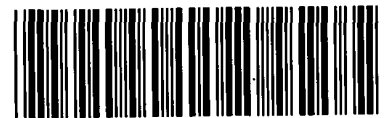


Registered number: 7935515

THURSDAY



\*A6LQ23LE\*

A31

21/12/2017

#191

COMPANIES HOUSE

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

# **CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

## **CONTENTS**

---

|                                                                                | <b>Page</b>    |
|--------------------------------------------------------------------------------|----------------|
| Reference and administrative details                                           | <b>1 - 2</b>   |
| Trustees' report                                                               | <b>3 - 13</b>  |
| Governance statement                                                           | <b>14 - 17</b> |
| Statement on regularity, propriety and compliance                              | <b>18</b>      |
| Statement of Trustees' responsibilities                                        | <b>19</b>      |
| Independent auditor's report on the financial statements                       | <b>20 - 22</b> |
| Independent reporting accountant's assurance report on regularity              | <b>23 - 24</b> |
| Statement of financial activities incorporating income and expenditure account | <b>25</b>      |
| Balance sheet                                                                  | <b>26</b>      |
| Statement of cash flows                                                        | <b>27</b>      |
| Notes to the financial statements                                              | <b>28 - 54</b> |

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Members

Mr K Bacon (resigned 3 July 2017)  
Mr P Brown  
Mr N Hiller, (Chair)  
Mr S Poole  
Mr P Bamford (appointed 1 September 2017)  
Mrs S Dight (appointed 1 September 2017)  
Miss C Wood

#### Trustees

Mr K Bacon, Chair  
Mr J Brand (appointed 1 December 2016, resigned 24 March 2017)  
Mr P Brown  
Ms D Harris  
Mr D Plummer  
Mr S Poole  
Ms F Parsons (appointed 26 January 2017)  
Mrs M Pennington (appointed 26 January 2017, resigned 2 November 2017)  
Ms K Porteous  
Mr N Sternberg  
Ms A Virdee (appointed 14 December 2016)  
Ms B Walsh (appointed 14 December 2016)  
Mr D Williams, Chief Executive Officer

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### *Advisers (continued)*

|                                        |                                                                                                                                                                                                                                                         |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company registered number</b>       | 7935515                                                                                                                                                                                                                                                 |
| <b>Company name</b>                    | Cavendish Learning Trust                                                                                                                                                                                                                                |
| <b>Principal and registered office</b> | Ralph Road<br>Staveley<br>Chesterfield<br>Derbyshire<br>S43 3PU                                                                                                                                                                                         |
| <b>Senior management team</b>          | Mr D Williams, (Executive Headteacher until August 2017,<br>Chief Executive Officer from 1 Sept 2017)<br>Mr D Plummer, (Director of Finance until August 2017,<br>Chief Operating Officer from 1 Sept 2017)<br>Mrs K Porteous, (Executive Primary Lead) |
| <b>Independent auditor</b>             | BHP LLP<br>Chartered Accountants<br>57-59 Saltergate<br>Chesterfield<br>S40 1UL                                                                                                                                                                         |
| <b>Bankers</b>                         | Lloyds Bank<br>Butt Dyke House<br>33 Park Row<br>Nottingham<br>NG61 6GY                                                                                                                                                                                 |
| <b>Solicitors</b>                      | Browne Jacobson<br>Castle Meadow Road<br>Nottingham<br>NG2 1BJ                                                                                                                                                                                          |

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates 3 primary academies and one secondary academy in Derbyshire. Its academies have a combined number of pupils on roll of 1,579 in the school census in January 2017. The total published admission number for the schools in the Trust is 250 per year.

|              | <u>Spring census</u><br><u>2017</u> |                               |
|--------------|-------------------------------------|-------------------------------|
|              | Number of pupils                    | Published admission<br>number |
| Netherthorpe | 1,183                               | 170                           |
| Whitecotes   | 225                                 | 50                            |
| Poolsbrook   | 99                                  | 15                            |
| Barrow Hill  | 72                                  | 15                            |
|              | <u>1,579</u>                        | <u>250</u>                    |

#### **Structure, governance and management**

##### **a. Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association are the primary governing documents of the Academy Trust. The Trustees of Cavendish Learning Trust are also the directors of the charitable company for the purpose of company of company law.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

The principal objects of the Academy Trust are as follows:

a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and

b. to promote for the benefit of individuals living in Chesterfield and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

##### **b. Members' liability**

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

## **CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017

---

### **c. Method of recruitment and appointment or election of Trustees**

Subject to Articles 48-49 and 53, the Academy Trust shall have the following Trustees:

- (a) Up to 7 Member appointed Trustees (currently 6);
- (b) Further co-opted Governors (currently 5).

The Chief Executive Officer of the Trust and the Executive Primary Lead for the Trust are both ex officio trustees. The Local Governing Bodies of each School have two parent Governors who are appointed by locally held elections and parents of all registered pupils attending the academy have the opportunity to stand and to vote. Barrow Hill and Poolsbrook Academies have one shared Local Governing Body.

The Local Governing Bodies of each School also have two representatives of the staff. Where possible, these are one member of the support staff and one member of the teaching staff.

The appointment of Board members follows a 4 stage process:

- (1) The Senior Leadership Team of the Trust identifies possible candidates based on their skills;
- (2) Initial visit is arranged to meet two members of the Corporate team to explain the vision of the Trust and discuss the required commitment;
- (3) An application form and CV or equivalent are required from the candidate;
- (4) The candidate is interviewed by two representatives of the Members (for Member appointed) or Trustees (for co-opted).

New Trustees are selected on the basis of their skills and ability to perform the roles required by the Trust to be an effective addition to the Board. The Trust will prioritise addressing imbalances and gaps in trustee skills and experience whilst considering diversity (in all of its forms) to ensure that the Board is as effective as it can be.

The Secretary of State has statutory power to appoint additional Trustees or local Governors in certain circumstances.

### **d. Policies and procedures adopted for the induction and training of Trustees**

New Board members are welcomed by the Chair of the Board and are issued with a comprehensive handbook which outlines their roles and responsibilities, expected code of conduct and ensures that they understand their responsibility to declare any conflicts of interest.

New Board members will:

- be invited by the Chief Executive officer to visit any of our schools to experience their atmosphere and understand their ethos. Have the opportunity to tour the school and meet staff and children;
- meet with a representative of the Executive Team to discuss further the mission of the Trust and the part that a Board member can play;
- have the opportunity to meet informally with an existing Board member who will then act as their mentor. They will explain how the Board and its Committees work;
- be encouraged to join the Committee(s) of their choice;
- be accompanied by their mentor to their first Board Meeting (if required);
- have the opportunity to review their first meeting with the mentor;
- be given background material on the Trust and current issues;
- be encouraged to ask questions about their role and/or the Trust;
- be encouraged to access training including induction training for Board members.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

---

New Board members will receive and be encouraged to read:

- The Department for Education and Skills 'Guide to the Law for Governors';
- School Prospectus of the member schools;
- Ofsted Report and Action Plans (if appropriate in the last 4 years);
- Trust Development Plan;
- Last Chief Executive Officer's Report to the Trust Board;
- List of Board members' names and responsible areas (committee member etc);
- Location and nature of schools in the Trust;
- List of school holidays;
- Copy of the minutes of the last two Trust Board meetings (not the confidential minutes);
- Copy of the budget of the Trust;
- Dates of forthcoming Board meetings and Committees.

#### e. Organisational structure

The Board's Role in the Trust is, essentially, a strategic one. Acting on the advice of the Chief Executive Officer, the Board sets aims and objectives for the schools and approves policies and targets which will achieve those aims and objectives. It also monitors the progress of the schools towards the achievements of their aims and objectives, and in the light of that progress, reviews the strategic framework it has established.

To facilitate the working of the Trust Board, some of its functions are delegated to Local Governing Bodies, committees, the Chief Executive Officer and Senior Leadership Team. The Board has one subcommittee which is the Finance and Resources committee. This meets 3 times per year.

There are six Board meetings per year and Members meet twice during the year. Each Board meeting is preceded by Local Governing Body meetings (6 per year) which review the performance of their school prior to the Board meeting.

The Finance and Resources Committee considers Finance, Personnel, Health & Safety and Premises Matters. It has delegated powers to control financial expenditure, appoint staff, review policies (including pay policies) and allocate resources within the Trust.

With advice from the senior leadership of the Trust, Local Governing Bodies have responsibility for approving pay increases following appraisal for all staff at individual schools with the exception of the Chief Executive Officer and the Executive Primary Lead.

The Chief Executive Officer is responsible for: monitoring the Trust budget; miscellaneous financial decisions; entering into contracts/agreements provided they are under £50,000 and within budget (this limit is £15,000 if outside of the budget); appointment of staff; dismissal of staff; suspension of staff (except Head Teacher); establishing and implementing all Trust policies; high standards of teaching; the quality of individual children's education; implementing the performance management policies; ensuring all pupils take part in a daily act of worship; ensuring the health and safety regulations are followed; ensuring the school meets for 380 sessions in a school year; ensuring that the school lunch nutritional standards are met; ensuring the provision of free school meals for eligible students; additional needs services; ensuring delivery of services provided and acting as the Academy Trust's Accounting Officer.

The Board is relatively new in post and as a result did not evaluate its own performance during the year. There are plans to do this in 2017/18 at which point there will be sufficient meetings to review the Board's effectiveness in light of progress over the first operational year of the MAT.

## **CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)** **FOR THE YEAR ENDED 31 AUGUST 2017**

---

#### **f. Connected organisations, including related party relationships**

The Netherthorpe School Foundation owns the main school buildings of Netherthorpe School and makes them available to the Trust. It also has the power to appoint four foundation governors to the Local Governing Body of Netherthorpe School.

The Trust works closely with other organisations and schools. There are partnership activities in the areas of sport, music, some other subject areas and holiday activities for local primary schools. We have summer schools, and feeder schools to our secondary school may take part in Musical events with our own students. Netherthorpe is also part of the Chesterfield Learning Community and sends students to other schools and trainers, as well as the local College to broaden their curriculum experience. The Chief Executive Officer is on the Strategic Planning group for this organisation. The school attends the Staveley Brimington Learning Community, a collaborative group of local secondary and primary schools.

All Cavendish Learning Trust schools have strong links with their community and open their premises to a larger or lesser degree dependent on the facilities they are able to offer.

#### **g. Pay policy for key management personnel**

Senior management remuneration is set by allocating each role a specific range of pay, within which each individual can progress subject to performance. The range of senior staff remuneration is reviewed by benchmarking against similar roles in the sector (and more generally in the marketplace where possible). External advice is taken where necessary to ensure that the process is fair and objective. Any progression in pay is linked to the achievement of agreed performance measures.

#### **h. Risk management**

The Board has assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of its academies. It has a comprehensive risk register which is regularly reviewed.

The Board has implemented a number of systems to assess the risks that the Trust faces, especially in the area of growth, and the need to reach a critical mass to be financially viable in the long term and in relation to the control of finance and insurance cover. They have introduced systems, including operational procedures (eg. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls, documented fully in its Financial Procedures Manual.

### ***Objectives and Activities***

#### **a. Objects and aims**

The Academy Trust's objects are given in paragraph (a) of the Structure, Governance and Management section of this document.

Our Vision and Mission Statement is as follows:

#### **Vision Statement**

Our vision is to achieve aspirational, and continually improving, outcomes for all learners within the Trust.

---

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017

---

### **Mission Statement**

- To promote and deliver the highest quality of education, at the heart of our communities, for the benefit of the children and young people of North Derbyshire and surrounding area.
- To ensure that every child feels safe, respected, known and fully supported.
- To ensure that every child becomes a successful and confident learner, motivated to acquire the skills and knowledge ready to become a responsible and employable citizen in the future.
- Through collaboration and mutual support, develop a family of schools that work closely together, helping and challenging each other to continually improve.
- To provide a range of memorable learning experiences for students both in and out of the classroom, in order to raise aspirations, broaden horizons, nurture talent and develop the whole person.
- To provide professional development opportunities for all staff at every stage of their development, with recognised systems of accreditation, in order to grow our own exceptional support staff, teachers and leaders.
- To ensure that all member schools are welcoming, open and transparent.
- To ensure that all schools within the organisation recognise their financial responsibilities and ensure effective and efficient use of public funds at all times.

Our motto is Learn, Enjoy, Succeed and we apply this to all we do.

### **b. Objectives, strategies and activities**

Our 5 Key Aims for 2017/18 are as follows:

1. To secure improving outcomes in all Trust academies within the Trust;
2. To further develop strategic leadership at all levels within the Trust;
3. To further develop the roles of the Operational Leadership Team in order to deliver effective corporate services to academies within the Trust;
4. To ensure that the Trust is financially viable and is providing value for money;
5. To further develop structures, processes and procedures within the Trust in order to fulfil statutory requirements.

### **c. Public benefit**

The Board of the Trust has complied with its duty to manage and develop schools offering a broad and balanced curriculum for the benefit of the public.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### *Achievements and performance*

##### **a. Strategic report**

Three Primary Schools joined the Trust on 1 September 2016:

- Barrow Hill Primary Academy
- Poolsbrook Primary Academy
- Whitecotes Primary & Nursery Academy

##### **Achievements and performance – Netherthorpe 2016/17**

Netherthorpe has continued to maintain its academic outcomes and its wider objectives throughout the academic year. The school was inspected and maintained its Ofsted judgement of 'Good'. The school was also designated a National Support School. The school continues to be oversubscribed with 236 applications for 170 places. Following the appeal process, the admission number to Year 7 was 199. As part of the trust, the school has continued to consider economies of scale and share good practice with its partner schools. The school maintains its many partnerships with local schools and continues to run the teaching and learning network within the local authority.

During the academic year, the school conducted a range of reviews in order to improve its practice. This included leadership and management, KS5 curriculum, teaching learning and assessment, independent learning and behaviour for learning. This has led to the implementation of new policies and practice.

The KS4 outcomes in relation to national averages are as follows:

- |                                           |       |                         |
|-------------------------------------------|-------|-------------------------|
| • Progress 8:                             | -0.39 | (below national)        |
| • Attainment 8:                           | 45.8  | (above national)        |
| • Grade 5 or above in English and Maths:  | 48%   | (above national)        |
| • Grade 5 or above in English Language:   | 55%   | (above national)        |
| • Grade 5 or above in English Literature: | 56%   | (above national)        |
| • Grade 5 or above in Mathematics:        | 56%   | (above national)        |
| • Achieving EBACC at grade 5/C or above:  | 28%   | (above national)        |
| • Entering EBACC:                         | 42%   | (above national)        |
| • Staying in Education/Employment:        | 95%   | (in line with national) |

The KSS outcomes have improved as follows:

- |                                   |       |                 |
|-----------------------------------|-------|-----------------|
| • A* - B:                         | 31%   | (3.7% increase) |
| • A* - C:                         | 59%   | (3.8% increase) |
| • A* - E:                         | 93%   | (2.4% increase) |
| • Average Points Score Per Entry: | 27.45 | (0.66 increase) |

##### **Achievements and performance - Primary Schools 2016/17**

All three primary schools have benefitted from joining the Trust at the start of the year. All have worked together significantly during the year, resulting in both financial savings and improved practice. Joint training sessions have been undertaken between the schools, and school to school support has been delivered for the first time with a high rate of success. This has been expanded further by arranging a joint Primary Conference to which other schools in the area were also invited.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

---

Barrow Hill Primary Academy was designated a National Support School during the year, and there is also a newly appointed Primary Maths Specialist working with other schools in the area with the Primary Maths Hub. Barrow Hill's phonics screening results at Year 1 (Y1) and Year 2 (Y2) were in line with national average results. Those children achieving the expected standard at Key Stage 1 (KS1) were in line with national results for all subjects. Those achieving at greater depth at KS1 were higher than national average results, being well above in reading. At Key Stage 2, 100% of children achieved the expected standard in reading, writing, maths and Spelling, Punctuation and Grammar (SPaG). Those achieving greater depth were above national average in reading, writing and maths and below in SPaG. Those achieving greater depth in all subjects was below national. The school is focussing on improving outcomes at greater depth.

The Headteacher of Poolsbrook was designated as a Local Leader of Education towards the end of the year. Poolsbrook's phonics screening results at Y1 and Y2 were in line with national. Those children achieving the expected standard at KS1 were in line with national for reading and maths and slightly above for writing. Those achieving at greater depth at KS1 were in line with national for writing and below national in reading and maths. At Key Stage 2, 50% of children achieved the expected standard in reading, writing, maths and SPaG. Those achieving greater depth were in line with national for writing, below in maths and well below in reading and SPaG. Those achieving greater depth in all subjects was below national. The school is focussing on improving outcomes in reading across the school.

Whitecotes has benefitted from the support delivered by the Trust, and this has significantly and positively impacted on their results and their outcomes. The Trust brought stability to staffing after a number of years of disruption as a maintained school, and the quality of teaching has improved markedly. Whitecotes' phonics screening results at Y1 and Y2 were below national but a significant improvement on previous years. Those children achieving the expected standard at KS1 were below national for all subjects but, again, an improvement on previous years. Those achieving at greater depth at KS1 were below national in all subjects. At Key Stage 2, 38% of children achieved the expected standard in reading, writing, maths and SPaG this was an improvement on last year and predictions for future years are positive. Those achieving greater depth were well below national in all subjects except writing which was 7 % points below national. The school is continuing to work on plugging the gaps in basic skills to drive improvements forward.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### **Financial review**

##### **a. Financial review**

During the year, the Trust generated £15.9m (2016: £6.5m) of income, of which £6.9m (2016: £0.1m) were donations and capital grants and £7.7m was General Annual Grant (GAG). This financial year was the first full year in which the Trust operated as a Multi-Academy Trust with four schools rather than one, hence generating the increased described above. The majority of the capital grants and donations received in the year related to assets and reserves transferred from predecessor schools when they joined the Trust.

Barrow Hill Primary Academy carried forward a small amount of unused unrestricted reserves of £6k and had a large capital project under construction at the year end financed by a Condition Improvement Fund (CIF) grant, for which capital reserves of £280k are set aside representing grant income received in advance of the cost of work carried out to date.

Netherthorpe School has utilised its GAG in full during the year, carrying forward £86k as unrestricted reserves raised from catering and other donations. Although student numbers are increasing, which will generate increased GAG revenue for the school, the impact of this is lagged by one year due to the method of funding used by the government. The school has therefore continued to experience net cost pressures during the year which is to be subject to a review in 2017/18.

Poolsbrook Primary Academy had a significant unrestricted reserve of £103k inherited from its predecessor school on conversion which has been retained as a contingency for future use, and slightly underspent GAG by £3k in the year. This school also benefitted from a successful CIF bid to improve the building's fire protection: £68k is included within its capital funds at the year end representing unspent capital funding received in advance for this ongoing project.

Whitecotes Primary Academy did not inherit any reserves from its predecessor school and therefore intentionally underspent its total GAG income during the year which enabled it to carry forward a contingency reserve of £63k at the year end. This school, too, had been successful in a CIF bid although much of the work had been completed by the year end on this roof refurbishment project, resulting in unspent income received in advance included in capital reserves at the end of the year of £5k.

The central team of the Trust are funded by a charge made to each of the constituent schools for their share of the services they benefit from, plus grant funding received from the Department for Education to grow the Trust. At the end of the year, £238k of this funding remained to carry forward which is included within Restricted Funds.

At the end of the year a total of £201k (2016: £54k) unrestricted funds, £319k (2016: £370k) restricted funds and £23,575k (2016: £17,238k) restricted fixed asset funds were held by the Trust, offset by a negative pension reserve of £2,722k (£2,268k). The Trust has engaged professional actuaries to advise on the activity of the defined benefit pension schemes as described in note [25] and considers that the combined contribution rates for the ongoing LGPS scheme are sufficient to address any shortfall over time.

The Trust uses income received to further its operations as described in the Strategic Report section of this document on page [8].

Cash balances stood at a healthy £797k at 31 August 2017, compared to £318k in the previous year, due to the impact of more schools joining the Trust and the receipt of CIF funding in advance of completing the projects at three of our four schools.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### c. Principal risks and uncertainties

The Trustees of the academy are aware of the risks that the Trust faces in the short, medium and long term, the principal risks and uncertainties have been identified following the risk management process.

Principal risks and uncertainties (other than pension deficit) are:-

- Pupil numbers;
- New national funding agreement;
- Public sector pensions;
- Success of applications for capital building projects and Trust expansion projects;
- Not achieving critical mass within the Trust to support the cost of managing a small number of schools;
- Incorporation of inappropriate schools into the Trust without completing a thorough due diligence process;
- Uncontrolled growth in the number of schools in excess of available resources to control this;
- Unbudgeted increases in teaching or support staff costs.

The Trust is particularly open to risk surrounding staffing and income. Staffing, like other schools, accounts for the use of the majority of incoming financial resources. The Trust is particularly vulnerable to external pressures, such as pressures presented by external bodies, i.e. School Teachers' Review Body (and the various interpretations of their recommendations), who may recommend increases in pay despite there being no increase in funding, and failure to follow through on such recommendations (or interpretations of these recommendations) may result in exposure to other risks associated with staffing.

#### d. Reserves policy

At the year end, the Trust held the following levels of free reserves:

- Unrestricted reserves      £ 200,955
- GAG reserves                £ 65,563

These free reserves are held in order to provide a cushion for buildings maintenance, to cover increases in staffing costs and protect us against falling rolls. Some of our buildings are several hundred years old. The long term aim of the Trust is to maintain funds to the value of approximately £250,000 across the Trust. We aim to build this up by reviewing operational activities and making efficiency savings where possible, by benefiting from economies of scale, and reviewing all expenditure to ensure that it represents value for money within every cost centre of the Trust.

The Trust does not transfer reserves between member schools, so it is also important that each school has its own free reserves for use when required. Given current trends within education funding and increasing pressures in terms of cost, and the fact that some schools had a minimal level of individual reserves on conversion, this will require the Trust to continue to monitor this carefully - particularly in the current climate where any increases in salary costs are not fully funded by the Education and skills Funding Agency.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017

---

### **e. Investment policy**

Investments must be made only when approved by the Trustees.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Periodically (at least annually) review interest rates and compare with other investment opportunities. A working balance of £250,000 to £500,000 should be maintained in the main academy's current account.

The Trust's current position is to only invest funds in risk free and easily accessible deposit accounts. Funds can be invested up to 12 months if appropriate. Investing cash over more than a year had to be approved by the Trust and referenced with detailed cash flow workings.

### ***Plans for future periods***

There are currently further two schools in the pipeline to join the Trust during 2017-18. Dunston Primary and Nursery Academy is at an advanced stage of negotiation and will join imminently; Gilbert Heathcote Infant and Nursery School will join the Trust in the early part of 2018. We continue to search for additional partner schools to become members of the Trust, and in particular we are working on finding a secondary school to join the Trust to enable Netherthorpe School to get greater benefit from its continuing membership of the Trust.

Future objectives of the Trust:

To ensure that all students attending Trust schools are receiving an education that is recognised as Good or better.

The Trust wishes to grow further at a pace that ensures financial viability without compromising on the quality of education and support we deliver. Growth will be 'measured' and new schools adopted only after a careful due diligence process and assessment of risk.

To establish a common framework of accepted good practice that will enable all schools within the Trust to improve and student outcomes to improve as a result.

To continually improve our organisation, with effective governance at all levels, high quality corporate services bringing benefits (economies of scale), excellent marketing, branding and a reputation for delivering a high quality education in this area.

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Disclosure of information to auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 14 December 2017 and signed on its behalf by:

**Mr K Bacon**  
**Chair of Trustees**



## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### GOVERNANCE STATEMENT

---

#### *Scope of Responsibility*

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

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

#### *Governance*

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee                                | Meetings attended | Out of a possible |
|----------------------------------------|-------------------|-------------------|
| Mr K Bacon, Chair                      | 6                 | 6                 |
| Mr J Brand                             | 1                 | 2                 |
| Mr P Brown                             | 6                 | 6                 |
| Ms D Harris                            | 4                 | 6                 |
| Mr D Plummer                           | 6                 | 6                 |
| Mr S Poole                             | 5                 | 6                 |
| Ms F Parsons                           | 2                 | 2                 |
| Mrs M Pennington                       | 4                 | 4                 |
| Ms K Porteous                          | 6                 | 6                 |
| Mr N Sternberg                         | 4                 | 6                 |
| Ms A Virdee                            | 4                 | 6                 |
| Ms B Walsh                             | 5                 | 5                 |
| Mr D Williams, Chief Executive Officer | 6                 | 6                 |

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### GOVERNANCE STATEMENT (continued)

---

The Finance & Audit Committee is a sub committee of the main board of trustees. Its purpose is to consider finance, personnel, health & safety and premises matters. It will also review the reports of the internal and external auditors. A list of its delegated powers can be found in the Trustees' Report.

Attendance at meetings in the year was as follows:

| Trustee        | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Mr K Bacon     | 3                 | 3                 |
| Mr D Plummer   | 3                 | 3                 |
| Mr D Williams  | 2                 | 3                 |
| Ms D Harris    | 3                 | 3                 |
| Mr N Sternberg | 2                 | 3                 |
| Mr P Brown     | 3                 | 3                 |

#### ***Review of Value for Money***

As Accounting Officer, the Executive Head Teacher (now CEO) has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Engaging an external advisor to achieve value for money energy supplies by monitoring the market and ensuring that the Trust achieves best value in contract negotiations;
- Entering into insurance to protect the Trust against unexpected cover bills caused by absence of key employees at Primary Schools;
- Sharing procurement of services and the provision of training between several schools to generate economies of scale;
- Creating an internal facilities management team to service all schools in the Trust rather than purchasing this service at a higher cost from third parties;
- Reviewing staffing requirements and reducing cost commitments where possible when staff vacancies occur;
- Appointing a qualified accountant into a senior role at Trust level to manage finances and drive cost efficiencies.

#### ***The Purpose of the System of Internal Control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cavendish Learning Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### GOVERNANCE STATEMENT (continued)

---

#### *Capacity to Handle Risk*

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### *The Risk and Control Framework*

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint BHP LLP, Chartered Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Review of payroll system and controls
- Review of purchasing system and controls
- Review of income and cash accounting
- Review of accounting systems at local school sites
- Review of risk register

On a termly basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

---

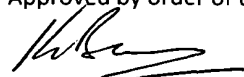
***Review of Effectiveness***

As Accounting Officer, the Executive Head Teacher (now CEO) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

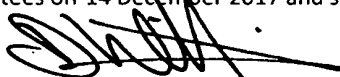
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

As Accounting Officer, the Executive Head Teacher (now CEO) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

Approved by order of the members of the board of trustees on 14 December 2017 and signed on their behalf, by:



**Mr K Bacon**  
Chair of Trustees



**Mr D Williams**  
Accounting Officer

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

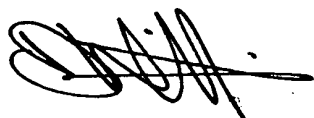
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Cavendish Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**Mr D Williams**  
**Accounting Officer**

Date: 14 December 2017

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

---

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 14 December 2017 and signed on its behalf by:



**Mr K Bacon**  
Chair of Trustees

## **CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST**

---

#### **Opinion**

I have audited the financial statements of Cavendish Learning Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to the Academy Trust's members those matters I am required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for my audit work, for this report, or for the opinions I have formed.

In my opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### **Basis of opinion**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of my report. I am independent of the Academy Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Conclusions relating to going concern**

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

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

## **CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST**

---

#### **Other information**

The Trustees is responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and my Auditors' report thereon. My opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of my knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

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

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST

---

#### Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditors' responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of my Auditors' report.



Philip Allsop (Senior statutory auditor)

**BHP LLP**

Chartered Accountants  
Statutory Auditor

57-59 Saltergate  
Chesterfield  
S40 1UL

Date: 18 December 2017

## **CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CAVENDISH LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 16 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, I have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cavendish Learning Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cavendish Learning Trust and the ESFA in accordance with the terms of our engagement letter. My work has been undertaken so that I might state to Cavendish Learning Trust and the ESFA those matters I am required to state in a report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than Cavendish Learning Trust and the ESFA, for my work, for this report, or for the conclusion I have formed.

#### **Respective responsibilities of Cavendish Learning Trust's and the reporting accountant**

The accounting officer is responsible, under the requirements of Cavendish Learning Trust's funding agreement with the Secretary of State for Education dated 28 February 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

My responsibilities for this engagement are established in the United Kingdom by my profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. I report to you whether anything has come to my attention in carrying out my work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

I conducted my engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CAVENDISH LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

---

The work undertaken to draw our conclusions includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Trustees, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

**Conclusion**

In the course of my work, nothing has come to my attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Philip Allsop (Senior statutory auditor)

**BHP LLP**

Chartered Accountants  
Statutory Auditor

57-59 Saltergate  
Chesterfield  
S40 1UL

Date: 18 December 2017

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

|                                                                            |      | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Restricted fixed<br>asset funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|----------------------------------------------------------------------------|------|------------------------------------|----------------------------------|----------------------------------------------|-----------------------------|-----------------------------|
|                                                                            | Note |                                    |                                  |                                              |                             |                             |
| <b>Income from:</b>                                                        |      |                                    |                                  |                                              |                             |                             |
| Donations and capital grants                                               | 2    | 109,352                            | (248,448)                        | 7,051,734                                    | 6,912,638                   | 118,657                     |
| Charitable activities                                                      | 5    | 237,233                            | 8,764,197                        | -                                            | 9,001,430                   | 6,353,496                   |
| Other trading activities                                                   | 3    | 16,450                             | 13,853                           | -                                            | 30,303                      | 53,511                      |
| Investments                                                                | 4    | 454                                | 33                               | -                                            | 487                         | 623                         |
| <b>Total income</b>                                                        |      | <b>363,489</b>                     | <b>8,529,635</b>                 | <b>7,051,734</b>                             | <b>15,944,858</b>           | <b>6,526,287</b>            |
| <b>Expenditure on:</b>                                                     |      |                                    |                                  |                                              |                             |                             |
| Raising funds                                                              |      | -                                  | -                                | -                                            | -                           | 10,200                      |
| Charitable activities                                                      |      | 160,931                            | 9,284,890                        | 748,650                                      | 10,194,471                  | 6,987,299                   |
| <b>Total expenditure</b>                                                   | 6    | <b>160,931</b>                     | <b>9,284,890</b>                 | <b>748,650</b>                               | <b>10,194,471</b>           | <b>6,997,499</b>            |
| <b>Net income / (expenditure) before transfers</b>                         |      | <b>202,558</b>                     | <b>(755,255)</b>                 | <b>6,303,084</b>                             | <b>5,750,387</b>            | <b>(471,212)</b>            |
| Transfers between Funds                                                    | 19   | (55,171)                           | 20,701                           | 34,470                                       | -                           | -                           |
| <b>Net income / (expenditure) before other recognised gains and losses</b> |      | <b>147,387</b>                     | <b>(734,554)</b>                 | <b>6,337,554</b>                             | <b>5,750,387</b>            | <b>(471,212)</b>            |
| Actuarial gains/(losses) on defined benefit pension schemes                | 24   | -                                  | 230,000                          | -                                            | 230,000                     | (705,000)                   |
| <b>Net movement in funds</b>                                               |      | <b>147,387</b>                     | <b>(504,554)</b>                 | <b>6,337,554</b>                             | <b>5,980,387</b>            | <b>(1,176,212)</b>          |
| <b>Reconciliation of funds:</b>                                            |      |                                    |                                  |                                              |                             |                             |
| Total funds brought forward                                                |      | 53,568                             | (1,898,345)                      | 17,237,849                                   | 15,393,072                  | 16,569,284                  |
| <b>Total funds carried forward</b>                                         |      | <b>200,955</b>                     | <b>(2,402,899)</b>               | <b>23,575,403</b>                            | <b>21,373,459</b>           | <b>15,393,072</b>           |

**CAVENDISH LEARNING TRUST**

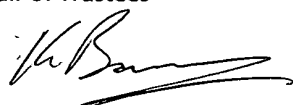
(A company limited by guarantee)  
REGISTERED NUMBER: 7935515

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

|                                                        |      |                    | 2017                     |                    | 2016                     |
|--------------------------------------------------------|------|--------------------|--------------------------|--------------------|--------------------------|
|                                                        | Note | £                  | £                        | £                  | £                        |
| <b>Fixed assets</b>                                    |      |                    |                          |                    |                          |
| Tangible assets                                        | 15   |                    | 23,209,059               |                    | 17,237,849               |
| <b>Current assets</b>                                  |      |                    |                          |                    |                          |
| Stocks                                                 | 16   | 10,706             |                          | 9,138              |                          |
| Debtors                                                | 17   | 659,781            |                          | 539,037            |                          |
| Cash at bank and in hand                               |      | 797,133            |                          | 318,244            |                          |
|                                                        |      | <u>1,467,620</u>   |                          | <u>866,419</u>     |                          |
| <b>Creditors: amounts falling due within one year</b>  | 18   | <u>(581,220)</u>   |                          | <u>(443,196)</u>   |                          |
| <b>Net current assets</b>                              |      |                    | <u>886,400</u>           |                    | <u>423,223</u>           |
| <b>Total assets less current liabilities</b>           |      |                    | <u>24,095,459</u>        |                    | <u>17,661,072</u>        |
| Defined benefit pension scheme liability               | 24   |                    | <u>(2,722,000)</u>       |                    | <u>(2,268,000)</u>       |
| <b>Net assets including pension scheme liabilities</b> |      |                    | <u><u>21,373,459</u></u> |                    | <u><u>15,393,072</u></u> |
| <b>Funds of the academy</b>                            |      |                    |                          |                    |                          |
| Restricted income funds:                               |      |                    |                          |                    |                          |
| Restricted income funds                                | 19   | 319,101            |                          | 369,655            |                          |
| Restricted fixed asset funds                           | 19   | <u>23,575,403</u>  |                          | <u>17,237,849</u>  |                          |
| Restricted income funds excluding pension liability    |      | <u>23,894,504</u>  |                          | <u>17,607,504</u>  |                          |
| Pension reserve                                        |      | <u>(2,722,000)</u> |                          | <u>(2,268,000)</u> |                          |
| Total restricted income funds                          |      |                    | <u>21,172,504</u>        |                    | <u>15,339,504</u>        |
| Unrestricted income funds                              | 19   |                    | <u>200,955</u>           |                    | <u>53,568</u>            |
| <b>Total funds</b>                                     |      |                    | <u><u>21,373,459</u></u> |                    | <u><u>15,393,072</u></u> |

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

**Mr K Bacon**  
**Chair of Trustees**



**CAVENDISH LEARNING TRUST****(A company limited by guarantee)****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

|                                                            | <b>Note</b> | <b>2017<br/>£</b>     | <b>2016<br/>£</b>     |
|------------------------------------------------------------|-------------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                |             |                       |                       |
| Net cash provided by operating activities                  | 21          | <u>309,149</u>        | <u>85,297</u>         |
| <b>Cash flows from investing activities:</b>               |             |                       |                       |
| Purchase of tangible fixed assets                          |             | (373,424)             | (42,336)              |
| Capital grants from DfE/ESFA                               |             | <u>543,164</u>        | <u>28,171</u>         |
| <b>Net cash provided by/(used in) investing activities</b> |             | <u>169,740</u>        | <u>(14,165)</u>       |
| <b>Change in cash and cash equivalents in the year</b>     |             | <b>478,889</b>        | <b>71,132</b>         |
| Cash and cash equivalents brought forward                  |             | <u>318,244</u>        | <u>247,112</u>        |
| <b>Cash and cash equivalents carried forward</b>           |             | <u><u>797,133</u></u> | <u><u>318,244</u></u> |

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1. Accounting Policies

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

##### **1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cavendish Learning Trust constitutes a public benefit entity as defined by FRS 102.

##### **1.2 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1. Accounting Policies (continued)

##### 1.3 Income

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

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

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

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

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1. Accounting Policies (continued)

##### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

##### 1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

##### 1.6 Tangible fixed assets and depreciation

All assets costing more than £500 individually or a group of assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1. Accounting Policies (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                       |   |                      |
|-----------------------|---|----------------------|
| Property              | - | 2% straight line     |
| Plant and machinery   | - | 10-20% straight line |
| Fixtures and fittings | - | 10% straight line    |
| Computer equipment    | - | 10-20% straight line |

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

#### 1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

#### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### 1.9 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1. Accounting Policies (continued)

##### **1.10 Debtors**

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

##### **1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **1.12 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **1.13 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1. Accounting Policies (continued)

##### 1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

##### 1.15 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

# CAVENDISH LEARNING TRUST

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. Accounting Policies (continued)

#### 1.16 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2. Donations and capital grants

|                                                          | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Restricted fixed<br>asset funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|----------------------------------------------------------|------------------------------------|----------------------------------|----------------------------------------------|-----------------------------|-----------------------------|
| Donations                                                | -                                  | 10,158                           | -                                            | 10,158                      | 90,486                      |
| Transfer from local authority on<br>conversion (note 28) | 109,352                            | (258,606)                        | 6,346,436                                    | 6,197,182                   | -                           |
| Capital Grants                                           | -                                  | -                                | 705,298                                      | 705,298                     | 28,171                      |
|                                                          | <u>109,352</u>                     | <u>(248,448)</u>                 | <u>7,051,734</u>                             | <u>6,912,638</u>            | <u>118,657</u>              |
| Total 2016                                               | -                                  | 28,609                           | 90,048                                       | 118,657                     |                             |

**CAVENDISH LEARNING TRUST****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017****3. Other trading activities**

|            | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings   | 14,746                             | -                                | 14,746                      | 10,905                      |
| Other      | 1,704                              | 13,853                           | 15,557                      | 42,606                      |
|            | <u>16,450</u>                      | <u>13,853</u>                    | <u>30,303</u>               | <u>53,511</u>               |
| Total 2016 | <u>11,905</u>                      | <u>41,606</u>                    | <u>53,511</u>               |                             |

**4. Investment income**

|                   | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income | 454                                | 33                               | 487                         | 623                         |
|                   | <u>454</u>                         | <u>33</u>                        | <u>487</u>                  | <u>623</u>                  |
| Total 2016        | <u>623</u>                         | <u>-</u>                         | <u>623</u>                  |                             |

**CAVENDISH LEARNING TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**5. Funding for Academy Trust's educational operations**

|                                     | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA grants</b>              |                                    |                                  |                             |                             |
| General Annual Grant                | -                                  | 7,463,802                        | 7,463,802                   | 5,369,441                   |
| Other DfE/ESFA grants               | 248                                | 646,933                          | 647,181                     | 460,647                     |
|                                     | <u>248</u>                         | <u>8,110,735</u>                 | <u>8,110,983</u>            | <u>5,830,088</u>            |
| <b>Other government grants</b>      |                                    |                                  |                             |                             |
| Special Educational Needs           | -                                  | 237,315                          | 237,315                     | 174,703                     |
| Other government grants non capital | -                                  | 137,184                          | 137,184                     | -                           |
|                                     | <u>-</u>                           | <u>374,499</u>                   | <u>374,499</u>              | <u>174,703</u>              |
| <b>Other funding</b>                |                                    |                                  |                             |                             |
| Internal catering income            | 235,491                            | 15,555                           | 251,046                     | 208,607                     |
| Other                               | 1,494                              | 263,408                          | 264,902                     | 140,098                     |
|                                     | <u>236,985</u>                     | <u>278,963</u>                   | <u>515,948</u>              | <u>348,705</u>              |
|                                     | <u>237,233</u>                     | <u>8,764,197</u>                 | <u>9,001,430</u>            | <u>6,353,496</u>            |
| <b>Total 2016</b>                   | <u>208,607</u>                     | <u>6,144,889</u>                 | <u>6,353,496</u>            |                             |

**CAVENDISH LEARNING TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**6. Expenditure**

|                                    | Staff costs<br>2017<br>£ | Premises<br>2017<br>£ | Other costs<br>2017<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|------------------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure of fundraising trading | -                        | -                     | -                        | -                  | 10,200             |
| Education:                         |                          |                       |                          |                    |                    |
| Direct costs                       | 6,430,107                | -                     | 837,055                  | 7,267,162          | 5,126,889          |
| Support costs                      | 1,065,488                | 640,482               | 1,221,339                | 2,927,309          | 1,860,410          |
|                                    | <u>7,495,595</u>         | <u>640,482</u>        | <u>2,058,394</u>         | <u>10,194,471</u>  | <u>6,997,499</u>   |
| Total 2016                         | <u>5,091,051</u>         | <u>678,672</u>        | <u>1,227,776</u>         | <u>6,997,499</u>   |                    |

**7. Direct costs**

|                                 | 2017<br>£        | 2016<br>£        |
|---------------------------------|------------------|------------------|
| Wages and salaries              | 4,879,447        | 3,449,391        |
| National insurance              | 445,359          | 277,635          |
| Pension cost                    | 1,105,301        | 645,788          |
| Staff development               | 55,505           | 23,748           |
| Educational supplies            | 462,375          | 364,890          |
| Examination fees                | 114,822          | 116,572          |
| Technology costs                | 132,210          | 187,421          |
| Pension finance costs (note 24) | 65,000           | 55,000           |
| Other costs                     | 7,143            | 6,444            |
| Total                           | <u>7,267,162</u> | <u>5,126,889</u> |

**CAVENDISH LEARNING TRUST****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017****8. Support costs**

|                                       | 2017<br>£        | 2016<br>£        |
|---------------------------------------|------------------|------------------|
| Wages and salaries                    | 876,301          | 605,595          |
| National insurance                    | 55,897           | 30,872           |
| Pension costs                         | 112,477          | 59,473           |
| Recruitment and other staff costs     | 13,389           | 24,873           |
| Maintenance of premises and equipment | 206,413          | 94,454           |
| Cleaning                              | 21,741           | 14,897           |
| Rent and rates                        | 73,263           | 45,995           |
| Heat and light                        | 92,735           | 64,192           |
| Insurance                             | 70,838           | 49,985           |
| Security and transport                | 38,620           | 7,044            |
| Catering                              | 275,201          | 135,435          |
| Other costs                           | 306,695          | 149,610          |
| Depreciation                          | 748,650          | 553,588          |
| Governance (note 11)                  | 35,089           | 24,397           |
| Total                                 | <u>2,927,309</u> | <u>1,860,410</u> |

**9. Raising funds**

|                    | Unrestricted<br>funds 2017<br>£ | Restricted<br>funds 2017<br>£ | Total<br>funds 2017<br>£ | Total funds<br>2016<br>£ |
|--------------------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| Wages and salaries | -                               | -                             | -                        | 10,200                   |

**CAVENDISH LEARNING TRUST****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017****10. Staff costs**

Staff costs were as follows:

|                                                    | 2017                    | 2016                    |
|----------------------------------------------------|-------------------------|-------------------------|
|                                                    | £                       | £                       |
| Wages and salaries                                 | 5,498,627               | 3,996,692               |
| Social security costs                              | 501,256                 | 308,507                 |
| Operating costs of defined benefit pension schemes | 1,230,462               | 705,688                 |
|                                                    | <u>7,230,345</u>        | <u>5,010,887</u>        |
| Apprenticeship levy                                | 5,306                   | -                       |
| Supply teacher costs                               | 245,762                 | 80,164                  |
| Staff restructuring costs                          | 14,182                  | -                       |
|                                                    | <u><u>7,495,595</u></u> | <u><u>5,091,051</u></u> |

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £2,814 (2016: £nil) which relates to one employee. The remainder of the staff restructuring costs were contractual.

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

|            | 2017       | 2016       |
|------------|------------|------------|
|            | No.        | No.        |
| Teachers   | 91         | 76         |
| Admin      | 132        | 89         |
| Management | 20         | 8          |
|            | <u>243</u> | <u>173</u> |

Average headcount expressed as a full time equivalent:

|            | 2017       | 2016       |
|------------|------------|------------|
|            | No.        | No.        |
| Teachers   | 80         | 68         |
| Admin      | 89         | 62         |
| Management | 19         | 8          |
|            | <u>188</u> | <u>138</u> |

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 10. Staff costs (continued)

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

|                                 | 2017<br>No. | 2016<br>No. |
|---------------------------------|-------------|-------------|
| In the band £ 60,001 - £ 70,000 | 3           | 0           |
| In the band £ 80,001 - £ 90,000 | 1           | 1           |

The above employee's participated in the Teachers Pension Scheme. During the period ended 31 August 2017, pension contributions for this employee amounted to £45,580 (2016: £14,665).

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £277,106 (2016: £571,419).

#### 11. Governance

|                                         | Unrestricted<br>funds 2017 | Restricted<br>funds 2017 | Total funds<br>2017 | Total funds<br>2016 |
|-----------------------------------------|----------------------------|--------------------------|---------------------|---------------------|
|                                         |                            | £                        | £                   | £                   |
| Internal audit costs                    | -                          | 2,000                    | 2,000               | 1,500               |
| Auditors' remuneration                  | -                          | 10,650                   | 10,650              | 9,750               |
| Auditors' non audit costs               | -                          | 1,515                    | 1,515               | 1,050               |
| Governance expense - wages and salaries | -                          | 20,813                   | 20,813              | 12,097              |
| Other governance costs                  | -                          | 111                      | 111                 | -                   |
| Total                                   | -                          | 35,089                   | 35,089              | 24,397              |

#### 12. Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of staff Trustees' remuneration and other benefits fell within the following bands: Mr D Williams: Remuneration £85,000 - £90,000 (2016: £Nil) Employer's pension contributions £10,000 - £15,000 (2016: £ Nil), Ms K Porteous: Remuneration £65,000 - £70,000 (2016: £Nil) Employer's pension contributions £10,000 - £15,000 (2016: £Nil), Mr D Plummer: Remuneration £60,000 - £65,000 (2016: £Nil) Employer's pension contributions £10,000 - £15,000 (2016: £Nil).

During the period, no Trustees received any benefits in kind or expenses (2016: £Nil).

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 13. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Human Resources
- Financial Services
- Legal Services
- Educational Support Services
- Strategic Management

The Trust charges for these services by charging a flat percentage of relevant income to the member school. This is usually 3.7% although a discount may sometimes be agreed with the school to help it to transition to work within the Trust in the first academic year of joining.

The Trust also provides facilities management and insurance services which schools contribute their fair share of the cost towards based on the proportion of the overall cost of these services used by each school.

The actual amounts charged during the year were as follows:

|              | 2017           | 2016     |
|--------------|----------------|----------|
|              | £              | £        |
| Netherthorpe | 148,252        | -        |
| Barrow Hill  | 27,434         | -        |
| Poolsbrook   | 29,859         | -        |
| Whitecotes   | 64,754         | -        |
|              | <u>270,299</u> | <u>-</u> |
| Total        |                |          |

#### 14. Other finance expense

|                                          | 2017            | 2016            |
|------------------------------------------|-----------------|-----------------|
|                                          | £               | £               |
| Interest income on pension scheme assets | 39,000          | 31,000          |
| Interest on pension scheme liabilities   | (104,000)       | (86,000)        |
|                                          | <u>(65,000)</u> | <u>(55,000)</u> |

**CAVENDISH LEARNING TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**15. Tangible fixed assets**

|                       | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|----------------------------|-----------------------------|-------------------------------|----------------------------|------------|
| <b>Cost</b>           |                            |                             |                               |                            |            |
| At 1 September 2016   | 17,725,000                 | 394,768                     | 679,526                       | 676,102                    | 19,475,396 |
| Additions             | 6,430,511                  | 21,823                      | 15,436                        | 252,090                    | 6,719,860  |
| At 31 August 2017     | 24,155,511                 | 416,591                     | 694,962                       | 928,192                    | 26,195,256 |
| <b>Depreciation</b>   |                            |                             |                               |                            |            |
| At 1 September 2016   | 1,273,410                  | 210,619                     | 283,959                       | 469,559                    | 2,237,547  |
| Charge for the year   | 452,743                    | 67,796                      | 69,350                        | 158,761                    | 748,650    |
| At 31 August 2017     | 1,726,153                  | 278,415                     | 353,309                       | 628,320                    | 2,986,197  |
| <b>Net book value</b> |                            |                             |                               |                            |            |
| At 31 August 2017     | 22,429,358                 | 138,176                     | 341,653                       | 299,872                    | 23,209,059 |
| At 31 August 2016     | 16,451,590                 | 184,149                     | 395,567                       | 206,543                    | 17,237,849 |

Netherthorpe School occupies land held by the Netherthorpe School Foundation. This school is held on lease and the value of the land and buildings has been recognised within fixed assets on the basis that the school is responsible for all ongoing maintenance and makes decisions on the day to day operation of the site, and control over access to the site without the need to consult the Foundation. In this way the arrangement is deemed to be akin to that of a long term lease as the school enjoys all future economic benefits of the site.

Land and buildings are valued when a school joins the Trust and accounted for as tangible fixed assets as described in Note (1) Accounting Policies.

During the year tangible fixed assets were transferred to the Trust on conversion totalling £6,331,908. Within this value were Land and buildings totalling £6,289,555 based on a valuation by Rotherham MBC land and property team.

**16. Stocks**

|                                     | 2017<br>£ | 2016<br>£ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 10,706    | 9,138     |

**CAVENDISH LEARNING TRUST****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017****17. Debtors**

|                                | 2017           | 2016           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Trade debtors                  | 20,577         | 21,496         |
| Other debtors                  | 73,773         | 33,360         |
| Prepayments and accrued income | 565,431        | 484,181        |
|                                | <u>659,781</u> | <u>539,037</u> |

**18. Creditors: Amounts falling due within one year**

|                                    | 2017           | 2016           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Trade creditors                    | 176,085        | 102,006        |
| Other taxation and social security | 122,018        | 92,294         |
| Accruals and deferred income       | 283,117        | 248,896        |
|                                    | <u>581,220</u> | <u>443,196</u> |

|                                      | 2017          | 2016          |
|--------------------------------------|---------------|---------------|
|                                      | £             | £             |
| <b>Deferred income</b>               |               |               |
| Deferred income at 1 September 2016  | 17,521        | 12,802        |
| Resources deferred during the year   | 16,743        | 4,719         |
| Amounts released from previous years | (17,521)      | -             |
| Deferred income at 31 August 2017    | <u>16,743</u> | <u>17,521</u> |

At the balance sheet date the trust holding deferred income which relates to alternative provision funding and monies paid in by parents which will be used against future catering expenditure by students. The trust was also holding deferred income which relates to a clawback of funding for Early Years.

# CAVENDISH LEARNING TRUST

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 19. Statement of funds

|                                     | Balance at 1<br>September<br>2016<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>in/out<br>£ | Gains/ (Losses)<br>£ | Balance at 31<br>August 2017<br>£ |
|-------------------------------------|----------------------------------------|-------------|------------------|--------------------------|----------------------|-----------------------------------|
| <b>Unrestricted funds</b>           |                                        |             |                  |                          |                      |                                   |
| General funds                       | 53,568                                 | 363,489     | (160,931)        | (55,171)                 | -                    | 200,955                           |
| <b>Restricted funds</b>             |                                        |             |                  |                          |                      |                                   |
| General Annual Grant (GAG)          | -                                      | 7,681,378   | (7,655,860)      | 40,045                   | -                    | 65,563                            |
| Sponsor capacity fund               | 249,325                                | 120,000     | (127,600)        | (26,435)                 | -                    | 215,290                           |
| Special needs funding               | 31,056                                 | 237,315     | (268,371)        | -                        | -                    | -                                 |
| Pupil premium                       | 47,154                                 | 516,004     | (563,158)        | -                        | -                    | -                                 |
| Trips                               | -                                      | 195,948     | (196,959)        | 7,091                    | -                    | 6,080                             |
| Sixth form bursaries                | -                                      | 27,996      | (27,996)         | -                        | -                    | -                                 |
| Staff Gifts                         | 796                                    | 1,740       | (1,017)          | -                        | -                    | 1,519                             |
| Charity Fund                        | 15,085                                 | 8,725       | (20,705)         | -                        | -                    | 3,105                             |
| De Gruchy Fund                      | 26,239                                 | 16          | 250              | -                        | -                    | 26,505                            |
| Restricted other                    | -                                      | 6,513       | (5,474)          | -                        | -                    | 1,039                             |
| Pension reserve                     | (2,268,000)                            | (266,000)   | (418,000)        | -                        | 230,000              | (2,722,000)                       |
|                                     | (1,898,345)                            | 8,529,635   | (9,284,890)      | 20,701                   | 230,000              | (2,402,899)                       |
| <b>Restricted fixed asset funds</b> |                                        |             |                  |                          |                      |                                   |
| Fixed assets                        | 17,237,849                             | 7,051,734   | (748,650)        | 34,470                   | -                    | 23,575,403                        |
| Total restricted funds              | 15,339,504                             | 15,581,369  | (10,033,540)     | 55,171                   | 230,000              | 21,172,504                        |
| Total of funds                      | 15,393,072                             | 15,944,858  | (10,194,471)     | -                        | 230,000              | 21,373,459                        |

The specific purposes for which the funds are to be applied are as follows:

**General Annual Grant (GAG):** The GAG income must be used for the normal running costs of the Academy.

**Sponsor capacity fund:** EFA funding for the conversion to a Multi Academy Trust to provide capacity to manage the Multi Academy Trust in the early years.

**Special needs funding:** Funding received from the Local Authority for those students who have more than 9 hours of statement of special need and used to pay for Teaching Assistants to fulfil this increased support.

**Pupil Premium:** DfE funding to address the current underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers by ensuring that funding to tackle the disadvantage reaches the pupils who need it most.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 19. Statement of funds (continued)

Trips: Funds from parents/carers for school trips.

Sixth form bursaries: Being the bursary funds held for 16-19 year olds on behalf of the EFA.

Staff gifts: Contributions from staff towards gifts for other staff members.

Charity fund: Funds raised for charitable purposes.

De Gruchy: An existing hardship fund to assist ex students in their move to higher education.

Restricted other: Other funds raised by the school for specific projects or purposes.

Pension reserve: The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the EFA Accounts Direction.

Restricted fixed asset funds: Restricted funds set aside for capital items.

Transfers: The unrestricted transfer in the year relates to a re-allocation of unrestricted reserves to cover overspent GAG in the year.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

#### *Analysis of academies by fund balance*

Fund balances at 31 August 2017 were allocated as follows:

|                                                   | Total<br>2017<br>£ | Total<br>2016<br>£ |
|---------------------------------------------------|--------------------|--------------------|
| Central                                           | 215,290            | 249,325            |
| Netherthorpe                                      | 124,922            | 173,898            |
| Barrow Hill                                       | 6,372              | -                  |
| Poolsbrook                                        | 105,090            | -                  |
| Whitecotes                                        | 68,382             | -                  |
| Total before fixed asset fund and pension reserve | 520,056            | 423,223            |
| Restricted fixed asset fund                       | 23,575,403         | 17,237,849         |
| Pension reserve                                   | (2,722,000)        | (2,268,000)        |
| Total                                             | 21,373,459         | 15,393,072         |

**CAVENDISH LEARNING TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**19. Statement of funds (continued)**

*Analysis of academies by cost*

Expenditure incurred by each academy during the year was as follows:

|              | Teaching and<br>educational<br>support staff<br>costs<br>£ | Other support<br>staff costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|--------------|------------------------------------------------------------|-----------------------------------|------------------------------|-----------------------------------------------|--------------------|--------------------|
| Central      | 24,596                                                     | 250,603                           | 503                          | 131,564                                       | 407,266            | -                  |
| Netherthorpe | 4,806,322                                                  | 696,313                           | 375,719                      | 873,872                                       | 6,752,226          | 6,443,911          |
| Barrow Hill  | 420,668                                                    | 21,426                            | 22,322                       | 106,294                                       | 570,710            | -                  |
| Poolsbrook   | 444,458                                                    | 26,445                            | 23,434                       | 112,851                                       | 607,188            | -                  |
| Whitecotes   | 734,063                                                    | 70,701                            | 40,397                       | 263,270                                       | 1,108,431          | -                  |
|              | <u>6,430,107</u>                                           | <u>1,065,488</u>                  | <u>462,375</u>               | <u>1,487,851</u>                              | <u>9,445,821</u>   | <u>6,443,911</u>   |

**20. Analysis of net assets between funds**

|                                        | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Restricted fixed<br>asset funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ |
|----------------------------------------|------------------------------------|----------------------------------|----------------------------------------------|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 23,209,059                                   | 23,209,059                  |
| Current assets                         | 200,955                            | 900,321                          | 366,344                                      | 1,467,620                   |
| Creditors due within one year          | -                                  | (581,220)                        | -                                            | (581,220)                   |
| Provisions for liabilities and charges | -                                  | (2,722,000)                      | -                                            | (2,722,000)                 |
|                                        | <u>200,955</u>                     | <u>(2,402,899)</u>               | <u>23,575,403</u>                            | <u>21,373,459</u>           |

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**21. Reconciliation of net movement in funds to net cash flow from operating activities**

|                                                                                  | 2017<br>£      | 2016<br>£     |
|----------------------------------------------------------------------------------|----------------|---------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 5,750,387      | (471,212)     |
| <b>Adjustment for:</b>                                                           |                |               |
| Depreciation charges                                                             | 748,650        | 553,588       |
| Increase in stocks                                                               | (1,568)        | (9,138)       |
| Increase in debtors                                                              | (120,744)      | (78,268)      |
| Increase in creditors                                                            | 138,024        | 16,375        |
| Capital grants from DfE and other capital income                                 | (543,164)      | (28,171)      |
| Defined benefit pension scheme obligation inherited                              | 266,000        | -             |
| Defined benefit pension scheme cost less contributions payable                   | 353,000        | 109,000       |
| Defined benefit pension scheme finance cost                                      | 65,000         | 55,000        |
| Fixed asset donations received                                                   | (6,346,436)    | (61,877)      |
| <b>Net cash provided by operating activities</b>                                 | <b>309,149</b> | <b>85,297</b> |

**22. Analysis of cash and cash equivalents**

|              | 2017<br>£      | 2016<br>£      |
|--------------|----------------|----------------|
| Cash in hand | 797,133        | 318,244        |
| <b>Total</b> | <b>797,133</b> | <b>318,244</b> |

**23. Capital commitments**

At 31 August 2017 the Academy Trust had capital commitments as follows:

|                                                               | 2017<br>£ | 2016<br>£ |
|---------------------------------------------------------------|-----------|-----------|
| Contracted for but not provided in these financial statements | 568,212   | -         |

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Derbyshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

#### *Teachers' Pension Scheme*

##### *Introduction*

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

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

##### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 24. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £533,000 (2016 - £503,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### ***Local Government Pension Scheme***

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £370,000 (2016 - £203,000), of which employer's contributions totalled £279,000 (2016 - £152,000) and employees' contributions totalled £91,000 (2016 - £51,000). The agreed contribution rates for future years are 12.8% for employers and between 5.5% and 6.8% for employees.

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

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**24. Pension commitments (continued)**

Principal actuarial assumptions:

|                                                      | 2017    | 2016    |
|------------------------------------------------------|---------|---------|
| Discount rate for scheme liabilities                 | 2.50 %  | 2.10 %  |
| Expected return on scheme assets at 31 August        | 2.50 %  | 2.10 %  |
| Rate of increase in salaries                         | 2.90 %  | 3.10 %  |
| Rate of increase for pensions in payment / inflation | 2.40 %  | 2.10 %  |
| Commutation of pensions to lump sums                 | 50.00 % | 50.00 % |

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

|                      | 2017 | 2016 |
|----------------------|------|------|
| Retiring today       |      |      |
| Males                | 21.9 | 22.0 |
| Females              | 24.4 | 24.2 |
| Retiring in 20 years |      |      |
| Males                | 23.9 | 24.1 |
| Females              | 26.5 | 26.6 |

|                                        | At 31 August<br>2017<br>£ | At 31 August<br>2016<br>£ |
|----------------------------------------|---------------------------|---------------------------|
| <b><i>Sensitivity analysis</i></b>     |                           |                           |
| Discount rate +0.1%                    | 123,600                   | 90,400                    |
| Mortality assumption - 1 year increase | 198,000                   | 100,000                   |
| CPI rate +0.1%                         | 25,600                    | 35,000                    |

**CAVENDISH LEARNING TRUST****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017****24. Pension commitments (continued)**

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

|                              | Fair value at<br>31 August<br>2017<br>£ | Fair value at<br>31 August<br>2016<br>£ |
|------------------------------|-----------------------------------------|-----------------------------------------|
| Equities                     | 1,523,200                               | 725,560                                 |
| Gilts                        | -                                       | -                                       |
| Corporate bonds              | 425,600                                 | 224,070                                 |
| Property                     | 156,800                                 | 64,020                                  |
| Cash and other liquid assets | 134,400                                 | 53,350                                  |
| Derivatives                  | -                                       | -                                       |
|                              | <u>2,240,000</u>                        | <u>1,067,000</u>                        |
| Total market value of assets | <u>2,240,000</u>                        | <u>1,067,000</u>                        |

The actual return on scheme assets was £180,000 (2016 - £128,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

|                      | 2017<br>£        | 2016<br>£        |
|----------------------|------------------|------------------|
| Current service cost | (632,000)        | (261,000)        |
| Interest income      | 39,000           | 31,000           |
| Interest cost        | (104,000)        | (86,000)         |
|                      | <u>(697,000)</u> | <u>(316,000)</u> |
| Total                | <u>(697,000)</u> | <u>(316,000)</u> |

Movements in the present value of the defined benefit obligation were as follows:

|                                                        | 2017<br>£        | 2016<br>£        |
|--------------------------------------------------------|------------------|------------------|
| Opening defined benefit obligation                     | 3,335,000        | 2,127,000        |
| Transferred in on existing academies joining the trust | 879,000          | -                |
| Effect of business combinations and disposals          | 311,000          | -                |
| Current service cost                                   | 632,000          | 261,000          |
| Interest cost                                          | 104,000          | 86,000           |
| Employee contributions                                 | 91,000           | 51,000           |
| Actuarial (gains)/losses                               | (361,000)        | 833,000          |
| Benefits paid                                          | (29,000)         | (23,000)         |
|                                                        | <u>4,962,000</u> | <u>3,335,000</u> |
| Closing defined benefit obligation                     | <u>4,962,000</u> | <u>3,335,000</u> |

## CAVENDISH LEARNING TRUST

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 24. Pension commitments (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

|                                                        | 2017<br>£ | 2016<br>£ |
|--------------------------------------------------------|-----------|-----------|
| Opening fair value of scheme assets                    | 1,067,000 | 728,000   |
| Transferred in on existing academies joining the trust | 613,000   | -         |
| Interest income                                        | 39,000    | 31,000    |
| Actuarial losses                                       | 180,000   | 128,000   |
| Employer contributions                                 | 279,000   | 152,000   |
| Employee contributions                                 | 91,000    | 51,000    |
| Benefits paid                                          | (29,000)  | (23,000)  |
|                                                        | <hr/>     | <hr/>     |
| Closing fair value of scheme assets                    | 2,240,000 | 1,067,000 |
|                                                        | <hr/>     | <hr/>     |

#### 25. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

|                         | 2017<br>£ | 2016<br>£ |
|-------------------------|-----------|-----------|
| <b>Amounts payable:</b> |           |           |
| Within 1 year           | 31,192    | 23,256    |
| Between 1 and 5 years   | 23,256    | 46,511    |
|                         | <hr/>     | <hr/>     |
| Total                   | 54,448    | 69,767    |
|                         | <hr/>     | <hr/>     |

#### 26. Related party transactions

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

The main buildings of Netherthorpe School are owned by the Netherthorpe School Foundation and made available to the Academy Trust without charge.

During the year purchases of £3,772 were made from Yellow Spade Design Limited, a company of which a Trustee is a Director. At the year end a balance of £1,141 remained unpaid.

**CAVENDISH LEARNING TRUST**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**27. Agency Arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. On 1 September 2016 it was holding undistributed funds of £15,556, during the accounting period ending 31 August 2017 the trust received £27,995 and disbursed £25,756 from the fund. An amount of £17,795 is included in accruals and deferred income relating to undistributed funds that is repayable to ESFA.

**CAVENDISH LEARNING TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**28. Transfer of local authority schools into the Academy Trust**

|                                          | Unrestricted<br>Funds<br>£ | Restricted<br>General Funds<br>£ | Restricted Fixed<br>Asset Funds<br>£ | 2017<br>£        |
|------------------------------------------|----------------------------|----------------------------------|--------------------------------------|------------------|
| <b><i>Transferred in academy</i></b>     |                            |                                  |                                      |                  |
| <b><i>Barrow Hill Primary School</i></b> |                            |                                  |                                      |                  |
| Tangible fixed assets                    |                            |                                  |                                      |                  |
| -Land and buildings                      | -                          | -                                | 1,020,083                            | 1,020,083        |
| -Other tangible fixed assets             | -                          | -                                | 15,171                               | 15,171           |
| Budget surplus on LA funds               | 6,178                      | -                                | -                                    | 6,178            |
| Budget surplus on other school funds     | -                          | 1,785                            | 9,341                                | 11,126           |
|                                          | <u>6,178</u>               | <u>1,785</u>                     | <u>1,044,595</u>                     | <u>1,052,558</u> |
| Barrow Hill pre pension net assets       |                            |                                  |                                      |                  |
|                                          | <u>6,178</u>               | <u>1,785</u>                     | <u>1,044,595</u>                     | <u>1,052,558</u> |
| <b><i>Poolsbrook Primary School</i></b>  |                            |                                  |                                      |                  |
| Tangible fixed assets                    |                            |                                  |                                      |                  |
| -Land and buildings                      | -                          | -                                | 1,204,472                            | 1,204,472        |
| -Other tangible fixed assets             | -                          | -                                | -                                    | -                |
| Budget surplus on LA funds               | 103,174                    | -                                | -                                    | 103,174          |
| Budget surplus on other school funds     | -                          | 5,609                            | 5,187                                | 10,796           |
|                                          | <u>103,174</u>             | <u>5,609</u>                     | <u>1,209,659</u>                     | <u>1,318,442</u> |
| Poolsbrook pre pension net assets        |                            |                                  |                                      |                  |
|                                          | <u>103,174</u>             | <u>5,609</u>                     | <u>1,209,659</u>                     | <u>1,318,442</u> |
| <b><i>Whitecotes Primary School</i></b>  |                            |                                  |                                      |                  |
| Tangible fixed assets                    |                            |                                  |                                      |                  |
| -Land and buildings                      | -                          | -                                | 4,065,000                            | 4,065,000        |
| -Other tangible fixed assets             | -                          | -                                | 27,182                               | 27,182           |
|                                          | <u>-</u>                   | <u>-</u>                         | <u>4,092,182</u>                     | <u>4,092,182</u> |
| Whitecotes pre pension net assets        |                            |                                  |                                      |                  |
|                                          | <u>-</u>                   | <u>-</u>                         | <u>4,092,182</u>                     | <u>4,092,182</u> |
| <b><i>Combined pension deficits</i></b>  |                            |                                  |                                      |                  |
| LGPS pension liabilities                 | -                          | (879,000)                        | -                                    | (879,000)        |
| LGPS pension assets                      | -                          | 613,000                          | -                                    | 613,000          |
|                                          | <u>-</u>                   | <u>(266,000)</u>                 | <u>-</u>                             | <u>(266,000)</u> |
| Total pension deficit                    |                            |                                  |                                      |                  |
|                                          | <u>-</u>                   | <u>(266,000)</u>                 | <u>-</u>                             | <u>(266,000)</u> |
|                                          | <u>109,352</u>             | <u>(258,606)</u>                 | <u>6,346,436</u>                     | <u>6,197,182</u> |
| Total net assets/(liabilities)           |                            |                                  |                                      |                  |
|                                          | <u>109,352</u>             | <u>(258,606)</u>                 | <u>6,346,436</u>                     | <u>6,197,182</u> |