

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2018

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditors' report on the financial statements	23 - 25
Independent reporting accountant's assurance report on regularity	26 - 27
Statement of financial activities incorporating income and expenditure account	28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31 - 57

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr Nigel Hiller (Chair)
Mr Steve Poole (resigned 18 January 2018)
Mr Peter Bamford (appointed 1 September 2017)
Mrs Sue Dight (appointed 1 September 2017)
Mr Philip Brown
Miss Carol Wood (resigned 2 October 2018)

Trustees

Mr Keith Bacon, Chair (resigned 6 March 2018)
Mr Philip Brown
Ms Danielle Harris
Mr David Plummer (resigned 11 January 2018)
Ms Karen Porteous (resigned 12 January 2018)
Mr Nigel Sternberg
Mr Dave Williams, Chief Executive
Mr Steve Poole
Ms Barbara Walsh, Chair (appointed 15 March 2018)
Ms Anju Virdee, Vice Chair
Mrs M Pennington (resigned 2 November 2018)
Ms Fiona Parsons

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Company registered number	7935515
Company name	Cavendish Learning Trust
Principal and registered office	Ralph Road Staveley Chesterfield Derbyshire S43 3PU
Senior management team	Mr D Williams, (Chief Executive Officer from 1 Sept 2017) Mr David Plummer, (Chief Operating Officer from 1 Sept 2017) Mrs K Porteous, (Executive Primary Lead)
Independent auditors	BHP LLP Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Bankers	Lloyds Bank Butt Dyke House 33 Park Row Nottingham NG61 6GY
Solicitors	Browne Jacobson Castle Meadow Road Nottingham NG2 1BJ

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. 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. Two schools joined the Trust during the year and the Trust now includes five primary and one secondary school. Our academies have a combined number of pupils on roll of 2,000 in the school census in January 2018. The total published admission number for the schools in the Trust is now 330 per year.

	2018		2017	
	Number of pupils	Published admission number	Number of pupils	Published admission number
Netherthorpe	1,185	170	1,183	170
Whitecotes	218	50	225	50
Poolsbrook	102	15	99	15
Barrow Hill	76	15	72	15
Dunston	275	40	n/a	n/a
Gilbert Heathcote	144	40	n/a	n/a
	2,000	330	1,579	250

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 and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Cavendish Learning Trust are also the directors of the charitable company for the purpose of company of company law. The charitable Company operates as Cavendish Learning Trust.

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

The principal objects of the Academy Trust are as follows:

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- b. to promote for the benefit of individuals living in Chesterfield and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

c. Method of recruitment and appointment or election of Trustees

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

- (a) Up to 7 Member appointed Trustees (currently 6);
- (b) Further co-opted Governors (currently 3).

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

The Local Governing Bodies of each School have two parent Governors who are appointed by locally held elections and parents of all registered pupils attending the academy have the opportunity to stand and to vote. Barrow Hill and Poolsbrook Academies have one shared Local Governing Body.

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

The appointment of Board members follows a 4 stage process:

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

New Trustees are selected on the basis of their skills and ability to perform the roles required by the Trust to be an effective addition to the Board. The Trust will prioritise addressing imbalances and gaps in Trustee skills and experience while considering diversity (in all of its forms) to ensure that the Board is as effective as it can be. There are additional provisions to allow the Secretary of State to appoint Trustees in certain limited circumstances.

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

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

New Board members will:

- be invited by the Chief Executive officer to visit any of our schools to experience their atmosphere and understand their ethos. Have the opportunity to tour the school and meet staff and children;
- meet with a representative of the Executive Team to discuss further the mission of the Trust and the part that a Board member can play;
- have the opportunity to meet informally with an existing Board member who will then act as their mentor. They will explain how the Board and its Committees work;

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- be encouraged to join the Committee(s) of their choice;
- be accompanied by their mentor to their first Board Meeting (if required);
- have the opportunity to review their first meeting with the mentor;
- be given background material on the Trust and current issues;
- be encouraged to ask questions about their role and/or the Trust;
- be encouraged to access training including induction training for Board members.

New Board members will receive and be encouraged to read:

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

e. Organisational structure

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

To facilitate the working of the Trust Board, some of its functions are delegated to Local Governing Bodies, committees, the Chief Executive Officer and Senior Leadership Team. The Board has one subcommittee which is the Finance and Resources committee and meets 3 times per year plus an audit committee which meets annually. Additional subcommittees may occasionally be set up to carry out particular projects or reviews.

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

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

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

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

There have been a number of changes to the Board during the year and as a result it did not formally evaluate its own performance. The Board has concentrated on reconstituting itself as a result of changes in the advice received from the Department for Education, including the resignation of two Trustees who were also senior members of staff to more clearly separate these two tiers of responsibility and the appointment of a new Chair. The board has also strengthened the links between the chairs of the local governing bodies and the Trust Board by establishing regular meetings of all Chairs. The review process for 2018/19 has started informally and the Board intends on reviewing its own performance in 2018/19 at which point there will be sufficient meetings to review the Board's effectiveness in light of progress over recent months.

f. Connected organisations, including related party relationships

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

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

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

Links have also been developed with other schools outside of the Trust in order to widen the experience of staff beyond the confines of the Trust and to enable the sharing of best practice for mutual benefit.

g. Pay policy for key management personnel

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

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	30,094	
Total pay bill	6,327,000	
Percentage of total pay bill spent on facility time	0.48	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	6.21	%
---------------------------------------------------------------------------------------------	------	---

All data disclosed above in relation to Trade Union Facility Time is for the period of 12 months ended on 31 March 2018 as required by the Trade Union (Facility Time Publication Requirements) Regulations 2017.

i. Risk management

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

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

Objectives and Activities

a. Objects and aims

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

Our Vision and Mission Statement is as follows:

Vision Statement

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

Mission Statement

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

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

b. Objectives, strategies and activities

Our Key Aim for 2018/19 is to secure improving outcomes for all schools within the Trust.

In order to achieve this, the Trust has the following central objectives:

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

c. Public benefit

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

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance

a. Strategic report

Two Primary Schools joined the Trust this year:

- Dunston Primary & Nursery Academy
- Gilbert Heathcote Nursery and Infant School

Achievements and performance – Netherthorpe 2017/18

The attainment outcomes at Netherthorpe remained strong with 5+ and 4+ in English and Maths likely to remain above the national average, as will Attainment 8.

The school remains oversubscribed with 285 applications for 170 places. Following the independent appeals, an additional 28 children were given places at Netherthorpe. The school continues to work in partnership with local schools and plays an active part in the work of the Trust.

The priorities for the school are based around improving the progress of the students in Year 11 and this will have a significant impact on the practice at the school during the next academic year.

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

Measure	2018		2017	
	CLT	National	CLT	National
Progress B	-0.49	0	-0.51	0
Attainment B	44.45	N/A	45.95	46
% of students achieving grade 5+ inc English and Maths	43	N/A	48.8	42
% of students achieving grade 4+ inc English and Maths	65	N/A	67.3	63
EBACC APS	3.97	N/A	4.03	N/A

(2018 National Averages not yet verified)

Although there was slight decrease in the GCSE performance, standards have remained fairly consistent on most measures, especially at 4+. The gaps in relation to disadvantaged children have remained the same or decreased slightly. There was a slight decrease in Attainment 8 and there remain issues with the legacy curriculum. A curriculum review is currently being undertaken in order to address this issue for 2018/19 and beyond.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

The Key Stage 5 outcomes were as follows:

"A" Level Measure	2018	2017
% A* - B	34.8	36.1
% A* - C	65.6	67.1
% A* - E	94.3	92.1
%A*/A/B inc 2 Facilitating Subjects	16.3	7.9
APS	29.0	27.5

Although the number of top A*-B/A*-C slightly decreased, this was a weaker year group based on their Average Point Score on entry to 6th Form. However, the overall pass rate increased for the third year in a row and there was a reduction in the number of U grades. Improvements were made in students achieving the top grades including two facilitating subjects and also the Average Point Score.

Achievements and performance - Primary Schools 2017/18

In 2017/18, the Early Years results were as follows:

Measure	Barrow Hill		Poolsbrook		Whitecotes		Gilbert		Dunston	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
%GLD	64	55	73	77	63	68	63	72	71	67

The national average for 2017 was 71% and based on student numbers at the smaller schools, this means that most schools are in line with the national average. There were some decreases but this was down to the development of the students on entry to reception. Note that both Gilbert Heathcote and Dunston only joined the Trust in the Spring Term of 2018.

A much stronger performance in most schools was evident in Key Stage 1, with some significant improvements as shown in the following table:

Measure	Barrow Hill		Poolsbrook		Whitecotes		Gilbert Heathcote		Dunston	
(Key stage 1)	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Reading	67	80	80	80	82	63	83	76	76	76
Writing	83	70	80	87	72	53	70	73	70	70
Mathematics	100	70	80	80	75	60	73	70	76	70

At Key Stage 2, Dunston continued its improvement trend over the last three years and will continue to develop in the future. There were increases in both attainment and progress at the school.

In the three other schools, the results were inconsistent with improvements in some areas and declines in other areas. Although the overall attainment at Whitecotes went down, progress improved and the school is now above the floor standards in all areas. Barrow Hill only had 8 students complete KS2 this year and therefore, on many measures were only one child below the national average. Poolsbrook had a decline in performance and although only 12 students completed KS2: this is a declining trend that needs to be addressed.

All schools will have had an external review completed in the Autumn Term of 2018. School Improvement Plans have clearly identified the areas we need to address for development.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Measure of progress (Key stage 2)	Barrow Hill		Poolsbrook		Whitecotes		Dunston		'Floor'
	2018	2017	2018	2017	2018	2017	2018	2017	
Reading	-2.2	2.5	-8.4	-3.8	-4.6	-7.4	-0.1	-1.1	-5
Writing	4	3	1.6	1.8	-2.7	-5.2	0.9	0.6	-5
Mathematics	-5.9	2.8	-8.7	n/a	-4	-6.2	-1.1	-1.1	-7

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

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

a. Financial review

The Trust reported an in-year revenue deficit of £86,288 for 2017-18 excluding pension reserves. This included the costs of the Shared Services Centre which is currently being funded from brought forward reserves, and also costs of restructuring at Netherthorpe School designed to ensure that the Trust is more stable in future financial years. All schools except for Barrow Hill have positive cumulative reserves: at 31 August 2018 the total revenue reserves of the Trust excluding pensions was £433,768. During the year two additional schools joined the Trust: Dunston Primary and Nursery Academy which brought with it revenue reserves on conversion of £99,150 in February 2018 and Gilbert Heathcote Nursery and Infant School in the following month, which brought with it revenue reserves of £59,265 on conversion. 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 82% of total Income from Charitable Activities (2017: 83%). 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).

Barrow Hill Primary Academy overspent during the year, ending with a deficit in its reserves of £49,477 as at 31 August 2018. This was due to having to pay a large amount out in supply costs to cover several staff absences over the year, as well as having to backfill to cover for senior positions. The school also did not recover sufficient Early Years funding during the year from the local authority. The Trust has a plan to reverse this deficit over the medium term through a reorganisation of the staffing of the school, including reviewing the leadership structure and reducing the number of classes to more efficiently match the number of students at that school in 2018-19.

Netherthorpe School reported a net deficit in the year of £26,252 mainly due to the costs of a reorganisation of staff during the year and additional costs incurred on home to school transport because the original supplier of these services pulled out of its contract with the school. The school spent additional amounts of GAG on capital projects in the year including additions to CCTV systems and changes made to the canteen and other areas of the school to accommodate increased student numbers in those areas. Netherthorpe has carried forward remaining reserves of £98,670 into the 2018-19 academic year.

Poolsbrook Primary Academy overspent its budget by £10,115. It too has experienced staffing absences and has spent relatively large sums on engaging temporary supply staff as a result. The school had to pay the exceptional costs of replacing broken water heaters and had fewer Early Years pupils than originally anticipated in the year. Poolsbrook has carried forward remaining reserves of £94,975 into the 2018-19 academic year, part of which will be used to fund a reorganisation in that year.

Whitecotes Primary Academy overspent by £48,270 during 2017-18. The school had planned to overspend in the year in order to utilise its brought forward reserves for projects designed to help outcomes at the school and for a number of small capital projects. The school has now used the majority of its available free reserves and has a balanced budget set for 2018-19. It carried forward reserves of £20,112 into the 2018-19 academic year.

Dunston Primary & Nursery Academy joined the Trust in February 2018. The school inherited free reserves of £99,150 from the predecessor school and underspent by £14,405 in the year. The school has a healthy balance to carry forward of £113,555. Part of this balance is planned to be used to supplement a grant that the Academy has received to extend the school buildings to enable the number of pupils in the school to be increased in 2019 due to the development of a local housing estate.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Gilbert Heathcote Nursery and Infant School was the most recent school to join us in March. The school inherited £59,265 from the predecessor school when it joined the Trust and this had increased to £78,664 by the end of the year due to tight financial management. This reserve will be vital in future periods as funding for smaller schools gets more difficult nationally.

At the end of the year a total of £317K (2017: £201k) unrestricted funds, £117k (2017: £320k) restricted funds and £29,427k (2017: £23,575k) restricted fixed asset funds were held by the Trust offset by a negative pension reserve of £3,150k (2017: £2,722k). The Trust has engaged professional actuaries to advise on the activity of the defined benefit pension schemes as described in note 23 and considers that the combined contribution rates for the ongoing LGPS scheme are sufficient to address any shortfall over time.

Cash balances stood at a healthy £1,147k at 31 August 2018, compared to £797k in the previous year, due to the impact of two additional schools joining the Trust and the receipt of Capital Improvement Funding in advance of completing the projects at both Barrow Hill and Poolsbrook Academies.

As funding continues to fall behind costs per pupil the Trust has started to review the organisation of its schools and has prepared a financial plan to ensure that the Trust remain financially sustainable in the long term.

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.

At present the Trust is reliant upon grants received from the Department for Education to support the operation of the central team. The Board has put together a Financial Strategy which will enable the Trust to maintain its financial sustainability over a five year forecast period once the grants that the Trust received on forming the Trust have been exhausted.

c. Principal risks and uncertainties

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

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

- Pupil numbers;
- Future funding levels, in particular with relation to the continuance of the Teachers Pay Grant and funding in the forthcoming Comprehensive Spending Review;
- Public sector pension contribution rates;
- Success of applications for capital building projects and Trust expansion projects;
- Not achieving critical mass within the Trust to support the cost of managing a small number of schools;
- Incorporation of inappropriate schools into the Trust without completing a thorough due diligence process;
- Uncontrolled growth in the number of schools in excess of available resources to control this;
- Unbudgeted increases in teaching or support staff costs.

The Trust is particularly open to risk surrounding staffing and income. Staffing, like other schools, accounts for the use of

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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

d. Reserves policy

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

• Unrestricted reserves	£ 316,832
• GAG reserves	£ Nil
• Sponsor Capacity fund	<u>£ 64,213</u>
Total free reserves	<u>£381,045</u>

These free reserves are held in order to provide a cushion for buildings maintenance, to cover increases in staffing costs and protect us against falling rolls. Some of our buildings are several hundred years old. The long term aim of the Trust is to maintain funds to the value of approximately £300,000 across the Trust. We aim to build this up by reviewing operational activities and making efficiency savings where possible, by benefiting from economies of scale, and reviewing all expenditure to ensure that it represents value for money within every cost centre of the Trust.

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

e. Investment policy

Investments must be made only when approved by the Governing Body.

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.

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 (e.g. baking and sewing). 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 CLT is committed to advancing equality of opportunity and providing fair access and treatment in employment. Recruitment is carried out fairly and we provide additional equipment or support 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, 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. During the year employees at Netherthorpe were consulted about a reduction in staffing levels in advance of taking any decision which helped to reduce the number of compulsory redundancies by seeking expressions of interest for voluntary redundancies in a number of cases. We have also consulted widely with trade unions and staff in advance of transfers of staff to the Trust from Derbyshire County Council under the Transfer of Undertakings (Protection of Employment) Regulations when bringing the Facilities Management teams in house at our two newest primary schools and during the conversion process of those two schools.

Plans for future periods

There are currently no further schools in the pipeline to join the Trust during 2018-19. The Trust is currently consolidating its position and ensuring that its current schools' outcomes are secured for the next year. We would welcome additional partner schools to become members of the Trust in due course if they are 'Good' or 'Outstanding', as such schools would add to our capacity to support one another. In particular we would welcome a secondary school to join the Trust to enable Netherthorpe School to get greater benefit from its continuing membership of the Trust.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) **FOR THE YEAR ENDED 31 AUGUST 2018**

Future objectives of the Trust:

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

To further develop strategic leadership within the Trust.

To continue to develop the Operational Leadership Team in order to deliver the best possible corporate services to academies within the Trust, to ensure that the Trust is financially viable and providing value for money.

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

The Trust has already started exciting partnerships with other local schools and Trusts during 2018/19 and we are looking to significantly build on these relationships to include all levels of staff as the year progresses.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 13 December 2018 and signed on its behalf by:

Ms Barbara Walsh
Chair of Trustees

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Keith Bacon (Resigned)	3	3
Mr Philip Brown	7	7
Ms Karen Porteous (Resigned)	1	2
Mr David Plummer (Resigned)	2	2
Ms Danielle Harris	4	7
Mr Nigel Sternberg	6	7
Mr Dave Williams, Chief Executive	7	7
Mr Steve Poole	7	7
Ms Barbara Walsh, Chair	6	7
Ms Anju Virdee, Vice Chair	5	7
Mrs M Pennington (Resigned)	0	1
Ms Fiona Parsons	6	7

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Williams	3	3
Mr David Plummer (Resigned)	1	1
Ms Danielle Harris	2	3
Mr Nigel Sternberg	1	3
Mr Philip Brown	3	3
Mr Keith Bacon (Resigned)	1	1
Ms Fiona Parsons	2	3

Review of Value for Money

As Accounting Officer, the Executive Head Teacher (now 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.

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

- Engaging an external advisor to achieve value for money energy supplies by monitoring the market and ensuring that the Trust achieves best value in contract negotiations;
- Entering into insurance to protect the Trust against unexpected cover bills caused by absence of key employees at Primary Schools;
- Sharing procurement of services and the provision of training between several schools to generate economies of scale;
- 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 other similar organisations.
- Appointing a qualified accountant into a senior role at Trust level to manage finances and drive cost efficiencies.

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cavendish Learning Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 considered the need for a specific internal audit function and has decided to appoint BHP LLP, Chartered Accountants as internal auditor.

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

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

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

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on their behalf, by:

Ms Barbara Walsh
Chair of Trustees

Mr Dave 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date has been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

- The Trust was the target of a fraudulent transaction where a bank payment of £60,010 was redirected to an unauthorised account. The matter was reported to the police and to our insurers. The net cost to the Trust after taking into account amounts recoverable from insurance was £250.

Mr Dave Williams
Accounting Officer

Date: 13 December 2018

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 on 13 December 2018 and signed on its behalf by:

Ms Barbara Walsh
Chair of Trustees

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 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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

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

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

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust 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.

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.

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 Academy Trust'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 (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD
Date:

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' 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 & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cavendish Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cavendish Learning Trust and the 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 the 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 Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide 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.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

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

The work undertaken to draw our conclusions includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Philip Allsop

BHP LLP

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

Date:

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	147,055	(593,658)	6,510,709	6,064,106	6,912,638
Charitable activities	5	266,903	9,753,250	-	10,020,153	9,001,430
Other trading activities	3	36,984	25,303	-	62,287	30,303
Investments	4	658	24	-	682	487
Total income		451,600	9,184,919	6,510,709	16,147,228	15,944,858
Expenditure on:						
Charitable activities		335,723	10,416,469	728,223	11,480,415	10,194,471
Total expenditure	6	335,723	10,416,469	728,223	11,480,415	10,194,471
Net income / (expenditure) before transfers						
Transfers between Funds	18	115,877	(1,231,550)	5,782,486	4,666,813	5,750,387
		-	(69,615)	69,615	-	-
Net income / (expenditure) before other recognised gains and losses						
		115,877	(1,301,165)	5,852,101	4,666,813	5,750,387
Actuarial gains on defined benefit pension schemes	23	-	671,000	-	671,000	230,000
Net movement in funds		115,877	(630,165)	5,852,101	5,337,813	5,980,387
Reconciliation of funds:						
Total funds brought forward		200,955	(2,402,899)	23,575,403	21,373,459	15,393,072
Total funds carried forward		316,832	(3,033,064)	29,427,504	26,711,272	21,373,459

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 7935515

BALANCE SHEET

AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		29,116,889		23,209,059
Current assets					
Stocks	15	9,090		10,706	
Debtors	16	415,000		659,781	
Cash at bank and in hand		1,146,902		797,133	
		<u>1,570,992</u>		<u>1,467,620</u>	
Creditors: amounts falling due within one year	17	(826,609)		(581,220)	
Net current assets			<u>744,383</u>		<u>886,400</u>
Total assets less current liabilities			<u>29,861,272</u>		<u>24,095,459</u>
Defined benefit pension scheme liability	23		(3,150,000)		(2,722,000)
Net assets including pension scheme liabilities			<u><u>26,711,272</u></u>		<u><u>21,373,459</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	18	116,936		319,101	
Restricted fixed asset funds	18	29,427,504		23,575,403	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		29,544,440		23,894,504	
Pension reserve		(3,150,000)		(2,722,000)	
		<u></u>		<u></u>	
Total restricted income funds			26,394,440		21,172,504
Unrestricted income funds	18		316,832		200,955
Total funds			<u><u>26,711,272</u></u>		<u><u>21,373,459</u></u>

The financial statements on pages 28 to 57 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

Ms Barbara Walsh
Chair of Trustees

CAVENDISH LEARNING TRUST**(A company limited by guarantee)****STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	475,188	308,662
		<hr/>	<hr/>
Cash flows from investing activities:			
Dividends, interest and rents from investments		682	487
Purchase of tangible fixed assets		(637,538)	(373,424)
Capital grants from DfE Group		511,437	543,164
		<hr/>	<hr/>
Net cash (used in)/provided by investing activities		(125,419)	170,227
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		349,769	478,889
Cash and cash equivalents brought forward		797,133	318,244
		<hr/>	<hr/>
Cash and cash equivalents carried forward		1,146,902	797,133
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting Policies (continued)

1.3 Income

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

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

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

Capital grants are recognised 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.

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

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

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

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

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting Policies (continued)

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

Property	-	2% straight line
Furniture and fixtures	-	10% straight line
Plant and equipment	-	10-20% straight line

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

1.7 Operating leases

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

1.8 Stocks

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

1.9 Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting Policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 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 income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**
1. Accounting Policies (continued)**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	6,982	-	6,982	10,158
Transfer from local authority on conversion (note 27)	147,055	(600,640)	5,999,272	5,545,687	6,197,182
Capital Grants	-	-	511,437	511,437	705,298
	147,055	(593,658)	6,510,709	6,064,106	6,912,638
Total 2017	(134,726)	10,158	7,037,206	6,912,638	

CAVENDISH LEARNING TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	17,001	-	17,001	14,746
Other	19,983	25,303	45,286	15,557
	<u>36,984</u>	<u>25,303</u>	<u>62,287</u>	<u>30,303</u>
Total 2017	<u>16,450</u>	<u>13,853</u>	<u>30,303</u>	

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	658	24	682	487
Total 2017	<u>487</u>	<u>-</u>	<u>487</u>	

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. Funding for Academy Trust's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	8,230,121	8,230,121	7,463,802
Other DfE/ESFA grants	-	700,248	700,248	647,181
	-	8,930,369	8,930,369	8,110,983
Other government grants				
Special Educational Needs	-	281,898	281,898	237,315
Other government grants non capital	-	248,231	248,231	137,184
	-	530,129	530,129	374,499
Other funding				
Internal catering income	243,110	37,877	280,987	251,046
Other	23,793	254,875	278,668	264,902
	266,903	292,752	559,655	515,948
	266,903	9,753,250	10,020,153	9,001,430
Total 2017	237,233	8,764,197	9,001,430	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	7,368,261	-	796,132	8,164,393	7,267,162
Support costs	1,310,043	753,703	1,252,276	3,316,022	2,927,309
	8,678,304	753,703	2,048,408	11,480,415	10,194,471
Total 2017	7,495,595	640,482	2,058,394	10,194,471	

CAVENDISH LEARNING TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****7. Direct costs**

	2018 £	2017 £
Wages and salaries	5,590,830	4,879,447
National insurance	511,044	445,359
Pension cost	1,266,387	1,105,301
Staff development	49,152	55,505
Educational supplies	444,470	462,375
Examination fees	117,463	114,822
Technology costs	97,508	132,210
Pension finance costs (note 23)	82,000	65,000
Other costs	5,539	7,143
	<hr/>	<hr/>
Total	8,164,393	7,267,162
	<hr/>	<hr/>

8. Support costs

	2018 £	2017 £
Wages and salaries	1,064,481	876,301
National insurance	65,137	55,897
Pension costs	160,678	112,477
Recruitment and other staff costs	12,119	13,389
Maintenance of premises and equipment	156,689	206,413
Cleaning	26,450	21,741
Rent and rates	87,883	73,263
Heat and light	116,482	92,735
Insurance	98,121	70,838
Security and transport	100,100	38,620
Catering	339,583	275,201
Other costs	311,196	303,924
Bank interest and charges	6,121	3,771
(Profit) / loss on disposal of fixed asset	757	-
Depreciation	728,223	748,650
Governance (note 10)	42,002	35,089
	<hr/>	<hr/>
Total	3,316,022	2,928,309
	<hr/>	<hr/>

CAVENDISH LEARNING TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****9. Staff costs****a. Staff costs**

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	6,333,898	5,503,933
Social security costs	576,181	501,256
Operating costs of defined benefit pension schemes	1,429,701	1,230,462
	8,339,780	7,235,651
Agency staff costs	293,279	245,762
Staff restructuring costs	45,245	14,182
	8,678,304	7,495,595

b. Non-statutory/non-contractual staff severance payments

During the year, non-statutory/non-contractual staff restructuring costs totalled £Nil (2017: £2,814), last years payment which related to one employee. During the year, staff restructuring costs incurred were contractual.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	110	91
Admin	168	132
Management	21	20
	299	243

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	94	80
Admin	108	89
Management	21	19
	223	188

d. Higher paid staff

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

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. Staff costs (continued)

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	3	3
In the band £ 80,001 - £ 90,000	1	1

The above employee's participated in the Teachers Pension Scheme. During the year ended 31 August 2018, pension contributions for this employee amounted to £48,378 (2017: £45,580).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £277,644 (2017: £277,106).

10. Governance

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Internal audit costs	-	3,750	3,750	2,000
Auditors' remuneration	-	15,000	15,000	10,650
Auditors' non audit costs	-	3,000	3,000	1,515
Governance expense - wages and salaries	-	19,747	19,747	20,813
Other governance costs	-	505	505	111
Total	-	42,002	42,002	35,089

11. Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of staff Trustees' remuneration and other benefits fell within the following bands: Mr D Williams: Remuneration £85,000 - £90,000 (2017: £85,000 - £90,000) Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000), Ms K Porteous: Remuneration £55,000 - £60,000 (2017: £65,000 - £70,00) Employer's pension contributions £5,000 - £10,000 (2017: £10,000 - £15,000), Mr D Plummer: Remuneration £65,000 - £70,000 (2017: £60,000 - £65,000) Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000).

During the period, no Trustees received any benefits in kind or expenses (2017: £Nil).

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

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

3.7% of the General Annual Grant for each Academy

Facilities management services provided by central employees are recharged at cost

Insurance costs for staff absence cover

The latter two items are additional optional services provided to schools which request them.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Netherthorpe	241,643	148,252
Barrow Hill	48,520	27,434
Poolsbrook	56,045	29,859
Whitecotes	123,579	64,754
Dunston	56,214	-
Gilbert Heathcote	31,462	-
	<hr/>	<hr/>
Total	557,463	270,299
	<hr/>	<hr/>

13. Other finance expense

	2018 £	2017 £
Interest income on pension scheme assets	79,000	39,000
Interest on pension scheme liabilities	(161,000)	(104,000)
	<hr/>	<hr/>
	(82,000)	(65,000)
	<hr/>	<hr/>

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

14. Tangible fixed assets

	Land and buildings £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	24,155,511	694,962	1,344,783	26,195,256
Additions	6,404,492	27,876	204,442	6,636,810
Disposals	-	-	(120,285)	(120,285)
Transfer between classes	(39,677)	-	39,677	-
At 31 August 2018	<u>30,520,326</u>	<u>722,838</u>	<u>1,468,617</u>	<u>32,711,781</u>
Depreciation				
At 1 September 2017	1,726,153	353,309	906,735	2,986,197
Charge for the year	522,888	68,780	136,555	728,223
On disposals	-	-	(119,528)	(119,528)
At 31 August 2018	<u>2,249,041</u>	<u>422,089</u>	<u>923,762</u>	<u>3,594,892</u>
Net book value				
At 31 August 2018	<u>28,271,285</u>	<u>300,749</u>	<u>544,855</u>	<u>29,116,889</u>
At 31 August 2017	<u>22,429,358</u>	<u>341,653</u>	<u>438,048</u>	<u>23,209,059</u>

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

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

During the year tangible fixed assets were transferred to the Trust on conversion totalling £5,980,834. Within this value were Land and buildings totalling £5,926,000 based on a valuation by Rotherham MBC land and property team.

15. Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>9,090</u>	<u>10,706</u>

CAVENDISH LEARNING TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****16. Debtors**

	2018	2017
	£	£
Trade debtors	5,734	20,577
Other debtors	92,467	73,773
Prepayments and accrued income	316,799	565,431
	415,000	659,781

17. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	275,701	176,085
Other taxation and social security	147,402	122,018
Accruals and deferred income	403,506	283,117
	826,609	581,220

	2018	2017
	£	£
<i>Deferred income</i>		
Deferred income at 1 September 2017	16,743	17,521
Resources deferred during the year	165,650	16,743
Amounts released from previous years	(16,743)	(17,521)
Deferred income at 31 August 2018	165,650	16,743

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

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

18. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<i>Unrestricted funds</i>						
General funds	200,955	451,600	(335,723)	-	-	316,832
<i>Restricted funds</i>						
General Annual Grant (GAG)	65,563	8,230,121	(8,226,069)	(69,615)	-	-
Sponsor capacity fund	215,290	27,724	(178,801)	-	-	64,213
Special needs funding	-	281,898	(281,898)	-	-	-
Pupil premium	-	610,223	(610,223)	-	-	-
Trips	6,080	153,927	(148,639)	-	-	11,368
Staff Gifts	1,519	1,710	(1,979)	-	-	1,250
Charity Fund	3,105	13,467	(15,929)	-	-	643
De Gruchy Fund	26,505	13	(460)	-	-	26,058
Restricted other	1,039	477,836	(465,471)	-	-	13,404
Pension reserve	(2,722,000)	(612,000)	(487,000)	-	671,000	(3,150,000)
	<u>(2,402,899)</u>	<u>9,184,919</u>	<u>(10,416,469)</u>	<u>(69,615)</u>	<u>671,000</u>	<u>(3,033,064)</u>
<i>Restricted fixed asset funds</i>						
Fixed assets	23,575,403	6,510,709	(728,223)	69,615	-	29,427,504
Total restricted funds	<u>21,172,504</u>	<u>15,695,628</u>	<u>(11,144,692)</u>	<u>-</u>	<u>671,000</u>	<u>26,394,440</u>
Total of funds	<u><u>21,373,459</u></u>	<u><u>16,147,228</u></u>	<u><u>(11,480,415)</u></u>	<u><u>-</u></u>	<u><u>671,000</u></u>	<u><u>26,711,272</u></u>

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

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

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

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

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

Trips: Funds from parents/carers for school trips.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

18. Statement of funds (continued)

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

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

Charity fund: Funds raised for charitable purposes.

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

Restricted other: Funds received towards the cost of providing universal infant free school meals, for Early Years provision, the use of 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 in the year relates to GAG funds spent on capitalised items in the year.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Central	77,269	215,290
Netherthorpe	98,670	124,922
Barrow Hill	(49,477)	6,372
Poolsbrook	94,975	105,090
Whitecotes	20,112	68,382
Dunston	113,555	-
Gilbert Heathcote	78,664	-
Total before fixed asset fund and pension reserve	433,768	520,056
Restricted fixed asset fund	29,427,504	23,575,403
Pension reserve	(3,150,000)	(2,722,000)
Total	26,711,272	21,373,459

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**
18. Statement of funds (continued)

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

Name of academy	Amount of deficit £
Barrow Hill	49,477

Barrow Hill experienced a large number of staffing issues during the year due to experiencing a significant cost of cover and back-fill for staff who were absent during the year, as well as having received less Early Years funding than expected in the year. Some of these issues continue in to the early part of 2018-19 although a plan is in place to address this and to recover this deficit in the medium term. This plan includes reducing the number of classes taught to more efficiently match student numbers and reviewing the organisational structure of the school.

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

Budgeted future spending is being monitored carefully and steps have been put in place to see the school return to a surplus position in future year.

Analysis of academies by cost

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 2018 £	Total 2017 £
Central	64,008	444,714	422	127,721	636,865	407,266
Netherthorpe	4,556,135	648,194	309,919	843,996	6,358,244	6,752,226
Barrow Hill	398,579	37,517	29,090	98,603	563,789	570,710
Poolsbrook	408,741	29,498	26,417	102,136	566,792	607,188
Whitecotes	703,976	72,277	54,079	216,390	1,046,722	1,108,431
Dunston	612,120	47,282	16,128	106,799	782,329	-
Gilbert Heathcote	219,702	30,561	8,415	51,773	310,451	-
Pensions	405,000	-	-	82,000	487,000	-
	7,368,261	1,310,043	444,470	1,629,418	10,752,192	9,445,821

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

18. Statement of funds (continued)

Statement of funds - prior year

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

19. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	29,116,889	29,116,889
Current assets	316,832	943,545	310,615	1,570,992
Creditors due within one year	-	(826,609)	-	(826,609)
Provisions for liabilities and charges	-	(3,150,000)	-	(3,150,000)
	<u>316,832</u>	<u>(3,033,064)</u>	<u>29,427,504</u>	<u>26,711,272</u>

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	4,666,813	5,750,387
Adjustment for:		
Depreciation charges	728,223	748,650
Dividends, interest and rents from investments	(682)	(487)
Loss on the sale of fixed assets	757	-
Decrease/(increase) in stocks	1,616	(1,568)
Decrease/(increase) in debtors	244,781	(120,744)
Increase in creditors	245,389	138,024
Capital grants from DfE and other capital income	(511,437)	(543,164)
Defined benefit pension scheme obligation inherited	612,000	266,000
Defined benefit pension scheme cost less contributions payable	405,000	353,000
Defined benefit pension scheme finance cost	82,000	65,000
Fixed asset donations received	(5,999,272)	(6,346,436)
Net cash provided by operating activities	475,188	308,662

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	1,146,902	797,133
Total	1,146,902	797,133

22. Capital commitments

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	374,740	568,212

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £492,932 (2017 - £533,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. Pension commitments (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £462,000 (2017 - £370,000), of which employer's contributions totalled £352,000 (2017 - £279,000) and employees' contributions totalled £110,000 (2017 - £91,000). The agreed contribution rates for future years are 19.30% for employers and between 5.5% and 12.5% for employees.

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

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

23. Pension commitments (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.90 %	2.90 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.5	26.5

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
0.5% decrease in Real Discount Rate	965,000	618,000
0.5% increase in Salary Increase Rate	179,000	128,000
0.5% increase in the Pension Increase Rate	771,000	478,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,802,610	1,523,200
Corporate bonds	794,770	425,600
Property	292,810	156,800
Cash and other liquid assets	292,810	134,400
Total market value of assets	4,183,000	2,240,000

The actual return on scheme assets was £79,000 (2017 - £180,000).

CAVENDISH LEARNING TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****23. Pension commitments (continued)**

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

	2018	2017
	£	£
Current service cost	(757,000)	(632,000)
Interest income	79,000	39,000
Interest cost	(161,000)	(104,000)
	<hr/>	<hr/>
Total	(839,000)	(697,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£	£
Opening defined benefit obligation	4,962,000	3,335,000
Effect of business combinations and disposals	1,945,000	1,190,000
Current service cost	757,000	632,000
Interest cost	161,000	104,000
Employee contributions	110,000	91,000
Actuarial gains	(567,000)	(361,000)
Benefits paid	(35,000)	(29,000)
	<hr/>	<hr/>
Closing defined benefit obligation	7,333,000	4,962,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£	£
Opening fair value of scheme assets	2,240,000	1,067,000
Effect of business combinations and disposals	1,333,000	613,000
Interest income	79,000	39,000
Actuarial losses	104,000	180,000
Employer contributions	352,000	279,000
Employee contributions	110,000	91,000
Benefits paid	(35,000)	(29,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	4,183,000	2,240,000
	<hr/> <hr/>	<hr/> <hr/>

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

24. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	33,131	31,192
Between 1 and 5 years	10,878	23,256
Total	<u>44,009</u>	<u>54,448</u>

25. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

During the year purchases of £1,446 (2017: £3,772) were made from Yellow Spade Design Limited, a company of which a Trustee is a Director. At the year end a balance of £1,086 (2017: £1,141) remained unpaid.

26. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. On 1 September 2017 it was holding undistributed funds of £17,795. During the accounting period ended 31 August 2018 the trust received £30,739 and disbursed £28,162 from the fund. An amount of £20,372 is included in accruals and deferred income relating to undistributed funds that is repayable to the ESFA.

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

27. Transfer of local authority schools into the Academy Trust

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018 £
<i>Transferred in academy</i>				
<i>Gilbert Heathcote Primary School</i>				
Tangible fixed assets				
-Land and buildings	-	-	2,166,000	2,166,000
-Other tangible fixed assets	-	-	5,168	5,168
Budget surplus on LA funds	55,333	-	-	55,333
Budget surplus on other school funds	-	3,932	9,878	13,810
	<hr/>	<hr/>	<hr/>	<hr/>
Gilbert Heathcote pre pension net assets	55,333	3,932	2,181,046	2,240,311
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Dunston Primary School</i>				
Tangible fixed assets				
-Land and buildings	-	-	3,760,000	3,760,000
-Other tangible fixed assets	-	-	49,666	49,666
Budget surplus on LA funds	91,722	-	-	91,722
Budget surplus on other school funds	-	7,428	8,560	15,988
	<hr/>	<hr/>	<hr/>	<hr/>
Dunston pre pension net assets	91,722	7,428	3,818,226	3,917,376
	<hr/>	<hr/>	<hr/>	<hr/>
LGPS pension liabilities	-	(1,945,000)	-	(1,945,000)
LGPS pension assets	-	1,333,000	-	1,333,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total pension deficit	-	(612,000)	5,999,181	(612,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets/(liabilities)	147,055	(600,640)	5,999,272	5,545,687
	<hr/>	<hr/>	<hr/>	<hr/>