

**CAVENDISH LEARNING TRUST  
(FORMERLY NETHERTHORPE SCHOOL)**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

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**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)****(A company limited by guarantee)****REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Members</b>	Mr K Bacon, Chair (From 7 July 2016)
	Mr P Brown
	Mr J Hendley, Chair (Up to 22 June 2016) (resigned 22 June 2016)
	Mr N Hiller
	Mr S Poole
	Mr A C Senior
<b>Trustees</b>	Miss C Wood
	Mr S Abdullah (resigned 8 July 2016)
	Mr K Bacon
	Mr P Brown
	Revd W A Butt (resigned 31 December 2015)
	Mrs L Collins (resigned 1 July 2016)
	Mr I Else (resigned 1 July 2016)
	Mrs A Green (resigned 1 July 2016)
	Ms D Harris (appointed 1 July 2016)
	Mr J Hendley (resigned 22 June 2016)
	Mr N Hiller (resigned 31 October 2015)
	Revd S F Jones (resigned 1 July 2016)
	Mr G Mason (resigned 1 July 2016)
	Mr J Morehen (resigned 1 July 2016)
	Mr P Pierce (resigned 1 July 2016)
	Mr D Plummer (appointed 1 November 2015)
	Ms K Porteous (appointed 1 July 2016)
	Mr S Riley (resigned 1 July 2016)
	Ms L Robinson (appointed 1 July 2016, resigned 1 October 2016)
	Mr A C Senior, Head Teacher and Accounting Officer (resigned 1 July 2016)
	Mr N Sternberg (appointed 1 July 2016)
	Mr D Williams (appointed 1 September 2016)
	Mr J Windle (resigned 1 July 2016)
	Miss C Wood (resigned 27 June 2016)
<b>Endowment Governors</b>	Councillor J Bacon, nominated representative of STC (Staveley Town Council)
	Councillor S Bagshaw, nominated representative of STC (Staveley Town Council)
	Mr I Else, Duke of Devonshire's Representative
	Reverend S Jones, Rector & Churchwarden of Staveley Parish
	Mrs P McConnell
	Mrs J Needham
	Mr T Norton
	Mrs P Ripper
<b>Senior Leadership Team</b>	Councillor E Tidd, nominated representative of STC (Staveley Town Council)
	Mr P Bamford, Assistant Head
	Mr K Brown, Deputy Head
	Mrs N Connolley, Assistant Head
	Mrs S Dight, Deputy Head
	Mr A Doughty, Bursar
	Mr N Hemmingway, Personnel & Business Manager
	Mrs H McVicar, Assistant Head
	Mr A C Senior, Head Teacher and Accounting Officer

Mr A Senior ceased to be the accounting officer on 31 August 2016. This role is now held by D Williams.

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**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016

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***Advisers (continued)***

<b>Company registered number</b>	7935515
<b>Company name</b>	Cavendish Learning Trust
<b>Principal and registered office</b>	Ralph Road Staveley Chesterfield Derbyshire S43 3PU
<b>Independent auditors</b>	BHP, Chartered Accountants 57-59 Saltergate Chesterfield S40 1UL
<b>Bankers</b>	Lloyds Bank Butt Dyke House 33 Park Row Nottingham NG61 6GY
<b>Solicitors</b>	Browne Jacobson Castle Meadow Road Nottingham NG2 1BJ

## **CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT**

*FOR THE YEAR ENDED 31 AUGUST 2016*

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy known as Netherthorpe School for pupils aged 11 to 18 serving a catchment area in Staveley, Chesterfield. It was re-structured to become a multi-academy trust during the year and its name was changed to Cavendish Learning Trust. Three primary schools joined the trust on 1 September 2016.

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

#### **a. Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is under a Memorandum of Association.

The Trustees of Cavendish Learning Trust (formerly Netherthorpe School) are also the directors of the charitable company for the purpose of company law.

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

The principal objects of the Academy Trust are as follows:

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

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

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

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

Prior to the date of conversion to a Multi-Academy Trust (MAT), the method of recruitment of Governors was as reported in the 2015 report. From July 1st 2016 a new Board of Trustees became responsible for the MAT and the articles of association were changed.

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 Executive Headteacher of the Trust and the Executive Primary Lead for the Trust are both ex officio trustees. The Local Governing Body of Netherthorpe School has 2 parent Governors who are appointed by locally held elections and parents of all registered pupils attending the academy have the opportunity to stand and to vote.

The Local Governing Body of Netherthorpe School has 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).

**Appointment of Additional Governors**

The Secretary of State may give a warning notice to the Governors where he is satisfied:

- (a) that the standards of performance of pupils at the Academy are unacceptably low; or
- (b) that there has been a serious breakdown in the way the Academy is managed or governed; or
- (c) that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

The Secretary of State may appoint such Additional Governors as he thinks fit if the Secretary of State has

- (a) given the Governors a warning notice in accordance with Article 60; and
- (b) the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint such Additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an 'Inspection') the Academy Trust receives an Ofsted grading (being a grade referred to in the Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between two Inspections carried out within a 5 year period, of two Ofsted grades. For the purpose of the foregoing, the grade received by a predecessor school (a maintained school) shall be regarded as the grade received by the Trust.

The Secretary of State may also appoint such further governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Trust.

## **CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

*FOR THE YEAR ENDED 31 AUGUST 2016*

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Within 5 days of the Secretary of State appointing any Additional or Further Governors in accordance with Articles 62,62A or 63, any Governors appointed under Article 50 and holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

#### **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 Executive Headteacher to visit Netherthorpe or Barrow Hill (as the lead schools) to experience their atmosphere and understand their ethos. Have the opportunity to tour the school and meet staff and children;
- meet with a representative of the Executive Team to discuss further the mission of the Trust and the part that a Board member can play;
- have the opportunity to meet informally with an existing Board member who will then act as their mentor. They will explain how the Board and its Committees work;
- be encouraged to join the Committee(s) of their choice;
- be accompanied by their mentor to their first Board Meeting (if required);
- have the opportunity to review their first meeting with the mentor;
- be given background material on the school and current issues;
- be encouraged to ask questions about their role and/or the school;
- 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 Executive Headteacher'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 Governing Body Meetings (not the confidential minutes);
- Copy of the budget of the Trust;
- Dates of forthcoming Board meetings and Committees.

#### **e. 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 pay depends on the content of the role's job description and the context of the role within the school. Each new role is benchmarked against market rates for similar roles paid by other similar sized schools.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**f. Organisational structure**

The Board's Role in the Trust is, essentially, a strategic one. Acting on the advice of the Executive Head Teacher, 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 Executive Head Teacher and Senior Leadership Team. The Board has one subcommittee which is the Finance and Resources committee. This meets 3 times per year.

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

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

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

The Executive Head Teacher 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.

**g. 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.

Netherthorpe 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 for our feeder schools and they 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 Head Teacher is on the Strategic Planning group for this organisation. The school attends the Staveley Brimington Learning Community, a collaborative group of local secondary and primary schools.

Going forward, 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.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**h. 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 (eg. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls, documented fully in its Financial Procedures Manual.

***Objectives and Activities***

**a. Objects and aims**

The Academy Trust's objects are given in paragraph a) of 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.

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TRUSTEES' REPORT (continued)  
*FOR THE YEAR ENDED 31 AUGUST 2016*

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**b. Objectives, strategies and activities**

Our 6 Key Aims for 2016/17 are as follows:.

1. To secure continually improving outcomes in all Trust academies;
2. To establish and maintain a financially viable Trust;
3. Develop high performing corporate services;
4. Establish clear and appropriate communication with all stakeholders;
5. To establish a corporate ethos which encourages trust, mutual support, collaboration and a culture of high performance;.
6. To establish high quality Governance at all levels.

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**TRUSTEES' REPORT (continued)**

*FOR THE YEAR ENDED 31 AUGUST 2016*

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**c. Strategies to achieve objectives**

**Key Aim 1** - To secure continually improving outcomes in all Trust academies

- To develop high quality leadership in all academies
- To establish Trust expectations for:
  - The quality of teaching
  - Managing behaviour
- The monitoring of progress within each school against development plans, KPIs and targets
- Quality assurance (benchmarking, external scrutiny, governance etc)
- To ensure sufficient capacity to facilitate effective support
- To develop high quality systems for supporting and developing staff to provide succession
- To ensure that all staff appointments are of the highest calibre

**Key Aim 2** - To establish and maintain a financially viable Trust

- To attract other schools from both Secondary and Primary sectors in order to reach a critical mass within 3 years
- To understand all risks and identify mitigating actions
- To implement economies of scale through reviewing staff structures and procurement strategies
- To ensure compliance
- To secure a transparent charging and top-slicing policy to ensure financial viability and Trust development
- To establish clear financial reporting and control procedures to all relevant stakeholders

**Key Aim 3** - Develop high performing corporate services

- Investigate the provision of a high quality corporate Catering service
- Development of a high quality corporate service for Site maintenance and development
- Development of a high quality corporate service for ICT support and development
- Development of a high quality corporate service for Financial management and control
- Development of a high quality corporate service for HR support and recruitment
- Developing a high performing corporate service for marketing schools and the Trust
- Establish a complete set of corporate policies and procedures and ensure these are communicated

**Key Aim 4** - Establish Clear and Appropriate communication with all stakeholders

- Governors and Board members – CoB fortnightly meetings, weekly bulletin, summary reports from LGB to Board, LGB and Board meetings and committees)
- Parents (trial forum at W/Co, small article in the schools own newsletter, website)
- Staff (termly letter from DWI)
- External Regulatory Bodies (statutory returns)
- RSC's office (Invite a visit establish a method of communication)
- Investigate ways of improving our general networking – FASNA, ASCL

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

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**TRUSTEES' REPORT (continued)**

*FOR THE YEAR ENDED 31 AUGUST 2016*

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**Key Aim 5** - To establish a corporate ethos which encourages trust, mutual support, collaboration and a culture of high performance.

- Clear vision communicated to all
- Establish staff benefits and communicate to all
- Clear accountability at all levels
- Corporate image – standard forms, templates, websites, other advertising
- Investigate a day conference for all Governors, Trustees and SLT
- Review past year
- Look ahead
- Training needs
- Establish monthly CLT SLT meetings
- Establish systems for supporting staff at all levels – coaching, induction, joint CPD
- Corporate expectations – dress code, code of conduct, performance management, policies

**Key Aim 6** - To establish high quality Governance at all levels

- Ensure an appropriate range of skills
- Ensure training on all aspects of the role including school performance measures, finance and all legal obligations
- Ensure compliance
- Establish a code of conduct signed by all
- Develop systems of communication (relate to 'communication' section)
- Establish common meeting formats with some fixed agenda items

**d. Public benefit**

The Governors (prior to July 1st 2016) have complied with their duty to manage and develop a school offering a broad and balanced curriculum for the benefit of the public. The Board of the Trust continues to comply with these duties for the benefit of all schools within the Trust.

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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***Achievements and performance***

**a. Strategic report**

The results disclosed in this report relate to Netherthorpe School only as the Trust did not control any other schools during the period under review.

**Achievements and performance – Netherthorpe 2016**

<b>Measure</b>	<b>Score</b>
Attainment 8	54.74
Progress 8	+0.03
Maths A* - C	83.2%
English A* - C	82.7%
A* - C in both English and maths	77%
EBACC	32.9%
English - expected progress	87.2%
English – better than expected progress	57.6%
Maths - expected progress	75.1%
Maths – better than expected progress	33.5%

**2016 KS5 School Headline Figures**

**A Level Cohort Results (123 students )**

Average Points score per entry (new points system) ( APS )	24.88
Average grade per entry	D+

**Applied Cohort (10 students )**

Average Points score per entry ( new points system ) ( APS )	35.00
Average grade per entry	Distinction

**A Level Attainment**

% of students achieving 3 A levels at AAB or higher, with two in facilitating subjects	8%
Average points per entry in best 3 A levels expressed as a grade	C-
Average points per entry in best 3 A levels ( new points system )	27.53

Please note that in this year's data, 22 students are counted who left the sixth form two years ago. This is a new measure introduced this year by the DFE.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. Review of activities**

The ethos, behaviour and relationships that exist at Netherthorpe school are outstanding and visitors and inspectors comment on this regularly. Our challenge is to maintain and improve this further whilst keeping the number of external exclusions as low as we possibly can.

The school was oversubscribed in September 2016 for places in Year 7, and our Year 7 is currently full. In the 6th form we took more than our desired number because of being oversubscribed and the sixth form currently stands at 300 students, more than ever before.

The school's attendance figures:-

Persistent Absence 11.4% (National Average 12.4%)

Attendance overall 15.5% (National Average 15%)

***Financial review***

**a. Financial review**

In this financial year the academy has received the majority of its income from the EFA in the form of recurrent grants. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown in the statement of financial activities. The outcome is a deficit for the year on GAG and unrestricted funds before pension scheme adjustments of £22,000. The Trust will carry forward unrestricted and restricted funds totalling £423,000 including £249,000 Sponsor Capacity Fund.

**b. Financial risk management objectives and policies**

The Trust has developed a Risk Register. The financial risks for the academy are described below.

**c. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**d. 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;
- Uncertainty over timeline for ending of public sector pay freeze;
- New national funding agreement;
- Public sector pensions;
- Success of applications for capital building 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.

**e. Reserves policy**

At the year end, the Academy Trust held free reserves (in unrestricted funds and GAG funds) of £54,000 plus a balance of £78,000 on pupil premium and SEN funding. These free reserves are held in order to provide a cushion for buildings maintenance, to cover increases in staffing costs (e.g conversion to single status) and protect us against falling rolls. Some of our buildings are several hundred years old. The long term aim of the Trust is to maintain funds to the value of approximately £250,000 across the Trust. We aim to build this up by reviewing operational activities and making efficiency savings where possible, by benefiting from economies of scale, and reviewing all expenditure to ensure that it represents value for money within every cost centre of the Trust. Given current trends within education funding and increasing pressures in terms of cost, this will require the Trust to grow in order to gain critical mass in terms of its size in the medium term.

**f. 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..

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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***Plans for future periods***

On 1 September 2016 three Primary Schools which were previously maintained schools within the Derbyshire Local Authority became members of Cavendish Learning Trust. These were Barrow Hill Primary Academy, Poolsbrook Primary Academy and Whitecotes Primary Academy. Their staff transferred to work for the Trust on that date and their assets, certain liabilities and Local Government Pension Fund commitments transferred to the Trust at the same time.

Future objectives of the Trust:

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

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

To develop Netherthorpe as a successful Teaching School and with this, develop structured CPD pathways for professionals at all stages of their career. This will ensure strong succession and a highly skilled and motivated work force.

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

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

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has 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.

This report was approved by order of the board of trustees as the company directors, on 14 December 2016 and signed on its behalf by:

**Mr K Bacon**  
**Chair of Governors**



**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

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***Scope of Responsibility***

As trustees, we acknowledge we have overall responsibility for ensuring that Cavendish Learning Trust (formerly Netherthorpe School) 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 Head Teacher, 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 (formerly Netherthorpe School) 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr K Bacon, Chair (From 7 July 2016)	5	5
Mr J Hendley, Chair (Up to 22 June 2016)	5	5
Mr S Poole	5	5
Mr A C Senior	5	5
Mr J Windle	5	5
Mr I Else	5	5
Mrs A Green	5	5
Ms D Harris	5	5
Mr G Mason	5	5
Miss C Wood	4	5
Mrs L Collins	4	5
Mr P Brown	4	5
Mr S Abdullah	4	5
Mr N Hiller	4	5
Revd S F Jones	2	5
Mr S Riley	1	5
Revd W A Butt	1	2

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

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The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to consider finance, personnel, health & safety and premises matters. A list of it's delegated powers can be found in the Governors' Report.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr K Bacon	6	6
Mr D Plummer	2	6
Mr I Else	6	6
Miss C Wood	2	6
Mr J Hendley	5	6
Mr G Mason	6	6
Mr J Windle	5	6
Mr S Riley	2	6

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to review the reports of internal and external auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Collins	2	3
Miss C Wood	3	3

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

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***Review of Value for money***

As Accounting Officer, the Head Teacher 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 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewing contracts and retendering where possible to gain savings. One example of this was a collaboration between several secondary schools to procure Broadband services as a group which delivered a 10% saving for all participating schools.
- Reviewing the ICT Managed Services contract and taking steps to reduce costs by starting the process to bring the service in house. This was completed by 1 December 2016.
- We reviewed the catering service during the year and transferred this to an in-house service. This has resulted in an increased quality of service and financial savings. Indirectly, it also brings in-house experience to the wider Trust to ensure that the catering services in other schools can be reviewed in future.

***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 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 (formerly Netherthorpe School) for the year 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

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***The Risk and Control Framework***

The Academy Trust 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, 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:

- testing of income, purchase and payroll systems;
- review of due diligence undertaken in relation to schools proposing to join the Trust and on the checklist used.

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

The appointee has delivered their schedule of work as planned. No material control issues arose as a result of the appointee's work.

***Review of Effectiveness***

As Accounting Officer, the Head Teacher 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 ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 December 2016 and signed on their behalf, by:

**Mr K Bacon**  
Chair of Trustees

**Mr D Williams**  
Accounting Officer

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Cavendish Learning Trust (formerly Netherthorpe School) I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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

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

Date: 14 December 2016

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

*FOR THE YEAR ENDED 31 AUGUST 2016*

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The Trustees (who act as governors of Cavendish Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 14 December 2016 and signed on its behalf by:

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

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

**Opinion on other matter prescribed by the Companies Act 2006**

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAVENDISH LEARNING TRUST  
(FORMERLY NETHERTHORPE SCHOOL)**

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In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

**BHP, Chartered Accountants**

Statutory Auditors

57-59 Saltergate

Chesterfield

S40 1UL

19 December 2016



**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CAVENDISH LEARNING TRUST  
(FORMERLY NETHERTHORPE SCHOOL) AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 8 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cavendish Learning Trust (formerly Netherthorpe School) during the year 1 September 2015 to 31 August 2016 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 (formerly Netherthorpe School) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cavendish Learning Trust (formerly Netherthorpe School) and the EFA 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 (formerly Netherthorpe School) and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cavendish Learning Trust (formerly Netherthorpe School)'s accounting officer and the reporting auditors**

The accounting officer is responsible, under the requirements of Cavendish Learning Trust (formerly Netherthorpe School)'s funding agreement with the Secretary of State for Education dated 28 February 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used

appropriately;

- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that EFA approval has been obtained for relevant transactions;
- Discussions with Governors, 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **BHP, Chartered Accountants**

Statutory Auditors

57-59 Saltergate  
Chesterfield  
S40 1UL

19 December 2016

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

		Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
	Note					
<b>Income from:</b>						
Donations and capital grants	2	-	28,609	90,048	118,657	74,204
Charitable activities	5	208,607	6,144,889	-	6,353,496	5,906,014
Other trading activities	3	11,905	41,606	-	53,511	57,030
Investments	4	623	-	-	623	683
<b>Total income</b>		<b>221,135</b>	<b>6,215,104</b>	<b>90,048</b>	<b>6,526,287</b>	<b>6,037,931</b>
<b>Expenditure on:</b>						
Raising funds		10,200	-	-	10,200	13,321
Charitable activities		133,483	6,300,228	553,588	6,987,299	6,845,948
<b>Total expenditure</b>	6	<b>143,683</b>	<b>6,300,228</b>	<b>553,588</b>	<b>6,997,499</b>	<b>6,859,269</b>
<b>Net income / (expenditure) before transfers</b>		<b>77,452</b>	<b>(85,124)</b>	<b>(463,540)</b>	<b>(471,212)</b>	<b>(821,338)</b>
Transfers between Funds	18	(156,731)	142,566	14,165	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(79,279)</b>	<b>57,442</b>	<b>(449,375)</b>	<b>(471,212)</b>	<b>(821,338)</b>
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(705,000)	-	(705,000)	24,000
<b>Net movement in funds</b>		<b>(79,279)</b>	<b>(647,558)</b>	<b>(449,375)</b>	<b>(1,176,212)</b>	<b>(797,338)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		132,847	(1,250,787)	17,687,224	16,569,284	17,366,622
<b>Total funds carried forward</b>		<b>53,568</b>	<b>(1,898,345)</b>	<b>17,237,849</b>	<b>15,393,072</b>	<b>16,569,284</b>

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)****(A company limited by guarantee)**

REGISTERED NUMBER: 7935515

**BALANCE SHEET***AS AT 31 AUGUST 2016*

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	14		<b>17,237,849</b>		17,687,224
<b>Current assets</b>					
Stocks	15	<b>9,138</b>		-	
Debtors	16	<b>539,037</b>		460,769	
Cash at bank and in hand		<b>318,244</b>		247,112	
			<b>866,419</b>	707,881	
<b>Creditors:</b> amounts falling due within one year	17	<b>(443,196)</b>		(426,821)	
<b>Net current assets</b>			<b>423,223</b>		281,060
<b>Total assets less current liabilities</b>			<b>17,661,072</b>		17,968,284
Defined benefit pension scheme liability	23		<b>(2,268,000)</b>		(1,399,000)
<b>Net assets including pension scheme liabilities</b>			<b>15,393,072</b>		16,569,284
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	18	<b>369,655</b>		148,213	
Restricted fixed asset funds	18	<b>17,237,849</b>		17,687,224	
Restricted income funds excluding pension liability		<b>17,607,504</b>		17,835,437	
Pension reserve		<b>(2,268,000)</b>		(1,399,000)	
Total restricted income funds			<b>15,339,504</b>		16,436,437
Unrestricted income funds	18		<b>53,568</b>		132,847
<b>Total funds</b>			<b>15,393,072</b>		16,569,284

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:

**Mr K Bacon**  
Chair of Trustees

The notes on pages 28 to 52 form part of these financial statements.

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<b>113,468</b>	(259,913)
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(42,336)</b>	(71,618)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(42,336)</b>	(71,618)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>71,132</b>	(331,531)
Cash and cash equivalents brought forward		<b>247,112</b>	578,643
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>		<b>318,244</b>	247,112
		<hr/> <hr/>	<hr/> <hr/>

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting Policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cavendish Learning Trust (formerly Netherthorpe School) constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Cavendish Learning Trust (formerly Netherthorpe School) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cavendish Learning Trust (formerly Netherthorpe School) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS.'

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

**1.2 Fund accounting**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting Policies (continued)**

**1.3 Income**

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

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

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

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

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

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016

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1. Accounting Policies (continued)

**1.6 Tangible fixed assets and depreciation**

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

Netherthorpe school's main buildings are on land owned by the Netherthorpe school foundation and made available to the Academy Trust without charge under a licence. Since the Trust has full benefit and risks of the property and in the view of the trustees, it is likely to have continuing occupancy for the foreseeable future, the property is included on the Trust's balance sheet at an assessment of their fair value.

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.

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.

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

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

**1.7 Operating leases**

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

**1.8 Stocks**

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

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting Policies (continued)**

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 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 2016

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**1. Accounting Policies (continued)**

**1.11 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.

**1.12 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.

**1.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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.

**1.14 Financial instruments**

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.15 Pensions**

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

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting Policies (continued)**

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.

**1.16 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.

**1.17 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016****2. Donations and capital grants**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	28,609	61,877	90,486	31,879
Capital Grants	-	-	28,171	28,171	42,325
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	28,609	90,048	118,657	74,204
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**3. Other trading activities**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	10,905	-	10,905	10,755
Other	1,000	41,606	42,606	46,275
	<hr/>	<hr/>	<hr/>	<hr/>
	11,905	41,606	53,511	57,030
	<hr/>	<hr/>	<hr/>	<hr/>

**4. Investment income**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	623	-	623	683
	<hr/>	<hr/>	<hr/>	<hr/>

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	5,369,443	5,369,443	5,259,566
Other DfE/EFA grants	-	460,647	460,647	347,068
	-	5,830,090	5,830,090	5,606,634
<b>Other government grants</b>				
Special Educational Needs	-	174,703	174,703	116,180
	-	174,703	174,703	116,180
<b>Other funding</b>				
Internal catering income	208,607	-	208,607	-
Other	-	140,096	140,096	183,200
	208,607	140,096	348,703	183,200
	208,607	6,144,889	6,353,496	5,906,014

**6. Expenditure**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	10,200	-	-	10,200	13,321
Education:					
Direct costs	4,372,814	-	754,075	5,126,889	4,807,588
Support costs	708,037	678,672	473,701	1,860,410	1,867,067
	5,091,051	678,672	1,227,776	6,997,499	6,687,976

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. Direct costs**

	2016 £	2015 £
Wages and salaries	3,449,391	3,354,708
National insurance	277,635	252,580
Pension cost	645,788	557,570
Staff development	23,748	20,474
Educational supplies	364,890	431,447
Examination fees	116,572	103,224
Technology costs	187,421	202,908
Pension finance costs (note 23)	55,000	49,000
Other costs	6,444	6,970
	<hr/>	<hr/>
Total	5,126,889	4,978,881
	<hr/>	<hr/>

**8. Support costs**

	2016 £	2015 £
Wages and salaries	605,595	561,904
National insurance	30,872	26,582
Pension costs	59,473	53,593
Recruitment and other staff costs	24,873	23,711
Maintenance of premises and equipment	94,454	84,775
Cleaning	14,897	13,381
Rent and rates	45,995	84,976
Heat and light	64,192	86,906
Insurance	49,985	138,768
Security and transport	7,044	4,906
Catering	135,435	85,928
Other costs	149,610	133,895
Depreciation	553,588	545,577
Governance (note 11)	24,397	22,165
	<hr/>	<hr/>
Total	1,860,410	1,867,067
	<hr/>	<hr/>

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**9. Raising funds**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Other expenses	-	-	-	3,121
Wages and salaries	<b>10,200</b>	-	<b>10,200</b>	10,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>10,200</b>	-	<b>10,200</b>	13,321
	<hr/>	<hr/>	<hr/>	<hr/>



**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**10. Staff costs**

Staff costs during the period were as follows:

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,996,692</b>	3,863,919
Social security costs	<b>308,507</b>	279,162
Operating costs of defined benefit pension schemes	<b>705,688</b>	611,590
	<b>5,010,887</b>	4,754,671
Supply teacher costs	<b>80,164</b>	73,631
	<b>5,091,051</b>	4,828,302

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

	<b>2016</b>	2015
	<b>No.</b>	<b>No.</b>
Teachers	<b>76</b>	75
Admin	<b>89</b>	75
Management	<b>8</b>	8
	<b>173</b>	158

Average headcount expressed as a full time equivalent:

	<b>2016</b>	2015
	<b>No.</b>	<b>No.</b>
Teachers	<b>68</b>	68
Admin	<b>62</b>	52
Management	<b>8</b>	8
	<b>138</b>	128

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

	<b>2016</b>	2015
	<b>No.</b>	<b>No.</b>
In the band £ 80,001 - £ 90,000	<b>1</b>	1

The above employee participated in the Teachers Pension Scheme. During the period ended 31 August 2016, pension contributions for this employee amounted to £14,665 (2015: £12,121).

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £523,837 (2015: £500,167).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**11. Governance**

	Unrestricted funds 2016	Restricted funds 2016	Total funds 2016	Total funds 2015
	£	£	£	£
Internal audit costs	-	1,500	1,500	1,500
Auditors' remuneration	-	9,750	9,750	8,000
Auditors' non audit costs	-	1,050	1,050	1,500
Governance expense - wages and salaries	-	12,097	12,097	11,165
Total	-	24,397	24,397	22,165

**12. Governors' remuneration and expenses**

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of staff Governors' remuneration and other benefits fell within the following bands: Mr A C Senior: Remuneration £85,000 - £90,000 (2015: £85,000 - £90,000) Employer's pension contributions £10,000 - £15,000 (2015: £10,000 - £15,000), Mr G M Mason: Remuneration £35,000 - £40,000 (2015: £40,000 - £45,000) Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), Mrs A Green: Remuneration £35,000 - £40,000 (2015: £40,000 - £45,000) Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000).

During the period, no Governors received any benefits in kind or expenses (2015: £Nil).

**13. Other finance expense**

	2016 £	2015 £
Interest income on pension scheme assets	31,000	23,000
Interest on pension scheme liabilities	(86,000)	(72,000)
	(55,000)	(49,000)

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**14. Tangible fixed assets**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2015	17,725,000	374,178	673,421	598,584	19,371,183
Additions	-	20,590	6,105	77,518	104,213
At 31 August 2016	17,725,000	394,768	679,526	676,102	19,475,396
<b>Depreciation</b>					
At 1 September 2015	973,410	166,114	201,430	343,005	1,683,959
Charge for the year	300,000	44,505	82,529	126,554	553,588
At 31 August 2016	1,273,410	210,619	283,959	469,559	2,237,547
<b>Net book value</b>					
At 31 August 2016	16,451,590	184,149	395,567	206,543	17,237,849
At 31 August 2015	16,751,590	208,064	471,991	255,579	17,687,224

**Land and buildings**

This includes freehold land that was transferred to the Academy on conversion.

It also includes the School's main buildings which are on the land owned by the Netherthorpe School Foundation and made available to the Academy Trust without charge under a licence. In accordance with the accounting policy in note 1.6, they have been included on the basis of a valuation by Rotherham MBC land and property team dated 25 June 2012.

**15. Stocks**

	2016 £	2015 £
Finished goods and goods for resale	9,138	-

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**16. Debtors**

	<b>2016</b>	2015
	<b>£</b>	£
Trade debtors	<b>21,496</b>	38,825
Other debtors	<b>33,360</b>	31,396
Prepayments and accrued income	<b>484,181</b>	390,548
	<hr/> <b>539,037</b> <hr/>	<hr/> 460,769 <hr/>

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

	<b>2016</b>	2015
	<b>£</b>	£
Trade creditors	<b>102,006</b>	90,278
Other taxation and social security	<b>92,294</b>	83,932
Accruals and deferred income	<b>248,896</b>	252,611
	<hr/> <b>443,196</b> <hr/>	<hr/> 426,821 <hr/>

	<b>2016</b>	2015
	<b>£</b>	£
<b><i>Deferred income</i></b>		
Deferred income at 1 September 2015	<b>12,802</b>	9,109
Resources deferred during the year	<b>5,718</b>	3,693
Deferred income at 31 August 2016	<hr/> <b>18,520</b> <hr/>	<hr/> 12,802 <hr/>

At the balance sheet date the academy was holding deferred income which relates to alternative provision funding and monies paid in by parents which will be used against future catering expenditure by students.

**CAVENDISH LEARNING TRUST (FORMERLY NETHERTHORPE SCHOOL)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**18. Statement of funds**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b><i>Unrestricted funds</i></b>						
General funds	132,847	221,135	(143,683)	(156,731)	-	53,568
<b><i>Restricted funds</i></b>						
General Annual Grant (GAG)	-	5,369,443	(5,512,009)	142,566	-	-
Sponsor capacity fund	75,000	200,000	(25,675)	-	-	249,325
Special needs funding	15,847	174,703	(159,494)	-	-	31,056
Pupil premium	57,261	260,647	(270,754)	-	-	47,154
Trips	-	133,644	(133,644)	-	-	-
Staff Gifts	105	1,950	(1,259)	-	-	796
Charity Fund	-	47,688	(32,603)	-	-	15,085
De Gruchy Fund	-	27,029	(790)	-	-	26,239
Pension reserve	(1,399,000)	-	(164,000)	-	(705,000)	(2,268,000)
	<u>(1,250,787)</u>	<u>6,215,104</u>	<u>(6,300,228)</u>	<u>142,566</u>	<u>(705,000)</u>	<u>(1,898,345)</u>
<b><i>Restricted fixed asset funds</i></b>						
Fixed assets	17,687,224	90,048	(553,588)	14,165	-	17,237,849
Total restricted funds	<u>16,436,437</u>	<u>6,305,152</u>	<u>(6,853,816)</u>	<u>156,731</u>	<u>(705,000)</u>	<u>15,339,504</u>
Total of funds	<u>16,569,284</u>	<u>6,526,287</u>	<u>(6,997,499)</u>	<u>-</u>	<u>(705,000)</u>	<u>15,393,072</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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

**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, recognised within the trust for the first time this year.

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

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

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

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
	-	-	-	-	17,687,224
Tangible fixed assets	-	-	17,237,849	17,237,849	-
Current assets	53,568	812,851	-	866,419	707,881
Creditors due within one year	-	(443,196)	-	(443,196)	(426,821)
Provisions for liabilities and charges	-	(2,268,000)	-	(2,268,000)	(1,399,000)
	<u>53,568</u>	<u>(1,898,345)</u>	<u>17,237,849</u>	<u>15,393,072</u>	<u>16,569,284</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	<b>(471,212)</b>	(821,338)
<b>Adjustment for:</b>		
Depreciation charges	<b>553,588</b>	545,577
Increase in stocks	<b>(9,138)</b>	-
Increase in debtors	<b>(78,268)</b>	(58,452)
Increase/(decrease) in creditors	<b>16,375</b>	(66,700)
Defined benefit pension scheme cost less contributions payable	<b>109,000</b>	92,000
Defined benefit pension scheme finance cost	<b>55,000</b>	49,000
Fixed asset donations received	<b>(61,877)</b>	-
<b>Net cash provided by/(used in) operating activities</b>	<b>113,468</b>	(259,913)

**21. Analysis of cash and cash equivalents**

	2016 £	2015 £
Cash in hand	<b>318,244</b>	247,112
Total	<b>318,244</b>	247,112

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**22. Contingent liabilities**

The Trust has committed to paying a proportion of the legal costs incurred as a result of the termination of the BSF ICT Contract. This is part of a contract with Derbyshire County Council covering Netherthorpe School and five other schools in the area. The maximum liability to the school will be £35,000 but it is expected that the final cost will be lower than this. The process is not yet complete and is being managed by DCC on behalf of all six schools affected. It is not clear yet what the final bill will be for Netherthorpe and therefore no accrual has been made for this expense. The contract was terminated on 1 December 2016.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 2013.

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***

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

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

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

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**23. Pension commitments (continued)**

The employer's pension costs paid to TPS in the period amounted to £503,000 (2015 - £439,000).

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

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

***Local Government Pension Scheme***

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £203,000 (2015 - £173,000), of which employer's contributions totalled £152,000 (2015 - £130,000) and employees' contributions totalled £51,000 (2015 - £43,000). The agreed contribution rates for future years are 12.8% for employers and between 5.5% and 6.8% for employees.

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

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.10 %</b>	3.80 %
Expected return on scheme assets at 31 August	<b>2.10 %</b>	3.80 %
Rate of increase in salaries	<b>3.10 %</b>	3.60 %
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	2.70 %

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.0</b>	22.0
Females	<b>24.2</b>	24.2
Retiring in 20 years		
Males	<b>24.1</b>	24.1
Females	<b>26.6</b>	26.6

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**23. Pension commitments (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	726	494
Debt instruments	224	146
Property	64	44
Cash	53	44
	<hr/>	<hr/>
Total market value of assets	<b>1,067</b>	<b>728</b>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £20,000 (2015 - £17,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	<b>(261,000)</b>	(222,000)
Net interest cost	<b>(55,000)</b>	(49,000)
	<hr/>	<hr/>
Total	<b>(316,000)</b>	(271,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2016 £	2015 £
Opening defined benefit obligation	<b>2,127,000</b>	1,827,000
Current service cost	<b>261,000</b>	222,000
Interest cost	<b>86,000</b>	72,000
Contributions by employees	<b>51,000</b>	43,000
Actuarial losses/(gains)	<b>833,000</b>	(30,000)
Benefits paid	<b>(23,000)</b>	(7,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>3,335,000</b>	2,127,000
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**23. Pension commitments (continued)**

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

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>728,000</b>	545,000
Return on plan assets (excluding net interest on the net defined pension liability)	<b>31,000</b>	23,000
Actuarial gains and (losses)	<b>128,000</b>	(6,000)
Contributions by employer	<b>152,000</b>	130,000
Contributions by employees	<b>51,000</b>	43,000
Benefits paid	<b>(23,000)</b>	(7,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>1,067,000</b>	728,000
	<hr/> <hr/>	<hr/> <hr/>

**24. Operating lease commitments**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
<b><i>Amounts payable:</i></b>		
Within 1 year	<b>23,256</b>	23,256
Between 1 and 5 years	<b>46,511</b>	46,511
	<hr/>	<hr/>
Total	<b>69,767</b>	69,767
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**25. Related party transactions**

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

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

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**26. SOFA prior year comparatives**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
<i><b>Income from:</b></i>				
Donations and capital grants	40	32,041	42,325	74,406
Charitable activities	-	5,905,812	-	5,905,812
Other trading activities	28,547	28,483	-	57,030
Investments	683	-	-	683
<b>Total income</b>	<b>29,270</b>	<b>5,966,336</b>	<b>42,325</b>	<b>6,037,931</b>
<i><b>Expenditure on:</b></i>				
Raising funds	13,321	-	-	13,321
Charitable activities	-	6,300,371	545,577	6,845,948
<b>Total expenditure</b>	<b>13,321</b>	<b>6,300,371</b>	<b>545,577</b>	<b>6,859,269</b>
<b>Net income/(expenditure) before transfers</b>	<b>15,949</b>	<b>(334,035)</b>	<b>(503,252)</b>	<b>(821,338)</b>
Transfers between Funds	(173,537)	188,384	(14,847)	-
<b>Net income for the period</b>	<b>(157,588)</b>	<b>(145,651)</b>	<b>(518,099)</b>	<b>(821,338)</b>
Actuarial gains/(losses) on defined benefit pension schemes	-	24,000	-	24,000
<b>Net movement in funds</b>	<b>(157,588)</b>	<b>(121,651)</b>	<b>(518,099)</b>	<b>(797,338)</b>

**27. Agency Arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. On 1 September 2015 it was holding undistributed funds of £18,211, during the accounting period ending 31 August 2016 the trust received £27,212 and disbursed £29,867 from the fund. An amount of £15,556 is included in accruals and deferred income relating to undistributed funds that is repayable to EFA.

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**28. First time adoption of FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>Reconciliation of total funds</b>	<b>Notes</b>	<b>1 September 2014</b>	<b>31 August 2015</b>
		£	£
Total funds under previous UK GAAP		17,366,622	16,569,284
Total funds reported under FRS 102		<u>17,366,622</u>	<u>16,569,284</u>

<b>Reconciliation of net expenditure</b>	<b>Notes</b>	<b>31 August 2015</b>
		£
Net expenditure previously reported under UK GAAP		6,848,269
Change in recognition of LGPS interest cost	A	<u>11,000</u>
Net expenditure reported under FRS 102		<u>6,859,269</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £11,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.
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