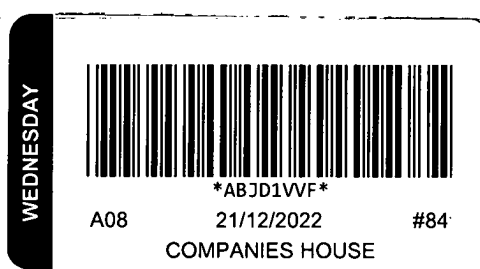


CAVENDISH LEARNING TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



CAVENDISH LEARNING TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 18
Statement on regularity, propriety and compliance	19
Statement of trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28 - 29
Statement of cash flows	30
Notes to the financial statements	31 - 62

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Ms Maggie Riley (Chair) Mr Tony Stacey Mr Philip Brown Ms Barbara Walsh Mr Ian Else (resigned 17 January 2022)
Trustees	Ms Karen Robinson, Chair Ms Dawn Walton, Vice Chair Mr Nigel Sternberg Mr Philip Brown Mr John Doyle Ms Maureen Hemingway Mrs Melanie Archbould (appointed 25 May 2022) Dr Victoria Truman (appointed 25 May 2022) Mr Mark Sheikh (resigned 25 May 2022)
Company registered number	7935515
Company name	Cavendish Learning Trust
Principal and registered office	Ralph Road Staveley Chesterfield Derbyshire S43 3PU
Senior management team	Mr Dave Williams, (Chief Executive Officer) Mrs Joanne Mappin, (Executive Primary Lead) Miss Laura Needham, (Chief Finance Officer)
Independent auditors	BHP LLP Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Bankers	Lloyds Bank Butt Dyke House 33 Park Row Nottingham NG61 6GY

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors	Browne Jacobson Castle Meadow Road Nottingham NG2 1BJ
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CAVENDISH LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The trust operates a number of schools in Derbyshire. The Trust has one secondary and three primary schools.

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 is the primary governing document of the Academy Trust.

The Trustees of Cavendish Learning Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Cavendish Learning Trust.

Details of the Trustees who served during the , and to the date these accounts are approved 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

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 5);
- (b) Further co opted Governors (currently 3).

The Chief Executive Officer of the Trust is an ex officio trustee.

The Academy Improvement Boards (local Governance structure) have 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. The Academy Improvement Boards also have staff representatives.

Barrow Hill, Dunston and Gilbert Heathcote Academies have one shared Academy Improvement Board.

The appointment of Board members follows a 4 stage process:

- (1) Individuals who may be suitable to be a Trustee are identified by the Members, Trustees or the executive Team;
- (2) Initial visit is arranged to meet with members of the Trust Board and Executive team;
- (3) An application form is required from the candidate;
- (4) The candidate is interviewed by two representatives of the Members (for Member appointed) or Trustees (for co-opted).

The skills audit of the Trust Board is used to support the process of appointing Trustees to ensure that skills gaps are filled. The Trust seeks to appoint an inclusive and diverse Board. There are additional provisions to allow the Secretary of State to appoint Trustees in certain limited circumstances.

d. Policies adopted for the induction and training of Trustees

New Board members on appointment receive a Governance handbook that they are expected to read that covers the roles and responsibilities of the Trust Board. They are also required to complete the following activities:

- Read and accept the Trust's Governance Code of Conduct
- Read the DFE Academy Trust Handbook
- Read the DFE Governance Handbook
- Read the Trust's Financial Procedures manual
- Read, understand and enact the 'Nolan Principles of Public Life'
- Read previous minutes of Trust Board and AIB meetings
- Read the CEO reports to gain an understanding of the work of the Trust
- Read information in relation to the schools within the Trust including Ofsted reports, School Improvement Plans and Headteacher/Heads of Academy reports
- Complete training on Safeguarding, Health and Safety, Data Protection, Human Resources and Exclusions

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Organisational structure

The Trust Board's role is strategic, acting upon advice from the Chief Executive Officer, who is also the Accounting Officer and the Executive team. The Board set the aims and objectives of the Trust and this is then monitored by the Trust Board or delegated to the Academy Improvement Board through the Scheme of Delegation.

The Board has two sub-committees:

- Finance and Audit Committee
- HR and Remuneration

There are six Trust Board meetings per year, three Finance and Audit meetings, three HR and Remuneration and six Academy Improvement Board meetings. The remit of each of the subcommittees is included in the Trust's Governance Handbook in line with the DFE's Academy Trust and Governance Handbooks.

A clear scheme of delegation is in place that is understood at all levels of Governance.

The Chief Executive Officer is responsible for the following areas:

- Monitoring the Trust budget with support from the Chief Finance Officer.
- Effective implementation Trust policies.
- Oversight of human resources in line with Trust policies.
- Ensuring Health and Safety regulations are adhered to and statutory testing is in place.
- Ensuring that the curriculum statutory requirements are in place with support of the Executive Primary Lead.
- Monitoring school improvement plans and the impact on educational standards with support of the Executive Primary Lead.
- Ensuring the provision for free school meals and nutritional standards.
- Act as the Trust's Accounting Officer.

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

Pay ranges are identified for all senior leaders within the Trust and are linked to the successful completion of targets. A benchmarking process is undertaken to ensure value for money and external advice is taken where necessary to ensure the process is fair and transparent.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	-

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	-
1%-50%	2
51%-99%	-
100%	1

Percentage of pay bill spent on facility time £

Total cost of facility time	13,766
Total pay bill	7,457,459
Percentage of total pay bill spent on facility time	0.18 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	7.37 %
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

Vision Statement

We are a family of schools working together focused on supporting the needs of our individual communities, providing excellent education to maximise children and young adults' life choices.

Values Statements

In order to deliver the vision, the Trust ensures that all schools focus on the following values, which are included in the quality assurance processes:

- **Teaching and Learning:** To provide a range of innovative, engaging and challenging learning experiences for children and young adults, in order to nurture talent and promote the development of the whole person.
- **Professional Development:** To provide professional development opportunities for all staff at every stage of their career, and in doing so nurture potential and motivation.
- **Children, Young Adult and Staff WellBeing:** To ensure that every child, young adult and member of staff in the organisation develops knowledge and skills to be independent and resilient individuals. To promote a learning and working environment that is safe and supports children, young adults and staff well-being
- **Ethical Leadership:** Embed the seven 'Principles of Public Life' of selflessness, integrity, objectivity, accountability, openness, honesty and leadership throughout the Trust.
- **Collaboration:** To develop a culture within our family of schools which is founded on collaboration, mutual support and helping each other to continually improve for the benefit of our communities and all children, young adults and members of staff within them.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

Education Strategy

An overview of the education strategy built around the Trust's values includes:

- **Teaching and Learning:** A broad and balanced curriculum in all schools, built upon clear progression through effective curriculum mapping. This includes ensuring the curriculum fulfils the statutory requirements.
- **Professional Development:** A talent management strategy that identifies clear progression routes and builds upon existing programmes already in place.
- **Children, Young Adult and Staff Wellbeing:** A clear inclusion strategy that includes safeguarding, SEND and behaviour as key elements. This includes the development of an integrated resource and extended provision to support children and their families.
- **Ethical Leadership:** Embed the vision and values of the Trust within all of the schools. Ensure the development of distributed leadership.
- **Collaboration:** The further development of the Trust's networks and increasing the number of partnerships with other organisations to support the Trust's collaborative approach.

Development Strategy

The Trust has also been working on a development strategy that supports the need to fulfil its wider civic responsibilities and has identified 4 key areas following research being conducted:

- **Barriers to Learning:** Provide support for children and families that support external barriers to learning including mental health and communication and language.
- **Community Hubs:** The creation of community hubs that enable children and families to access a number of services on the school site by working in partnership with a range of services.
- **Communication and Relationships:** The development of appropriate strategies to support the relationships with key stakeholders.
- **Performance Measurement:** Develop a way in which civic leadership can be measured in order to determine the success of the strategies implemented.

c. Public benefit

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

a. Key performance indicators

Impact of COVID

COVID still had a significant impact on the Trust in the 2021/22 academic year, especially in relation to staff absence. This therefore created inconsistencies in relation to the delivery of lessons and has had an impact in relation on the test and examination performance in all key stages.

This has also created issues at a national level in relation to the ability to compare results and due to this, the results in 2022 are not to be compared between schools due to the impact of COVID being different in each school.

Results Overview

Primary:

Measure	Barrow Hill	Dunston	Whittington Moor
EYFS - GLD	66 (65)	44 (65)	43 (65)
Phonics – Year 1	70 (75)	49 (75)	64 (75)
KS2 – RWM Combined	13 (59)	21 (59)	NA

(National)

At KS2 the combined score was affected by maths at Barrow Hill (all other measures above 30%) and writing at Dunston (all other measures above 40%). Clear plans are in place in order to improve these areas in the next academic year.

Secondary:

Key Stage	Measure	Result
KS4	Attainment 8	4.35
	Maths 5+	49
	English 5+	55
	English and Maths 5+	41
KS5	A-E	97
	Average Point Score per entry	29.9

(National data not yet released)

The performance at KS4 was slightly lower than in 2019 (the last examination year) and at KS5, it was in line.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Ofsted

Two inspections were completed during the 2021/22 academic year:

- Dunston: Requires Improvement (Graded Good in three areas).
- Whittington Moor: Good.

The inspections demonstrated that the changes made to the curriculum are effective and having a positive impact on the progress made by the children in the schools.

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. Promoting the success of the Trust

The Trustees confirm that as directors, they have acted in a way most likely to promote the success of the Trust as required in Section 172 of the Companies Act 2016 and in doing so, have had regard (amongst other matters) to:

- The likely consequences of any decision in the long term – The core strategic objective is to sustain and improve the quality and effectiveness of all aspects of each school and the Trust as a whole. All strategy and decision making (short, medium and long-term) is carefully considered by all trustees, and always has recourse back to the impact on this core objective.
- The interests of the Trust's employees – The health, safety, wellbeing, workload, support, development and retention of staff is a core trust commitment enshrined in its 'pledge' to staff. Procedures, policy and monitoring ensure that these commitments are delivered consistently and the interests of employees are always considered.
- The need to foster the Trust's business relationships with suppliers, customers and others – The Trust has clear protocols and expectations which it maintains at all times.
- The impact of the Trust's operations on the community and the environment – The Trust and each school is very aware of its importance and impact within the community and environment. Whenever possible, actions attempt to reduce this impact, and foster strong external community links.
- The desirability of the Trust maintaining a reputation for high standards of business conduct – The trust is committed to maintaining a strong reputation and the highest standards of business conduct.
- The need to act fairly as between members of the company – the Trust works with its members, keeping them suitably informed of the trust's activities, plans and governance arrangements so that they are able to fulfil their role effectively.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Financial review

a. Financial review

The Trust reported an in year deficit of £435,239 for 2021/2022 excluding pension adjustments.

At 31 August 2022, total revenue reserves of the Trust excluding pensions were £1,451,915.

The principal source of funding is the General Annual Grant which is received from the Education and Skills Funding Agency (ESFA). This funding is allocated to the Trust via a set formula for each individual school. General Annual Grant accounts for 84% of total Income from Charitable Activities (2021: 80%). The ESFA and Department for Education also provide additional grants towards the cost of Universal Infant Free School Meals and for Pupil Premium. The Trust receives income from the local authority towards the additional costs of students with special educational needs and disability, as well as for Early Years provision. Government funding remains very tight and the Trust is constantly reviewing its operations in order to deliver its objectives within the available funding envelope, as well as looking to supplement funding from other sources where these can be identified (for example by letting out premises and school fundraising).

Cash balances stood at £2,470,791 at 31 August 2022, compared to £1,798,140 in the previous year.

The Trust is still focused on cost saving exercises, and identification of area where economies of scale and synergies can be achieved.

b. Reserves policy

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

- Unrestricted reserves: £505,848
- GAG reserves: £871,262
- Total free reserves: £1,377,110

Although the reserves exceed the Trust's strategy of 3% to 5%, some of the reserves will be utilised to pay for unfunded wage rises and the increased costs of utilities. The Trust Board has allocated £600,000 to support the delivery of a range of projects. These projects were determined by a review of the School Improvement Plans, so that there was a direct link to identified areas within them. The projects identified were as follows:

- ICT - £150,000 to upgrade the infrastructure within the schools in line with DFE guidance.
- Inclusion Strategy - £240,000 allocated for Speech and Language Therapy and an Integrated Resource.
- Outdoor Provision (Primary) - £150,000 to improve the outdoor spaces for the Early Years within each of the primary schools.
- Staff Well-Being - £50,000 to develop a well-being package as part of the Trust's 'People Strategy'.
- Development Strategy - £10,000 to support the development of the nursery provision at Whittington Moor Nursery and Infant Academy.

Not all of these projects have yet to be completed but the funding has been allocated within the accounts.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

c. Investment policy

Investments must be made only when approved by the Trust Board.

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.

d. Principal risks and uncertainties

The Trustees are aware of the risks to the Trust and a risk register has been developed to respond to these. The principal risks and uncertainties identified (other than the pension deficit are:

- Financial Viability of a Small Trust.
- Falling pupil numbers.
- Inadequate Ofsted judgement.
- Skills Shortage.
- Sickness Absence.
- Growing too Quick.
- Breach of Health and Safety Legislation.
- Safeguarding Breach.
- Fraud and Data Breach.
- Business Interruption.

The Trust is at particular risk at this moment in time due to the financial pressures being placed on education budgets including staffing costs due to potential wage increases and also the costs of utilities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

Most of the income to the Trust is in the form of grants from the ESFA, the local authority and the Department for Education.

The Trust does not charge for school activities and education that take place during school hours and are part of the school curriculum. Voluntary contributions may be requested to enable the Trust to run extra activities (including trips and visits) which are deemed educationally desirable. The Trust will make it clear in its communications to parents that these contributions are voluntary, and that no pupil will be treated differently according to whether or not his or her parent/carers has contributed. If insufficient funds are collected to cover costs, activities may be cancelled.

There are areas of the curriculum we are allowed to charge for. If parents wish to receive items made by their children, they will be asked to pay for materials used. Ingredients will be provided for children who cannot pay, but the item will not be sent home. Charges may also be made for activities taking place outside of school hours to cover the cost of items such as transport, accommodation, food and drink, entrance fees, supervision, and insurance. Arrangements are in place to help the parents of disadvantaged families to ensure that their child can take part in such events. Further information is given in our Charges and Remittances policy which is available from our website.

Any contributions requested towards the costs of any such activities will be set at a level which does not generate a profit for the school after taking account of all expected costs of the event plus a small operational contingency.

The Trust will not repeatedly ask for contributions for the same payment (though some larger events may allow parents to pay in instalments) and will advise anyone struggling to pay to approach the school to discuss how support may be given where appropriate.

Employee involvement and employment of the disabled

The Trust has a comprehensive Equality and Diversity Policy which is available on the Cavendish Learning Trust website. This policy covers disabled persons as well as inequality arising out of age, gender or sex, marital status, parenthood, race, sexual orientation and other forms of disadvantage such as isolation and rural deprivation.

As a major employer and provider of education services the Trust is committed to advancing equality of opportunity and providing fair access and treatment in employment. Recruitment is carried out fairly and additional equipment or support is provided to employees where it is reasonable to do so.

Employee consultation

The Trust always consults with staff ahead of implementing any significant new arrangements which may affect employees. This includes dialogue with Trade Unions and Professional Associations, meetings with affected groups of staff, and carrying out one to one meetings to advise employees of the potential effect of any proposed arrangements on them.

Plans for future periods and post balance sheet events

There are currently no further schools in the pipeline to join the Trust in 2022/23. However, a secondary school has signed a 'MAT Partnership Agreement', which will support the development of secondary education within the Trust.

The Trust is also in discussions with a local junior school who may also sign a partnership agreement in due course.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Future objectives of the Trust

In line with Trust's education and development strategy, the following objectives will support the Trust in delivering these:


- To further develop strategic leadership at all levels within the Trust, supporting the development of all schools, leading to all schools being good or outstanding.
- To further develop the role of the Trust's 'Shared Services' in supporting the schools.
- To ensure that the Trust is financially viable and is providing value for money by responding to the feedback of the SRMA review.
- To further develop structures, processes and procedures within the Trust in order to fulfil statutory requirements.
- To ensure all areas of the risk register are closely monitored and reviewed.

Disclosure of information to auditors

Insofar 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 15, 2022 and signed on its behalf by:


KJRobinson (Dec 15, 2022 12:42 GMT)

Mrs Karen Robinson
Chair of Trustees

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
Ms Karen Robinson, Chair	9	9
Ms Dawn Walton, Vice Chair	8	9
Mr Nigel Sternberg	5	9
Mr Philip Brown	8	9
Mr John Doyle	5	9
Ms Maureen Hemingway	4	9
Mrs Melanie Archbould (appointed 25/05/22)	2	2
Dr Victoria Truman (appointed 25/05/22)	2	2
Mr Mark Sheikh (resigned 25/05/22)	4	6

In the 2021/22 academic year, the following changes to the Governance structures in the Trust have been made:

- A new scheme of delegation has been implemented.
- The Academy Improvement Boards at both primary and secondary have been successfully re-established.
- A communication strategy has been implemented that ensures effective communication between Members, Trustees, Governors and the Executive Team.
- Established a HR/Remuneration Committee.

Following a review of the current membership of Members, Trustees and Governors, there is a need to consider a recruitment process during the 2022/23 academic year in order to fill the skills gaps that have been identified. This includes:

- Marketing and Communication
- Human Resources.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Trust previously had an external review of Governance completed by the National Governance Association, with the recommendations being implemented by the Trust Board. In 2021/22 the Trust completed an internal review of the progress with individual Members, Trustees and Governors. This led to the following changes:

- Changes being made to the schemes of delegation in relation to Safeguarding and Health and Safety. These elements were changed in order to provide closer monitoring of these areas by the Academy Improvement Boards of the Trust.
- A review of which Trustees were Member appointed or Co-Opted. This included changing the status of the Chair of Trustees to be Member appointed.
- A skills audit that led to the recruitment of new Trustees with particular skills in Business and Higher Education, to further support the development of the Trust.

The Trust Board is due to commission an external review of Governance in the 2022/23 academic year.

In 2021/22, the Finance Committee was a sub-committee of the Board of Trustees. Its purpose was to oversee finance, audit, risk register and personnel. This included oversight of both internal scrutiny and external auditors was overseen by this committee.

Trustee	Meetings attended	Out of a possible
Karen Robinson	3	3
Dawn Walton (Chair)	3	3
Nigel Sternberg	1	3
Phil Brown	3	3
John Doyle	1	3
Maureen Hemingway	0	3
Melanie Archbould (appointed 25/05/22)	0	0
Victoria Truman (appointed 25/05/22)	0	0
Mark Sheikh (resigned 20/07/22)	2	2

Review of value for money

As accounting officer, the Chief Executive Officer 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.

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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 Trust's use of 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.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Sharing procurement of services and the provision of training between several schools to generate economies of scale.
- Reviewing staffing requirements and reducing cost commitments where possible when staff vacancies occur.
- Benchmarking expenditure against that of similar Trusts to check that expenditure levels are not excessive in comparison to similar organisations.
- Implementing elements of the SRMA review, including reviewing all contracts within the Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from Hart Shaw for financial processes.

The reviewer'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:

- Financial process and segregation of duties.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a periodic basis, the internal auditor reports to the finance and resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

In addition to this, Judicium Education has also been used to carry out internal scrutiny of the following areas:

- Health and Safety.
- Data Protection.

The audits completed have enable the Trust to improve processes within each of the schools.


Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 internal scrutineer.
- The work of the external auditors.
- The financial management and governance self?assessment process.
- The work of the Executive Leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.


Approved by order of the members of the Board of Trustees and signed on their behalf by:


KJRobinson (Dec 15, 2022 12:42 GMT)

Mrs Karen Robinson

Chair of Trustees

Date: Dec 15, 2022


David Williams (Dec 15, 2022 13:59 GMT)

Mr David 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 2021.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Handbook 2021.

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.


David Williams (Dec 15, 2022 13:59 GMT)

Mr Dave Williams
Accounting Officer
Date: Dec 15, 2022

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

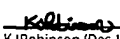
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:


KJRobinson (Dec 15, 2022 12:42 GMT)

Mrs Karen Robinson
Chair of Trustees
Date: Dec 15, 2022

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST

Opinion

We have audited the financial statements of Cavendish Learning Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Charitable Company'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 Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the trust and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focussed on laws and regulations relevant to the trust which could give rise to a material misstatement in the financial statements. These laws and regulations include, but are not limited to, those issued by or relating to Ofsted, ESFA, GDPR, Safeguarding and Health and Safety. Our testing included discussions with management and directors with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, reviewing legal expenses and reviewing Ofsted reports. We also reviewed the trusts' website to ensure the required disclosures had been made in line with the Academies Trust Handbook. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST (CONTINUED)

Use of our report

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. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Philip Allsop (Dec 15, 2022 15:10 GMT)

Philip Allsop (senior statutory auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: Dec 15, 2022

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CAVENDISH LEARNING TRUST AND THE EDUCATION & 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 2021 to 2022, we 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 2021 to 31 August 2022 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cavendish Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cavendish Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cavendish Learning Trust's accounting officer 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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;

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

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

- 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 our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Philip Allsop
Philip Allsop (Dec 15, 2022 15:10 GMT)

Philip Allsop
BHP LLP
Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

Date: Dec 15, 2022

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	120,425	120,425	876,538
Other trading activities	5	138,790	2,299	-	141,089	60,143
Investments	6	1,958	-	-	1,958	227
Charitable activities	4	207,549	10,541,213	-	10,748,762	11,104,443
Total income		348,297	10,543,512	120,425	11,012,234	12,041,351
Expenditure on:						
Charitable activities	7	184,145	11,151,272	860,056	12,195,473	16,686,590
Total expenditure		184,145	11,151,272	860,056	12,195,473	16,686,590
Net income/(expenditure)		164,152	(607,760)	(739,631)	(1,183,239)	(4,645,239)
Transfers between funds	17	11,250	(262,474)	251,224	-	-
Net movement in funds before other recognised gains/(losses)		175,402	(870,234)	(488,407)	(1,183,239)	(4,645,239)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	5,857,000	-	5,857,000	(1,304,000)
Net movement in funds		175,402	4,986,766	(488,407)	4,673,761	(5,949,239)
Reconciliation of funds:						
Total funds brought forward		330,446	(5,951,699)	24,060,236	18,438,983	24,388,222
Net movement in funds		175,402	4,986,766	(488,407)	4,673,761	(5,949,239)
Total funds carried forward		505,848	(964,933)	23,571,829	23,112,744	18,438,983

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

CAVENDISH LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7935515


BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	23,422,879	24,060,236
		23,422,879	24,060,236
Current assets			
Debtors	15	422,621	376,004
Cash at bank and in hand		2,470,791	1,798,140
		2,893,412	2,174,144
Creditors: amounts falling due within one year	16	(1,292,547)	(775,397)
Net current assets		1,600,865	1,398,747
Total assets less current liabilities		25,023,744	25,458,983
Net assets excluding pension liability		25,023,744	25,458,983
Defined benefit pension scheme liability	24	(1,911,000)	(7,020,000)
Total net assets		23,112,744	18,438,983
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	23,571,829	24,060,236
Restricted income funds	17	946,067	1,068,301
		24,517,896	25,128,537
Restricted funds excluding pension asset	17	24,517,896	25,128,537
Pension reserve	17	(1,911,000)	(7,020,000)
Total restricted funds	17	22,606,896	18,108,537
Unrestricted income funds	17	505,848	330,446
Total funds		23,112,744	18,438,983

CAVENDISH LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7935515

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 27 to 62 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


KJRobinson (Dec 15, 2022 12:42 GMT)

.....
Mrs Karen Robinson
Chair of Trustees
Date: Dec 15, 2022

The notes on pages 31 to 62 form part of these financial statements.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	615,175	161,258
Cash flows from investing activities	20	57,476	(442,718)
Change in cash and cash equivalents in the year		672,651	(281,460)
Cash and cash equivalents at the beginning of the year		1,798,140	2,079,600
Cash and cash equivalents at the end of the year	21, 22	<u>2,470,791</u>	<u>1,798,140</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

Cavendish Learning Trust is a company limited by guarantee (no. 7935515). The registered office is Ralph Road, Staveley, Chesterfield, S43 3PU.

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cavendish Learning Trust meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in £ sterling, which is the financial currency of the Trust and rounded to the nearest £.

1.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Property	- 2% - 3.33% straight line
Furniture and equipment	- 10 - 20% straight line
Plant and machinery	- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 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.

1.8 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.

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust are held at face value less any impairment.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Pensions

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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.

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 23, 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Pensions (continued)

income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 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 28.

1.14 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 funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. 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 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 or 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	-	-	-	13,112
Capital grants	-	-	120,425	120,425	863,426
	-	-	120,425	120,425	876,538
Total 2021	324	12,788	863,426	876,538	

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Education				
DfE/ESFA grants				
General Annual Grant	-	8,976,529	8,976,529	8,918,226
Other DfE/ESFA grants				
Pupil Premium	-	564,584	564,584	617,560
Teachers' Pension Grant	-	-	-	314,557
Other	-	130,802	130,802	106,063
	-	-	9,671,915	9,956,406
Other Government grants				
Special Educational Needs	-	483,662	483,662	274,453
Other government grants non capital	-	141,950	141,950	441,918
	-	625,612	625,612	716,371
Other income from the Academy Trust's education	207,549	81,174	288,723	292,266
COVID-19 additional funding (DfE/ESFA)				
Recovery Premium	-	63,487	63,487	114,120
School led tutoring	-	85,671	85,671	-
	-	149,158	149,158	114,120
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	-	13,354	13,354	25,280
	-	13,354	13,354	25,280
	207,549	10,541,213	10,748,762	11,104,443
Total 2021	111,278	10,993,165	11,104,443	

There was £63,487 of recovery premium received in the year, which was spent during the year on salary costs and learning resources. There was also £85,671 of school led tutoring, which was all spent during the year on salary costs.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	34,142	-	34,142	20,839
Other	104,648	2,299	106,947	39,304
	<u>138,790</u>	<u>2,299</u>	<u>141,089</u>	<u>60,143</u>
Total 2021	<u>26,455</u>	<u>33,688</u>	<u>60,143</u>	

6. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	<u>1,958</u>	<u>-</u>	<u>1,958</u>	<u>227</u>
Total 2021	<u>225</u>	<u>2</u>	<u>227</u>	

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Education:					
Direct costs	7,856,975	-	918,587	8,775,562	7,872,220
Allocated support costs	1,011,279	875,596	1,533,036	3,419,911	3,335,711
Transfer out on academies leaving the academy trust	-	-	-	-	5,478,659
	<u>8,868,254</u>	<u>875,596</u>	<u>2,451,623</u>	<u>12,195,473</u>	<u>16,686,590</u>
Total 2021	<u>8,356,097</u>	<u>875,301</u>	<u>7,455,192</u>	<u>16,686,590</u>	

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	8,775,562	3,419,911	12,195,473	11,207,931
Transfer out on academies leaving the academy trust	-	-	-	5,478,659
	<u>8,775,562</u>	<u>3,419,911</u>	<u>12,195,473</u>	<u>16,686,590</u>
Total 2021	<u>13,350,879</u>	<u>3,335,711</u>	<u>16,686,590</u>	

Analysis of direct costs

	Education 2022 £	Transfers 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs (note 24)	120,000	-	120,000	95,000
Staff costs	7,856,975	-	7,856,975	7,118,403
Educational supplies	484,499	-	484,499	406,813
Examination fees	92,227	-	92,227	95,164
Staff development	56,106	-	56,106	30,057
Other costs	-	-	-	4,182
Technology costs	165,755	-	165,755	122,601
Transfer out on academies leaving the academy trust	-	-	-	5,478,659
	<u>8,775,562</u>	<u>-</u>	<u>8,775,562</u>	<u>13,350,879</u>
Total 2021	<u>7,872,220</u>	<u>5,478,659</u>	<u>13,350,879</u>	

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,011,279	1,011,279	1,227,322
Depreciation	702,263	702,263	771,026
Other support costs	153,491	153,491	212,070
Recruitment and other staff costs	-	-	8,594
Maintenance of premises and equipment	237,241	237,241	173,513
Cleaning	77,569	77,569	27,183
Rent and rates	45,186	45,186	87,919
Heat and light	324,838	324,838	180,300
Insurance	29,550	29,550	43,420
Security and transport	224,809	224,809	224,135
Catering	279,075	279,075	218,120
Office overheads	309,331	309,331	113,584
Bank interest and charges	-	-	2,466
Governance costs (note 9)	25,279	25,279	46,059
	3,419,911	3,419,911	3,335,711
Total 2021	3,335,711	3,335,711	

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Governance costs

	2022	2021
	£	£
Auditor's remuneration	19,024	29,437
Other costs	6,255	4,650
Legal and professional	-	1,600
Wages and salaries	-	10,372
	25,279	46,059

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Operating lease rentals	36,822	31,732
Depreciation of tangible fixed assets	702,263	771,026
Fees paid to auditors for:		
- audit	15,830	20,880
- other services	3,194	4,680

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
Wages and salaries	5,838,451	6,256,250
Social security costs	557,524	565,503
Pension costs	1,861,350	1,217,884
Agency staff costs	8,257,325	8,039,637
Staff restructuring costs	610,929	306,862
	-	9,598
	8,868,254	8,356,097

Staff restructuring costs comprise:

	2022	2021
Severance payments	£	£
	-	9,598
	-	9,598

Included in staff restructuring costs are no non-statutory/non-contractual severance payments (2021: one payment totalling £9,598).

b. Staff numbers

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

	2022	No.
Teachers	190	109
Admin	69	150
Management	16	17
	275	276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	142	100
Admin	37	88
Management	16	17
	195	205

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
In the band £110,001 - £120,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £316,304 (2021: £293,964).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. 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
- Payroll Services

The Academy Trust charges for these services on the following basis:

5.4% of the General Annual Grant for each Academy.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Netherthorpe	352,644	330,511
Barrow Hill	29,184	25,185
Poolsbrook	-	9,007
Whitecotes	-	14,958
Dunston	68,664	64,310
Whittington Moor	22,188	21,420
Total	472,680	465,391

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Tangible fixed assets

	Property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
<i>Cost or valuation</i>					
At 1 September 2021	27,230,538	733,929	433,796	1,128,517	29,526,780
Additions	2,270	5,237	15,594	41,806	64,907
At 31 August 2022	27,232,808	739,166	449,390	1,170,323	29,591,687
<i>Depreciation</i>					
At 1 September 2021	3,508,766	642,833	399,076	915,869	5,466,544
Charge for the year	533,146	74,286	5,422	89,410	702,264
At 31 August 2022	4,041,912	717,119	404,498	1,005,279	6,168,808
<i>Net book value</i>					
At 31 August 2022	23,190,896	22,047	44,892	165,044	23,422,879
At 31 August 2021	23,721,772	91,096	34,720	212,648	24,060,236

Netherthorpe School occupies land held by the Netherthorpe School Foundation. This school is held on licence 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 has 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.

All of the other schools are held on a long term lease basis.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. Debtors

	2022	2021
	£	£
<i>Due within one year</i>		
Trade debtors	21,257	12,075
Other debtors	3,961	739
Prepayments and accrued income	268,154	299,414
Tax recoverable	129,249	63,776
	422,621	376,004

16. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	492,120	204,297
Other taxation and social security	141,619	134,186
Other creditors	173,180	165,031
Accruals and deferred income	485,628	271,883
	1,292,547	775,397

	2022	2021
	£	£
Deferred income at 1 September 2021	44,293	102,517
Resources deferred during the year	57,540	44,293
Amounts released from previous periods	(44,293)	(102,517)
	57,540	44,293

At 31 August 2022 £57,540 was recognised in deferred income in relation to income received which relates to the following financial year. The majority of this deferred income relates to parent pay canteen income, Universal infant income and trip income.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<i>Unrestricted funds</i>						
General Funds	330,446	348,297	(184,145)	11,250	-	505,848
<i>Restricted general funds</i>						
General Annual Grant (GAG)	905,144	8,976,529	(8,717,846)	(292,565)	-	871,262
Pupil premium	-	564,584	(651,025)	86,441	-	-
Special needs funding	-	482,662	(536,846)	54,184	-	-
Trips	16,944	80,890	(86,600)	-	-	11,234
UIFSM	-	41,668	(37,095)	(4,573)	-	-
Staff gifts	762	-	-	(762)	-	-
Charity fund	1,599	-	-	-	-	1,599
De Gruchy fund	24,085	3	(250)	1,151	-	24,989
Restricted other	119,767	397,176	(373,610)	(106,350)	-	36,983
Pension reserve	(7,020,000)	-	(748,000)	-	5,857,000	(1,911,000)
	(5,951,699)	10,543,512	(11,151,272)	(262,474)	5,857,000	(964,933)
<i>Restricted fixed asset funds</i>						
Restricted Funds	24,060,236	120,425	(860,056)	251,224	-	23,571,829
<i>Total Restricted funds</i>	18,108,537	10,663,937	(12,011,328)	(11,250)	5,857,000	22,606,896
<i>Total funds</i>	18,438,983	11,012,234	(12,195,473)	-	5,857,000	23,112,744

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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.

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.

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.

Trips: Funds from parents/carers for school trips.

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

Charity fund: Funds raised for charitable purposes.

De Gruchy: A hardship fund to assist ex students of Netherthorpe School in their move to higher education.

Covid catch-up premium: Funding received to fund extra costs incurred due to the coronavirus pandemic.

Teachers' pension grant: Funds to support the increased costs of employer contributions to the teachers' pension scheme.

LA Early years funding: Providers of Free Early Learning for 2, 3 and 4 year olds are able to claim funding from the Early Years Block Grant held by the Local Authority.

Restricted other: Funds received towards the cost of providing universal infant free school meals, high needs funding, and 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 transfer from GAG funds to restricted fixed asset funds is to reflect unspent capital funding expected to be utilised post year end.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	385,917	138,282	(193,753)	-	-	330,446
Restricted general funds						
General Annual Grant (GAG)	574,826	9,018,028	(8,458,925)	(228,785)	-	905,144
Pupil premium	-	617,560	(617,560)	-	-	-
Special needs funding	-	527,942	(527,942)	-	-	-
Trips	8,526	74,320	(65,902)	-	-	16,944
UIFSM	-	55,617	(55,617)	-	-	-
Staff gifts	762	-	-	-	-	762
Charity fund	1,599	-	-	-	-	1,599
De Gruchy fund	24,083	2	-	-	-	24,085
Covid catch-up premium	-	114,120	(27,679)	-	-	86,441
Teacher's pension grant	-	314,557	(314,557)	-	-	-
LA Early years's funding	-	201,523	(201,523)	-	-	-
Restricted other	-	115,974	(82,648)	-	-	33,326
Pension reserve	(5,730,000)	-	14,000	-	(1,304,000)	(7,020,000)
	(5,120,204)	11,039,643	(10,338,353)	(228,785)	(1,304,000)	(5,951,699)
Restricted fixed asset funds						
Restricted Funds	29,122,509	863,426	(6,154,484)	228,785	-	24,060,236

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	24,002,305	11,903,069	(16,492,837)	-	(1,304,000)	18,108,537
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	24,388,222	12,041,351	(16,686,590)	-	(1,304,000)	18,438,983
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
Central	(66,320)	4,851
Netherthorpe	1,147,735	951,272
Barrow Hill	38,427	47,796
Dunston	190,234	211,623
Whittington Moor (previously Gilbert Heathcote)	141,839	183,205
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,451,915	1,398,747
Restricted fixed asset fund	23,571,829	24,060,236
Pension reserve	(1,911,000)	(7,020,000)
	<hr/>	<hr/>
Total	23,112,744	18,438,983
	<hr/>	<hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit
	£
Central Trust	(66,320)
	<hr/>

The Central Trust is carrying a net deficit of £66,320 on these funds due to additional staffing that had to be brought in to deliver a number of projects within the Trust.

The Academy Trust is taking the following action to return the academy to surplus:

The staffing structure within Shared Service has been reviewed and is now budgeted for through the 'top slice' from each school's GAG income. This will ensure that there is a balanced budget moving forward.

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Central	241,365	97,473	526	951,997	1,291,361	880,526
Netherthorpe	4,608,560	837,460	347,916	1,252,651	7,046,587	6,269,331
Barrow Hill	343,380	192,418	21,794	130,501	688,093	526,379
Poolsbrook	-	-	-	-	-	220,559
Whitecotes	-	-	-	-	-	344,291
Dunston	1,180,947	317,476	88,927	228,497	1,815,847	1,658,613
Whittington Moor (previously Gilbert Heathcote)	243,428	177,279	53,712	176,903	651,322	551,206
Pensions	-	-	-	-	-	(14,000)
Transfer out of academies	-	-	-	-	-	5,478,659
Academy Trust	6,617,680	1,622,106	512,875	2,740,549	11,493,210	15,915,564

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	23,422,879	23,422,879
Current assets	505,848	2,238,614	148,950	2,893,412
Creditors due within one year	-	(1,292,547)	-	(1,292,547)
Provisions for liabilities and charges	-	(1,911,000)	-	(1,911,000)
Total	505,848	(964,933)	23,571,829	23,112,744

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	24,060,236	24,060,236
Current assets	328,030	1,846,114	-	2,174,144
Creditors due within one year	2,416	(777,813)	-	(775,397)
Provisions for liabilities and charges	-	(7,020,000)	-	(7,020,000)
Total	330,446	(5,951,699)	24,060,236	18,438,983

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(1,183,239)	(4,645,239)
Adjustments for:		
Depreciation	702,264	771,026
Capital grants from DfE and other capital income	(120,425)	(863,426)
Interest receivable	(1,958)	(227)
Defined benefit pension scheme cost less contributions payable	628,000	(109,000)
Defined benefit pension scheme finance cost	120,000	95,000
(Increase)/decrease in debtors	(46,617)	107,921
Increase/(decrease) in creditors	517,150	(444,329)
Assets transferred out on academies leaving the Trust	-	5,249,532
Net cash provided by operating activities	615,175	161,258

20. Cash flows from investing activities

	2022 £	2021 £
Interest receivable	1,958	227
Purchase of tangible fixed assets	(64,907)	(1,306,371)
Capital grants from DfE Group	120,425	863,426
Net cash provided by/(used in) investing activities	57,476	(442,718)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,470,791	1,798,140
Total cash and cash equivalents	2,470,791	1,798,140

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,798,140	672,651	2,470,791
	<u>1,798,140</u>	<u>672,651</u>	<u>2,470,791</u>

23. Capital commitments

	2022 £	2021 £
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	<u>193,595</u>	<u>109,743</u>

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £143,071 were payable to the schemes at 31 August 2022 (2021 - £141,226) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £890,246 (2021 - £919,240).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £448,000 (2021 - £475,000), of which employer's contributions totalled £350,000 (2021 - £372,000) and employees' contributions totalled £98,000 (2021 - £103,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5.50 - 12.50 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.75	3.60
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
Retiring today		
Males	21.1	21.3
Females	23.8	23.9
Retiring in 20 years		
Males	22.2	22.5
Females	25.6	25.8

Sensitivity analysis

	2022	2021
	£000	£000
0.1% decrease in real discount rate	184,000	308,000
0.1% increase in Salary increase rate	20,000	34,000
0.1% increase in Pension increase rate (CPI)	165,000	270,000

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	3,861,880	3,725,150
Corporate bonds	1,210,440	1,318,130
Property	518,760	401,170
Cash and other liquid assets	172,920	286,550
Total market value of assets	5,764,000	5,731,000

The actual return on scheme assets was £(329,000) (2021 - £85,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	(978,000)	(811,000)
Settlements on academies leaving the trust	-	548,000
Interest income	98,000	85,000
Interest cost	(218,000)	(180,000)
Total amount recognised in the Statement of Financial Activities	(1,098,000)	(358,000)

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

	2022 £	2021 £
At 1 September	12,751,000	11,289,000
Transferred out on existing academies leaving the trust	-	(1,653,000)
Current service cost	978,000	811,000
Interest cost	218,000	180,000
Employee contributions	98,000	103,000
Actuarial (gains)/losses	(6,273,000)	2,101,000
Benefits paid	(97,000)	(80,000)
At 31 August	7,675,000	12,751,000

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	5,731,000	5,559,000
Transferred out on existing academies leaving the trust	-	(1,105,000)
Interest income	98,000	85,000
Actuarial (losses)/gains	(416,000)	797,000
Employer contributions	350,000	372,000
Employee contributions	98,000	103,000
Benefits paid	(97,000)	(80,000)
At 31 August	5,764,000	5,731,000

25. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	34,205	50,571
Later than 1 year and not later than 5 years	63,263	97,468
	97,468	148,039

26. Members' liability

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Related party transactions

Owing to the nature of the Academy Trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. On 1 September 2021 it was holding undistributed funds of £23,806. During the accounting period ended 31 August 2022 the trust received £39,677 (2021: £33,763) and disbursed £33,374 (2021: £21,638) from the fund. An amount of £30,109 (2021: £23,806) is included in other creditors relating to undistributed funds that is repayable to the ESFA.