

REGISTRAR OF COMPANIES

The Cavendish School Charitable Trust Limited

Annual Report and Financial Statements

31 August 2015

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

Charity Registration Number
312727



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Legal and administrative information

Governors	J B Addinall (Chair of Education) (resigned 31 August 2015) E M Blain I Canning P J C Cook J A Critchley N P Higgins G M T Howe (Chair of Finance and General Purposes Committee) K Huesgen D J Kehoe D H R Lochrane A Poole F M M Robey (Chair of Governors) P Rothwell N Rushton (appointed 15 September 2014) H Berry (appointed 21 September 2015)
Headmistress	T Dunbar
Secretary	S Chen Cooper
Bursar and Clerk to the Governors	S Chen Cooper
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
Auditor	Buzzacott LLP 130 Wood Street London E2V 6DL
Bankers	Lloyds TSB Bank plc 140 Camden High Street London NW1 0NG

Legal and administrative information

Solicitors	Penningtons Manches 125 Wood Street London EC2V 7AW
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Governors' report Year to 31 August 2015

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 "charitable company") for the year ended 31 August 2015.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 and 18 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 charitable company 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 charitable company was incorporated on 20 August 1970 by Memorandum of Association.

Principal aims and objects

The principal aims and objects of the charitable company are the advancement and promotion of education and, in particular, the running of The Cavendish School in Camden Town, London (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 leadership that works to anticipate, plan for and manage change for future improvement in all areas of the school.

Mission (continued)

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 has provided guidelines on the changes together with an analysis of the law affecting charities. These documents have been considered by the Governors, who are confident that the charitable company is operating in the interest of the public. Furthermore, the object of the charitable company 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 Charities Act 2011.

This report is designed to meet the Charity Commission's requirement to describe the public benefit provided by the charitable company. The paragraphs below describe the various ways in which the Governors believe that the charitable company 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 awarded bursaries to sixteen pupils which covered 25% to 100% of their fees.
- ◆ The school also offered further bursaries for amounts up to full fees. These were advertised on the school's website.
- ◆ The headmistress also operates a fund raised by parents of around £3,500 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 of around £11,000 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.

Public benefit (continued)

- ◆ A range of initiatives has also been undertaken to enhance public benefit including working with state schools to provide specialist educators in music. For example, from September 2014, music teaching to GCSE, B-Tec and A-Level students, as well as individual flute lessons and support to ensemble groups, was provided to a school in Essex. More locally, gifted and talented Year 4 and 5 pupils at a Camden state primary school were taught African drumming and part singing. The sessions introduced the children to Western and Central African drumming patterns, helped build confidence and were an opportunity for less academic pupils to shine in other areas.
- ◆ As part of the educational goal of good citizenship the school's pupils and their families are encouraged and enabled to take an interest in local and national issues. As a practical consequence of this the school's pupils raised funds for a range of local and national charities during the year. The school is based in the heart of a vibrant inner city borough and is particularly active in engaging with the local community directly, for example supporting church initiatives like collecting and contributing to food and essentials distributed via our local church.

The Governors would like to express their thanks to those Cavendish leavers who generously donated their deposits to the school.

We estimate that the value of these actions is approximately £168,000, equivalent to around 5% of the total revenues of the school.

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, Mrs Chen Cooper 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.

Governance, structure and management (continued)

◆ *Governors*

The following officers served throughout the year, except where shown:

Governors

Appointed/Resigned

J B Addinall

Resigned 31 August 2015

E M Blain

I Canning

P J C Cook

J A Critchley

N P Higgins

G M T Howe

K Huesgen

D J Kehoe

D H R Lochrane

A Poole

F M M Robey

P Rothwell

N Rushton

Appointed 15 September 2014

Helen Berry was appointed as a governor on 21 September 2015.

Secretary

S Chen Cooper

None of the Governors received any remuneration in respect of their services as governors during the year (2014 - £nil).

No out of pocket expenses were reimbursed to any Governor during the year (2014 - £nil).

Three (2014 - three) 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 payable by the school during the year totalled £1,662 (2014 - £3,100) 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 Independent Schools. The Governors are offered the opportunity to attend seminars and conferences.

Governance, structure and management (continued)

◆ *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
I Canning	G M T Howe (Chair)
J A Critchley	D J Kehoe
K Huesgen	A Poole
N Rushton	

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

◆ *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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. Under company law, the Governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company will continue in operation.

Governance, structure and management (continued)

◆ *Statement of Governors' responsibilities (continued)*

The Governors are responsible for keeping proper accounting records that 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.

Each of the Governors confirms that:

- ◆ so far as the Governor is aware, there is no relevant audit information of which the charitable company's auditor is 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 charitable company's auditor is 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

◆ *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. Fundraising on behalf of the school this year has been allocated to an educational timeline for the playground .

◆ *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.

Governance, structure and management (continued)

◆ *Risk management (continued)*

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, borrowing 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 charitable company 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 .

◆ *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.

◆ *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 Disclosure and Barring Service (previously 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 £3,333,425 (2014 - £2,979,936). Resources expended were £2,831,471 (2014 - £2,559,120). Resources expended include £14,844 (2014 - £31,127) for interest on the bank loans and £134,465 (2014 - £119,827) in respect of depreciation charges. The net income for the year was £501,954 (2013 – £420,816).

Financial review (continued)

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 £400,000. 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 Governors are satisfied that the current level of free reserves meet the set target.

Financial position

The balance sheet shows total funds of £3,456,210.

The freehold property fund, which represents the net book value of the school's freehold property less the related borrowings is £1,637,750.

General funds of the school at 31 August 2015 are £1,811,793 a level that allows undertaking of its future plans (see below). The Head's Discretionary fund was £6,167.

Overall, the Governors consider the affairs of the school to be satisfactory but they are aware of potential financial issues facing independent schools 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

Last year saw a further increase in the number of pupils in the school and it was another year when a significant financial surplus was generated. Now that the new building work at the school has started, we will be incurring significant costs which will be met principally by utilisation of the cash reserves that have been built up in recent years, but also with the help of some additional bank finance. Our forecasts show that following completion of the building work we will still retain a healthy cash reserve and continue to generate an annual operating surplus. As ever, we greatly appreciate the contributions from our staff, pupils and parents without whom none of the above would have been achieved.

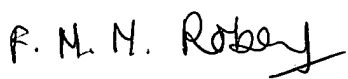
Future plans

The school's principal focus in the year ahead is to successfully complete and transition into the newly built premises. The main emphasis will be placed on maximising the new auditorium space with an exciting programme of drama and music performances and class productions with innovative teaching in the areas of music, drama, dance and sport. This will benefit the entire school community.

The additional classroom space which this project affords will facilitate our mission to have small teaching groups and deliver individualised learning. To this end, there will be an even greater emphasis on collaborative teaching and the sharing of excellent practice as we move to two form entry throughout the school.

Elsewhere in the school there are exciting plans to refurbish our existing outdoor play space and to install a timeline of World History in the playground.

Approved by the Governors and signed on their behalf by:


(F. M. M. ROB EY)

Governor of The Cavendish School Charitable Trust
Company registration number
987480 (England and Wales)

Approved by the Governors on:

3/12/15

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 ("the charitable company") for the year ended 31 August 2015 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 charitable company'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 charitable company'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 charitable company and the charitable company'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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report Year to 31 August 2015

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 2015 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

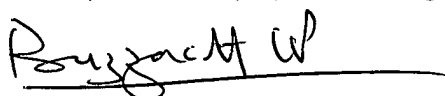
Opinion on other matter prescribed by the Companies Act 2006

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; or
- ◆ the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

11 December 2015

Statement of financial activities Year to 31 August 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Income and expenditure					
Incoming resources					
Incoming resources from charitable activities					
. School fees receivable		3,122,372	—	3,122,372	2,776,684
. Other charges	1	122,173	—	122,173	138,442
Incoming resources from generated fund					
. Grants and donations		9,720	49,547	59,267	44,779
. Activities for generating funds					
.. Rents and lettings		1,681	—	1,681	3,717
.. Interest receivable		18,059	—	18,059	7,904
.. Fundraising activities		—	2,858	2,858	3,143
Other income		7,015	—	7,015	5,267
Total incoming resources		3,281,020	52,405	3,333,425	2,979,936
Resources expended					
Cost of generating funds					
. Financing costs		14,844	—	14,844	31,127
Charitable activities					
. Bursaries and public benefit costs	2	146,215	2,858	149,073	128,978
. School operating costs					
.. Teaching		1,697,406	47,339	1,744,745	1,561,724
.. Welfare		190,417	249	190,666	166,957
.. Premises		298,792	1,459	300,251	258,384
.. Administration and support		349,651	—	349,651	328,335
. School operating costs		62,249	—	62,249	62,415
.. Outings and activities		2,744,730	51,905	2,796,635	2,506,793
Governance costs	3	19,992	—	19,992	21,200
Total resources expended		2,779,566	51,905	2,831,471	2,559,120
Net incoming resources / net income/ Net movement in funds	4	501,454	500	501,954	420,816
Balances brought forward at 1 September 2014		2,954,256	—	2,954,256	2,533,440
Balances carried forward at 31 August 2015		3,455,710	500	3,456,210	2,954,256

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 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	8		2,773,439		2,284,063
Current assets					
Debtors	9	47,416		207,751	
Short term deposits		669,780		765,739	
Cash at bank and in hand		1,447,814		1,097,916	
		<u>2,165,010</u>		<u>2,071,406</u>	
Creditors: amounts falling due within one year	10	<u>(643,334)</u>		<u>(563,373)</u>	
Net current assets			<u>1,521,676</u>		<u>1,508,033</u>
Total assets less current liabilities			<u>4,295,115</u>		<u>3,792,096</u>
Creditors: amounts falling due after more than one year	11		<u>(838,905)</u>		<u>(837,840)</u>
Total net assets			<u>3,456,210</u>		<u>2,954,256</u>
Represented by:					
Funds and reserves					
Income funds:					
Unrestricted funds	13				
. General fund			1,811,793		1,293,368
. Freehold property fund			1,637,750		1,657,936
. Head's discretionary fund			6,167		2,952
			<u>3,455,710</u>		<u>2,954,256</u>
Restricted funds	14		500		—
			<u>3,456,210</u>		<u>2,954,256</u>

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:

3/12/15

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:

- c. Costs of generating funds comprises the costs of financing the bank loans and other fundraising costs.
- d. 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.
 - ♦ Administration and support, i.e. costs associated with the day-to-day operation of the school.
 - ♦ Clubs and activities, i.e. costs associated with the provision of after school clubs, trips and outings.
- d. 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 activities.

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

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.

Tangible fixed assets

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

a. **Freehold property and improvements**

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.

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	3.33% per annum based on cost

c. **Asset under construction**

The asset under construction is a new school building in the grounds of The Cavendish School. No depreciation is charged on assets under construction. Depreciation is charged in accordance with the policies outlined above once the construction work has been completed.

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.

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Pension costs

a. **Teaching staff**

Teaching staff employed by the school 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 for Education. Pension costs are assessed in accordance with the advice of the Government Actuary.

b. **Non teaching staff**

Contributions in respect to employees personal pension plans are charged to the statement of financial activities in the year in which they are payable.

1 Other charges

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Registration fees	9,900	—	9,900	10,400
Retained deposits	(650)	—	(650)	33,100
Clubs and activities	72,800	—	72,800	65,268
After school care	33,551	—	33,551	23,975
Fee remission insurance	6,572	—	6,572	5,699
	<u>122,173</u>	<u>—</u>	<u>122,173</u>	<u>138,442</u>

2 Charitable activities

	Staff costs £	Other £	Depreciation £	Total 2015 £	Total 2014 £
Bursaries and public benefit costs	—	149,073	—	149,073	128,978
School operating costs					
· Teaching	1,584,599	128,935	31,211	1,744,745	1,561,724
· Welfare	8,850	174,636	7,180	190,666	166,957
· Premises	—	204,177	96,074	300,251	258,384
· Administration and support	275,556	74,095	—	349,651	328,335
· Clubs and activities	15,574	46,675	—	62,249	62,415
	<u>1,884,579</u>	<u>777,591</u>	<u>134,465</u>	<u>2,796,635</u>	<u>2,506,793</u>

Bursaries and public benefit costs include bursaries given to 16 pupils during the year totalling £145,163 (2014 - £125,050 to 13 pupils).

3 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Professional fees	14,160	—	14,160	13,710
Staff costs	3,900	—	3,900	3,900
Governors' meeting expenses	270	—	270	490
Governors' liability insurance	1,662	—	1,662	3,100
	<u>19,992</u>	<u>—</u>	<u>19,992</u>	<u>21,200</u>

4 Net incoming resources

This is stated after charging:

	2015 £	2014 £
Staff costs (note 5)	1,888,479	1,721,467
Auditor's remuneration (excluding VAT)		
· Statutory audit services	9,900	9,650
· Non statutory audit services	1,900	800
· Payroll Services	3,559	3,265
Depreciation	134,465	119,827
Interest on bank loans	14,834	31,127
Governors' liability insurance	1,662	3,100

5 Employees and staff costs

Staff costs during the year were as follows:

	2015 £	2014 £
Wages and salaries	1,610,143	1,462,958
Social security costs	137,685	125,976
Other pension costs	140,171	128,444
	1,887,999	1,717,378
Agency staff costs	480	4,089
	1,888,479	1,721,467

The average number of employees during the year expressed as both full time equivalent (FTE) and average numbers, analysed by function was as follows:

	FTE		Average	
	2015	2014	2015	2014
Operating the school				
· Teaching (including outings and activities)	41.5	36.7	49	44
· Administration and support	6.6	6.5	7	7
	48.1	43.2	56	51

Staff costs, analysed by function, were as follows:

	2015 £	2014 £
Charitable activities		
· Operating the school	1,884,579	1,717,567
Governance of the school	3,900	3,900
	1,888,479	1,721,467

5 Employees and staff costs (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits, but excluding employers' pension contributions) during the year was as follows:

	2015	2014
£60,000 - £70,000	1	1
£80,001 - £90,000	—	1
£90,001 - £100,000	1	—

6 Governors' remuneration/related party transactions

None of the Governors received any remuneration during the year (2014 - £nil).

No out of pocket expenses of were reimbursed to the school Governors during the year (2014 - £nil).

Three (2014 - three) 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 payable by the school during the year totalled £1,662 (2014 - £3,100) and provides cover of up to a maximum of £2 million.

Owing to the nature of the charitable company's operations and composition of the Governing Body being drawn from local public and private sector organisations it is inevitable that transactions will take place with organisations in which a Governor may have an interest. All transactions involving such organisations are conducted at an arm's length and in accordance with the charitable company's financial regulations and normal procurement procedures.

The husband of Elizabeth Blain, a governor, is a partner at Penningtons Manches. During the year to 31 August 2015 the charitable company obtained advice from Penningtons Manches at an arm's length at a cost of £4,974.

7 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.

8 Tangible fixed assets

	Freehold property and improve- ments £	Assets under construction £	Furniture and equipment £	Total £
Cost				
At 1 September 2014	3,126,654	—	571,694	3,698,348
Additions	39,911	573,722	10,208	623,841
At 31 August 2015	<u>3,166,565</u>	<u>573,722</u>	<u>581,902</u>	<u>4,322,189</u>
Depreciation				
At 1 September 2014	954,517	—	459,768	1,414,285
Charge for year	96,074	—	38,391	134,465
At 31 August 2015	<u>1,050,591</u>	<u>—</u>	<u>498,159</u>	<u>1,548,750</u>
Net book values				
At 31 August 2015	<u>2,115,974</u>	<u>573,722</u>	<u>83,743</u>	<u>2,773,439</u>
At 31 August 2014	<u>2,172,137</u>	<u>—</u>	<u>111,926</u>	<u>2,284,063</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 or Land and buildings included above at cost were valued by Gerald Eve, Chartered Surveyors, as at 18 December 2014 on a market value with vacant possession basis at £7.75 million.]

The school's property has been used as security for the bank loans. Further details can be found in note 12 of these financial statements.

9 Debtors

	2015 £	2014 £
Fees receivable	19,532	18,395
Prepayments and accrued income	22,165	22,759
Payments in advance of commencement of building project	—	159,835
Other debtors	5,719	6,762
	<u>47,416</u>	<u>207,751</u>

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans (note 12)	39,205	32,347
Expense creditors	9,931	22,750
Fees received in advance	383,970	359,949
Refundable deposits	20,950	16,400
Other taxation and social security costs	36,962	35,031
Other creditors	20,193	18,293
Accruals	15,152	22,589
Assets under construction creditors	116,971	56,014
	<u>643,334</u>	<u>563,373</u>

11 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Bank loans (note 12)	439,019	481,854
Refundable deposits	399,886	355,986
	838,905	837,840

12 Bank loans

	2015 £	2014 £
Amounts fall due as follows:		
After 5 years	268,236	337,588
Within 2 to 5 years	130,254	111,179
Within 1 to 2 years	40,529	33,087
	439,019	481,854
Within one year	39,206	32,347
	478,225	514,201

The bank loans are secured by a first fixed charge over the freehold property situated at 31 Inverness Street, NW1 7HB (previously referred to as 179 Arlington Road, London NW1 7EY.)

The balance of £478,225 includes two elements: a variable interest element of £59,666 repayable by monthly instalments, on which interest is charged at 1.25% over the bank base rate; and a fixed interest element of £418,559, also repayable by instalments, on which interest is charged at 3.69%.

13 Unrestricted funds

	General fund £	Freehold property fund £	Head's Discretionary Fund £	Total £
At 1 September 2014	1,293,368	1,657,936	2,952	2,954,256
Net incoming resources before transfers	498,239	—	3,215	501,454
Additions to freehold property and improvements	(39,911)	39,911	—	—
Depreciation on freehold property and improvements	96,074	(96,074)	—	—
Net movement on loans	(35,977)	35,977	—	—
At 31 August 2015	1,811,793	1,637,750	6,167	3,455,710

The freehold property fund represents the net book value of the school's freehold property and improvements 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.

13 Unrestricted funds (continued)

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.

14 Restricted funds

The income funds of the school include restricted funds comprising donations, grants and other income received on trust to be applied for specific purposes as follows:

	At 31 August 2014 £	Incoming resources £	Resources expended £	At 31 August 2015 £
Friends of Cavendish funds				
Other equipment	—	1,959	(1,459)	500
London Borough of Camden fund	—	28,355	(28,355)	—
City of Westminster Fund	—	18,984	(18,984)	—
Bursary contributions	—	2,858	(2,858)	—
Other donations	—	249	(249)	—
	—	53,405	(51,905)	500

Friends of Cavendish funds represented monies donated to the school for purchase of certain fixed assets and sundry equipment.

London Borough of Camden fund represented grants received from the local authority towards the salaries of two teaching assistants who work with two children with learning disabilities.

City of Westminster fund represented grants received from the local authority towards the salary of one teaching assistant who works with one child with learning disabilities.

Bursary contributions fund represents amounts donated by parents of children leaving the school to be used to provide bursaries to other children.

15 Capital Commitments

At 31 August 2015, the Charitable company had the following capital commitment with respect to a new building.

	2015	2014
Authorised, but not contracted for	—	12,900
Contracted for, but not provided for in the financial statements	1,550,000	—

In the year to 31 August 2015 the charitable company agreed additional loan facilities with Lloyds Bank plc of up to £1,000,000 to be used to finance the development of the new building. The loans will be drawn down as necessary on or before 31 August 2016 and secured by a legal charge over the freehold land and buildings at 179 Arlington Road and the land adjoining also known as 31 Inverness Street, London, NW11 7EY.

16 Pension commitments – Teachers' Pension Scheme

Retirement benefits for teachers are provided by an unfunded defined benefits scheme, the 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 and lecturers and, from 1 January 2007, automatic for teachers and lecturers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

16 Pension commitments – Teachers’ Pension Scheme (continued)

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Regulations giving effect to a reformed Teachers’ Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015.

The total contribution made by the employer to the TPS was £124,784 (2014 – £113,848).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The charitable company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charitable company has set out above the information available on the scheme.

17 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Long term liabilities £	Total £
Unrestricted funds					
General fund	657,465	2,158,343	(607,357)	(396,658)	1,811,793
Freehold property fund	2,115,974	—	(35,977)	(442,247)	1,637,750
Head’s discretionary fund	—	6,167	—	—	6,167
Friends of Cavendish fund	—	500	—	—	500
	<u>2,773,439</u>	<u>2,165,010</u>	<u>(643,334)</u>	<u>(838,905)</u>	<u>3,456,210</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.