of		
Gross fees	2,139,517	2,017,318
Less sibling discounts	—	(549)
	2,139,517	2,016,769

2 Other charges

	2011 £	2010 £
Registration fees	6,295	6,275
Retained deposits	3,250	6,500
Clubs and activities	23,399	20,728
After school care	19,718	15,472
Fee remission insurance	2,475	3,690
	55,137	52,665

3 Charitable activities

	Staff costs £	Other £	Depreciation £	2011 £	2010 £
Bursaries and public benefit costs	—	150,816	—	150,816	87,504
School operating costs					
Teaching	1,186,494	92,690	27,524	1,306,708	1,247,990
Welfare	19,191	148,111	467	167,769	135,239
Premises	17,169	164,809	86,864	268,842	271,235
Administration and support	203,252	90,648	—	293,900	268,622
Clubs and activities	11,475	14,886	—	26,361	23,224
Other costs	—	—	—	—	1,040
	1,437,581	661,960	114,855	2,214,396	2,034,854

Bursaries and public benefit costs include bursaries paid to 16 pupils totalling £146,504 and donations of £376 and other costs of £3,936

4 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Professional fees	14,113	—	14,113	18,589
Staff costs	3,750	—	3,750	3,750
Governors' expenses	—	—	—	88
Governors' liability insurance	2,997	—	2,997	2,905
	20,860	—	20,860	25,332

Notes to the financial statements 31 August 2011

5 Net movement in funds

This is stated after charging

	2011 £	2010 £
Staff costs (note 6)	1,441,331	1,333,635
Auditor's remuneration (excluding VAT)		
Statutory audit services	8,950	8,750
Non statutory audit services	780	1,300
Payroll Services	4,386	2,954
Depreciation	114,855	113,395
Interest on bank loans	35,811	38,037
Governors' liability insurance	2,997	2,905

6 Employees and staff costs

Staff costs during the year were as follows

	2011 £	2010 £
Wages and salaries	1,227,084	1,130,944
Social security costs	107,996	90,410
Other pension costs	105,851	89,575
	1,440,931	1,310,929
Agency staff costs	400	22,706
	1,441,331	1,333,635

The average number of employees during the year analysed by function was as follows

	2011 Number	2010 Number
Operating the school		
Teaching (including outings and activities)	40	39
Welfare	3	1
Administration and support	6	5
	49	45

On a full time equivalent basis, the number of teaching, welfare and administration/support employees in 2011 were 33, 1 and 5, respectively

Staff costs, analysed by function, were as follows

	2011 £	2010 £
Charitable activities		
Operating the school	1,437,581	1,329,885
Governance of the school	3,750	3,750
	1,441,331	1,333,635

Notes to the financial statements 31 August 2011

6 Employees and staff costs (continued)

One employee earned in excess of £60,000 during the year (2010 – 2 employees) (including taxable benefits, but excluding employers' pension contributions)

The total emoluments of these employees were in the following ranges

	2011 £	2010 £
£60,001 - £70,000	—	1
£70,001 - £80,000	1	1

7 Governors' remuneration

None of the Governors received any remuneration in respect of their services during the year (2010 – £nil)

Out of pocket expenses of £12 (2010 – £88) were reimbursed to one (2010 – one) Governor for attendance at a Governors' meeting

Three (2010 – four) Governors who are also parents had children attending the school during the financial year. Fees paid by the Governors are the same as fees paid by others. There were no outstanding amounts due from these governors at the year end.

The school has purchased insurance to protect the school from loss arising from the neglect or defaults of its Governors. The insurance premium paid by the school during the year totalled £3,021 (2010 – £2,905) and provides cover of up to a maximum of £2 million.

8 Taxation

The Cavendish School Charitable Trust Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 August 2011

9 Tangible fixed assets

	Freehold property and improve- ments £	Furniture and equipment £	Total £
Cost			
At 1 September 2010	2,930,420	416,416	3,346,836
Additions	19,886	18,478	38,364
At 31 August 2011	<u>2,950,306</u>	<u>434,894</u>	<u>3,385,200</u>
Depreciation			
At 1 September 2010	614,559	345,400	959,959
Charge for year	86,864	27,991	114,855
At 31 August 2011	<u>701,423</u>	<u>373,391</u>	<u>1,074,814</u>
Net book values			
At 31 August 2011	<u>2,248,883</u>	<u>61,503</u>	<u>2,310,386</u>
At 31 August 2010	<u>2,315,861</u>	<u>71,016</u>	<u>2,386,877</u>

Land and buildings included above at cost were valued by Cluttons, Chartered Surveyors, as at 21 August 2006 on an existing use basis at £4.5 million

The School's property has been used as security for the bank loans. Further details can be found in note 13 of these financial statements.

10 Debtors

	2011 £	2010 £
Fees receivable	18,244	53,645
Prepayments and accrued income	21,422	17,003
Other debtors payments in advance	19,243	13,887
	<u>58,909</u>	<u>84,535</u>

11 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank loans (note 13)	27,027	26,517
Expense creditors	11,737	10,647
Fees received in advance	284,089	255,842
Final term deposits	15,850	6,250
Other taxation and social security costs	29,799	28,683
Other creditors	31,070	16,708
Accruals	15,796	23,824
	<u>415,368</u>	<u>368,471</u>

Notes to the financial statements 31 August 2011

12 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Bank loans (note 13)	567,832	592,694
Final term deposits	169,916	157,550
	737,748	750,244

13 Bank loans

	2011 £	2010 £
Amounts fall due as follows		
After 5 years	450,920	494,205
Within 2 to 5 years	91,160	76,179
Within 1 to 2 years	25,752	22,310
	567,832	592,694
Within one year	27,027	26,517
	594,859	619,211

The bank loans are secured by a first fixed charge over the freehold property situated at 179 Arlington Road, London NW1 7EY

The balance of £594,859 includes two elements a variable interest element of £81,057 repayable by monthly instalments, on which interest is charged at 1 25% over the bank base rate, and a fixed interest element of £513,802, also repayable by instalments, on which interest is charged at 6 52 %

14 Unrestricted funds

	General fund £	Freehold property fund £	Head's Discretionary Fund £	Total £
At 31 August 2010	47,555	1,696,650	1,025	1,745,230
Net incoming (outgoing) resources	(64,898)	—	(640)	(65,538)
Transfer from restricted fund	2,864	—	—	2,864
Additions to property	(19,886)	19,886	—	—
Depreciation on property	86,864	(86,864)	—	—
Net movement on loans	(24,352)	24,352	—	—
At 31 August 2011	28,147	1,654,024	385	1,682,556

The freehold property fund represents the net book value of the school's freehold property less the related loans. A decision was made to separate this fund from the general fund of the school in recognition of the fact that the property is essential to the day to day work of the school and as such its value should not be regarded as funds that would be realisable with ease in order to meet future contingencies

The Head's Discretionary Fund is funded by donations from the Friends of the Cavendish and used at the discretion of the Head in order to assist the development and or welfare of individual pupils

Notes to the financial statements 31 August 2011

15 Restricted funds

The restricted funds of the school comprise the following

	At 31 August 2010 £	Incoming resources £	Resources expended/ transfers £	At 31 August 2011 £
Friends of Cavendish funds	—	929	(929)	—
Other donations	—	2,864	(2,864)	—
	—	3,793	(3,793)	—

The Friends of Cavendish funds represented monies donated to the school for purchase of sundry equipment

Other donations represented monies donated towards the cost of a new piano. A piano costing £15,290 was purchased during the year. A transfer to unrestricted funds is shown on the statement of financial activities to reflect the contribution from restricted funds towards the total cost of the piano.

16 Pension commitments

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. 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.

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the scheme is classed as multi-employer pension scheme. The school is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the school 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 school has set out below the latest information available for the scheme.

The Teachers' Pension Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

16 Pension commitments (continued)

The Teachers' Pension Account (continued)

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension 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 (in excess of price increases and currently set at 3.5%), 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

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2009 valuation – a 14% cap on employer contributions payable.

A copy of the GA's 2004 valuation report can be found on the TeacherNet website at www.teachernet.gov.uk/pensions

The contributions payable to the Scheme for the year ended 31 August 2011 were £97,284 (2010 £86,968).

Notes to the financial statements 31 August 2011

17 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Long term liabilities £	Total £
Unrestricted funds					
General fund	61,503	524,901	(388,341)	(169,916)	28,147
Freehold property fund	2,248,883	—	(27,027)	(567,832)	1,654,024
Head's discretionary fund	—	385	—	—	385
	<u>2,310,386</u>	<u>525,286</u>	<u>(415,368)</u>	<u>(737,748)</u>	<u>1,682,556</u>

18 Liability of members

The members of the charitable company guarantee to contribute an amount not exceeding £1 each to the assets of the charitable company in the event of winding up