Company Registration Number: 7935515 (England & Wales)

CAVENDISH LEARNING TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

CAVENDISH LEARNING TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 17
Governance statement	18 - 21
Statement on regularity, propriety and compliance	22
Statement of Trustees' responsibilities	23
Independent auditors' report on the financial statements	24 - 26
Independent reporting accountant's report on regularity	27 - 28
Statement of financial activities incorporating income and expenditure account	29
Balance sheet	30 - 31
Statement of cash flows	32
Notes to the financial statements	33 - 61

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Nigel Hiller (Chair) Mr Peter Bamford Mrs Sue Dight Mr Philip Brown Ms Jennifer Stocks (appointed 27 November 2018) Miss Carol Wood (resigned 2 October 2018)
Trustees	Ms Barbara Walsh, Chair Ms Anju Virdee, Vice Chair Ms Danielle Harris (resigned 23 June 2019) Mr Nigel Sternberg Mr Dave Williams, Chief Executive Mr Steve Poole (resigned 23 March 2019) Ms Lauren Buxton (appointed 9 January 2019, resigned 27 June 2019) Mr Philip Brown Mrs M Pennington (resigned 2 November 2018) Mr Philip Taylor (appointed 10 October 2019) Ms Fiona Parsons

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Company registered number	7935515
Company name	Cavendish Learning Trust
Principal and registered office	Ralph Road Staveley Chesterfield Derbyshire S43 3PU
Senior management team	Mr D Williams, (Chief Executive Officer from 1 Sept 2017) Mr David Plummer, (Chief Operating Officer from 1 Sept 2017 until 31 October 2019) Mrs K Porteous, (Executive Primary Lead until 31 October 2018) Mrs Joanne Mappin (Executive Headteacher from 11 March 2019)
Independent auditors	BHP LLP Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Bankers	Lloyds Bank Butt Dyke House 33 Park Row Nottingham NG61 6GY
Solicitors	Browne Jacobson Castle Meadow Road Nottingham NG2 1BJ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates a number of schools in Derbyshire. Throughout the year the Trust has operated one secondary school and five primary schools. Our academies have a combined number of pupils on roll of 1,964 in the school census in January 2019. The total published admission number for the schools in the Trust is 330 per year.

	2019		2018	
	Number of pupils	Published admission number	Number of pupils	Published admission number
Netherthorpe	1181	170	1,185	170
Whitecotes	191	50	218	50
Poolsbrook	104	15	102	15
Barrow Hill	81	15	76	15
Dunston	298	40	275	40
Gilbert Heathcote	109	40	144	40
	1,964	330	2,000	330

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

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

The charitable company operates as Cavendish Learning Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

The principal objects of the Academy Trust are as follows:

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

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

Structure, governance and management (continued)

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

Subject to Articles 48, 49 and 53, the Academy Trust shall have the following Trustees:
(a) Up to 7 Member appointed Trustees (currently 3);
(b) Further co opted Governors (currently 2).

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

The Local Governing Bodies of each School have two parent Governors who are appointed by locally held elections and parents of all registered pupils attending the academy have the opportunity to stand and to vote. Barrow Hill and Poolsbrook Academies have one shared Local Governing Body. On 10 April 2019 an Interim Executive Committee was formed to manage Gilbert Heathcote, Barrow Hill and Poolsbrook academies in place of the previous local governing bodies in order to improve local governance at these schools. The Interim Executive Committee has 1 Trustee, 4 staff representatives (who are headteachers of the Trust) and one parent governor. This Committee will remain temporarily in place until the Trust is able to complete a review of governance in the latter half of 2019.

The Local Governing Bodies of the other Schools in the Trust have up to two representatives of the staff. Where possible, these are one member of the support staff and one member of the teaching staff.

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

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

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

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

New Board members will:

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

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

New Board members will receive and be encouraged to read:

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

Structure, governance and management (continued)

e. Organisational structure

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

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

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

The Finance and Resources Committee considers Finance; Audit; 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 (or the Interim Executive Committee at the appropriate academies) have responsibility for approving pay increases following appraisal for all staff at individual schools with the exception of the Chief Executive Officer.

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

The Trustees commissioned a review of Governance at all levels in the Trust, that was completed by the National Governors Association. This is now being implemented, which includes a review of the schemes of delegation. One member of the Trustee Board has resigned and has been replaced. The needs of the Board were considered when the new Trustee was appointed. There is a further need to recruit another Trustee and this is currently on-going and suitable candidates are being sought for the position. An audit of skills and strengths of the Board was completed as part of the review and this is being used to determine the skills, knowledge and experience of the potential new Trustees.

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

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

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	**Number of employees**
0%	-
1%-50%	**2**
51%-99%	-
100%	-

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

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	**6**	%

h. Related parties and other connected charities and organisations

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

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

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

Links have also been developed with other schools outside of the Trust in order to widen the experience of staff beyond the confines of the Trust and to enable the sharing of best practice for mutual benefit. This includes working in partnership with two Multi-Academy Trusts.

Structure, governance and management (continued)

i. Risk management

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

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

Objectives and activities

a. Objects and aims

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

Our Vision and Mission Statement is as follows:

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

Mission Statement

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

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

Objectives and activities (continued)

b. Objectives, strategies and activities

Our Key Aim for 2019/20 is to secure improving outcomes for all schools within the Trust. In order to achieve this, the Trust has the following central objectives:

1. To further develop strategic leadership at all levels within the Trust;
2. To further develop the role of the Trust's 'Shared Services' in supporting the schools;
3. To provide support in dealing with identified educational issues following external reviews or inspections;
4. To ensure that the Trust is financially viable and is providing value for money;
5. To further develop structures, processes and procedures within the Trust in order to fulfil statutory requirements.

c. Public benefit

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

Strategic report

Achievements and performance

a. Key performance indicators

Netherthorpe 2018/19

The attainment outcomes at Netherthorpe remained strong in all aspects and is above or in line with the preliminary national averages. The progress of the school improved but still remains below the national average. However, it has been determined by the Trustees that the school should make changes to the curriculum for the sake of improving the performance for league tables and should base all decision on what is best for the students.

The school remains oversubscribed with 206 Year 7 students joining in September 2019. This was 36 above the published admission number. There was also an increase in the number of Post 16 students joining the school in 2019.

The priorities for the school are based around improving the progress of the students in Year 11. A full curriculum review has been undertaken as part of this process, leading to a significant improvement in this area.

Strategic report (continued)

Achievements and performance (continued)

The Key Stage 4 outcomes in relation to national averages are as follows:

Measure	2019		2018		2017	
	Actual	Nat.	Actual	Nat.	Actual	Nat.
Progress 8	-0.44	0	-0.52	0	-0.51	0
Attainment 8	46.34	N/A	44.47	46.53	45.95	46
% of students achieving grade 5+ inc English and Maths	44	N/A	43	43	48	42
% of students achieving grade 4+ inc English and Maths	65	N/A	65	64	67	63
EBACC APS	4.12	N/A	3.98	4.04	4.03	N/A

(2019 National Averages not yet verified)

As can be seen in the table above, overall the results improved in 2019 by a small margin. This was in line with what was seen nationally. It also demonstrates an early impact on the changes that have been made to the curriculum that will enable students to make better progress in the future.

There is a clear need to improve the 'Progress 8' score further and the necessary steps have been taken to address this. The main focus of this will be to improve 'quality first teaching'.

The Key Stage 5 outcomes were as follows:

A Level Measure	2019	2018	2017
% A* - B	34	30	30
% A* - C	68	61	59
% A* - E	98	94	93
Average Grade	C	C-	C-
Average Point Score Per Entry	30.9	29.0	26.9

As can be seen from the table above, there was an improvement in all measures in 2018/19. This also demonstrates a three-year improving trend on both attainment and achievement. This is due to an improved application process to ensure that students are on the correct curriculum. Retention and progression rates are also strong, with the vast majority of students taking up a place at their first choice University or meeting the criteria to start on an apprenticeship.

Primary Schools 2018/19

The Early Years outcomes were as follows:

Measure	Barrow Hill			Poolsbrook			Whitecotes			Gilbert			Dunston		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
%GLD	56	64	55	42	73	77	60	63	68	63	63	72	65	71	67

The national average for 2018 was 71%. There were some decreases but this was down to the development of the students on entry to reception. Full reviews have been completed in relation to EYFS and there has been a clear improvement strategy put in place. The issues at Poolsbrook were identified as part of the recent Ofsted inspection and steps have been taken to address this. This was mainly due to the previous accuracy of assessments and an improvement is already being seen following an external review.

Strategic report (continued)

Achievements and performance (continued)

The Key Stage 1 outcomes were as follows:

Measure KS1	Barrow Hill			Poolsbrook			Whitecotes			Gilbert Heathcote			Dunston		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Combined	55	57	70	38	88	80	70	69	53	54	71	70	70	70	70

The performance was maintained at three of the five schools. The decrease at Gilbert Heathcote was due to a specific issue with the cohort of children and early indications show that this will improve in 2020. The significant decline at Poolsbrook is due to the previous assessment strategies that were giving over inflated outcomes for the groups of children. This was identified as part of the Ofsted inspection. As in EYFS, these issues have already been addressed and a recent external review is positive about the changes that have been made.

The Key Stage 2 attainment outcomes were as follows:

Measure KS2	Barrow Hill			Poolsbrook			Whitecotes			Dunston		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Combined	36	50	100	50	25	0	58	31	38	65	64	60

As can be seen, there were improvements in four of the five schools, especially at Whitecotes and Poolsbrook. Whilst both remain below the national average, it is clear that the strategies implemented in relation to teaching and learning are working effectively. The issue at Barrow Hill, is due to a very small cohort and hence because of this, their results will not be reported nationally because they are statistically insignificant. However, there is a need to better assess, monitor and evaluate the progress that students are making throughout the academic year.

The Key Stage 2 progress outcomes were as follows:

Measure KS2	Barrow Hill			Poolsbrook			Whitecotes			Dunston			'Floor'
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	
Reading	-2.1	-2.2	2.5	-5.9	-8.4	-3.8	-0.4	-4.5	-7.4	-0.9	-0.1	-1.1	-5
Writing	2.5	3.9	3.0	-6.1	1.6	1.8	0.5	-2.7	-5.2	2.3	0.9	0.6	-5
Mathematics	-3.2	-5.9	2.8	-7.2	-8.7	N/A	-1.2	-4.0	-6.2	-1.1	-1.1	-1.1	-7

In most areas, progress improved across all of the primary academies within the Trust, with only three measures being below the traditional 'floor' target at Poolsbrook. However, two of these in reading and mathematics improved from the previous year. The focus on 'quality first teaching' is being reinforced across the Trust and this will ultimately improve the progress of students in each academy.

Strategic report (continued)

Achievements and performance (continued)

Ofsted – 2018/19

During the academic year, three of the schools underwent an Ofsted inspection, and the following judgements were given:

- Barrow Hill: Requires Improvement
- Poolsbrook: Inadequate
- Whitecotes: Inadequate

The Trust has wasted no time in dealing with the issues raised in the Ofsted inspections and clear improvement plans are in place. However, as is the process defined as part of the funding agreement, the DFE have sent through two 'Termination Warning Notices' for both Poolsbrook and Whitecotes.

A representation has been submitted to the Regional Schools Commissioner detailing why both the Members and Trustees believe that the academies should remain part of the Cavendish Learning Trust and the decision will be made in due course. The other schools were all graded as 'good' in their last inspections.

b. Going concern

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

At present the Trust is reliant upon grants received from the Department for Education to support the operation of the central team. The board has undertaken a restructure of the central team in the autumn of 2019 to ensure that funds are focussed on our priorities of improving the educational outcomes of our pupils.

Financial review

a. Reserves policy

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

• Unrestricted reserves	£ 289,253
• GAG reserves	£ Nil
• Sponsor Capacity fund	£ 16,459
Total free reserves	£305,712

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

The Trust does not transfer reserves between member schools, so it is also important that each school has its own free reserves for use when required. Given current trends within education funding and increasing pressures in terms of cost,

Strategic report (continued)

Financial review (continued)

and the fact that some schools had a minimal level of individual reserves on conversion, this will require the Trust to continue to monitor this carefully particularly in the current climate where any increases in salary costs are not fully funded by the Education and Skills Funding Agency.

b. 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.

c. Principal risks and uncertainties

The Trustees are aware of the risks that the academies face in the short, medium and long term, the principal risks and uncertainties have been identified following the risk management process
Principal risks and uncertainties (other than pension deficit) are:

- Pupil numbers;
- Future funding levels, in particular with relation to the continuance of the Teachers Pay Grant and funding in the forthcoming Comprehensive Spending Review and how the government distributes promised additional funding in future years
- Public sector pension contribution rates;
- Success of applications for capital building projects and Trust expansion projects;
- Not achieving critical mass within the Trust to support the cost of managing a small number of schools;
- Having schools which are in a category re-brokered into another Trust on the orders of the DfE;
- Risk of drop in performance of central team following the restructuring programme;
- Uncontrolled additional costs incurred through having to cover for absent staff;
- Unbudgeted increases in teaching or support staff costs.

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

Strategic report (continued)

Financial review (continued)

d. Financial review

The Trust reported an in year revenue deficit of £64,656 for 2018-19 excluding pension reserves. This included the costs of the Shared Services Centre which is currently being funded from brought forward reserves, and also costs of restructuring at Netherthorpe School designed to ensure that the Trust is more stable in future financial years. All schools except for Barrow Hill and Whitecotes have positive cumulative reserves: at 31 August 2019. Total revenue reserves of the Trust excluding pensions was £369,112. During the year no further schools joined the trust. The principal source of funding is the General Annual Grant which is received from the Education and Skills Funding Agency (ESFA). This funding is allocated to the Trust via a set formula for each individual school. General Annual Grant accounts for 83% of total Income from Charitable Activities (2018: 82%). The ESFA and Department for Education also provide additional grants towards the cost of Universal Infant Free School Meals and for Pupil Premium. The Trust receives income from the local authority towards the additional costs of students with special educational needs and disability, as well as for Early Years provision. Government funding remains very tight and the Trust is constantly reviewing its operations in order to deliver its objectives within the available funding envelope, as well as looking to supplement funding from other sources where these can be identified (for example by letting out premises and school fundraising).

Barrow Hill Primary Academy overspent during the year, ending with a deficit in its reserves of £85,330 as at 31 August 2019. This was due to having to pay a large amount out in supply costs to cover several staff absences over the year, including long term sickness for the schools administration staff. In the year the school also largely overspent on learning resources. The school failed to recover it's summer term Early Years funding during the year from the local authority. The Trust has a plan to reverse this deficit over the medium term through a reorganisation of the staffing of the school, including reviewing the leadership structure and reducing the number of classes to more efficiently match the number of students at that school in 2019-20.

Netherthorpe School reported a net surplus in the year of £119,466 mainly due to the costs of a reorganisation of staff. The school spent additional amounts of GAG on capital projects in the year including additions to ICT systems and changes made to the canteen payment system. Netherthorpe has carried forward remaining reserves of £218,136 into the 2019 20 academic year.

Poolsbrook Primary Academy overspent its budget by £69,199 in 2018-2019, mainly due to the payment of severance pay and payment in lieu of notice to a senior member of staff, totalling £53,720. In the year the school also saw a high spend on supply costs, to cover open vacancies in the establishment of the school. The school brought forward £94,975 in reserves from 2017-2018, and this has absorbed the in year deficit. The school has carried forward reserves of £5,592 at the end of the 2018-2019 financial year end. The school has prepared and submitted at budget with a small surplus for the year 2019-2020 and must keep a tight control on this. The school is also being closely supported by the central finance team to manage supply budget.

Whitecotes Primary Academy ended the year with a £51,153 deficit, which has absorbed the schools brought forward reserves of £20,112. In the year the school had a massive over spends on supply costs, this is being addressed across the trust and the schools supply costs for 2019-2020 are being monitored by the central finance team. The schools budget for 2019-2020 has been set to generate a surplus, the school will also be continually supported by the trust.

Dunston Primary & Nursery Academy at the end of 2018-2019, showed a surplus of £93,452 to carry forward. In the year the school used £19,000 from its reserves to start furnishing some of the new classrooms, which are still under construction funded by the schools S106 income.

Strategic report (continued)

Financial review (continued)

Gilbert Heathcote Nursery and Infant School joined the trust in March 2018. The school inherited £59,265 from the predecessor school when it join the Trust and this increased to £78,664 by the end of 2018, with continued tight financial management, the school saw an in year surplus of £43,744, in 2018-2019 taking it total revenue reserves carried forward to £122,408. This reserve will be vital in future periods as funding for smaller schools gets more difficult nationally.

At the end of the year a total of £289K (2018: £317k) unrestricted funds, £80k (2018: £117K) restricted funds and £29,041k (2018: £29,427k) restricted fixed asset funds were held by the Trust offset by a negative pension reserve of £5,673k (2018: £3,150k). The Trust has engaged professional actuaries to advice on the activity of the defined benefit pension schemes as described in note 24 and considers that the combined contribution rates for the ongoing LGPS scheme are sufficient to address any shortfall over time.

Cash balances stood at £816K at 31 August 2019, compared to £1,147k in the previous year,

The trust has took on several project over the summer months to concentrate on cost savings exercise, supply cover being the main focus. The trust now has a first call agreement in place with a supplier on preferential rate, this cost area is now also being managed by the central finance team.

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

Fundraising

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

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

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

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

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

Plans for future periods

There are currently no further schools in the pipeline to join the Trust during 2019 20. The Trust is currently consolidating its position and ensuring that its current schools' outcomes are secured for the next year. We would welcome additional partner schools to become members of the Trust in due course if they are 'Good' or 'Outstanding', as such schools would add to our capacity to support one another. In particular we would welcome a secondary school to join the Trust to enable Netherthorpe School to get greater benefit from its continuing membership of the Trust.

Employee involvement and employment of the disabled

The Trust has a comprehensive Equality and Diversity Policy which is available on the Cavendish Learning Trust website. This policy covers disabled persons as well as inequality arising out of age, gender or sex, marital status, parenthood, race, sexual orientation and other forms of disadvantage such as isolation and rural deprivation. As a major employer and provider of education services CLT is committed to advancing equality of opportunity and providing fair access and treatment in employment. Recruitment is carried out fairly and we provide additional equipment or support to employees where it is reasonable to do so.

Employee consultation

The Trust always consults with staff ahead of implementing any significant new arrangements which may affect employees. This includes dialogue with Trade Unions, meetings with affected groups of staff, and carrying out one to one meetings to advise employees of the potential effect of any proposed arrangements on them. During the year employees at Netherthorpe were consulted about a reduction in staffing levels in advance of taking any decision which helped to reduce the number of compulsory redundancies by seeking expressions of interest for voluntary redundancies in a number of cases. We have also consulted widely with trade unions and staff in advance of transfers of staff to the Trust from Derbyshire County Council under the Transfer of Undertakings (Protection of Employment) Regulations when bringing the Facilities Management teams in house at our two newest primary schools and during the conversion process of those two schools.

Future objectives of the Trust

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

To further develop strategic leadership within the Trust.

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

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

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

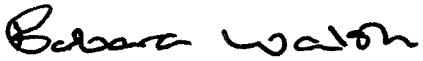
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 19 December 2019 and signed on its behalf by:



Ms Barbara Walsh
(Chair of Trustees)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms Barbara Walsh, Chair	6	6
Ms Anju Virdee, Vice Chair	5	6
Ms Danielle Harris	0	5
Mr Nigel Sternberg	4	6
Mr Dave Williams, Chief Executive	6	6
Mr Steve Poole	4	4
Ms Lauren Buxton	1	3
Mr Philip Brown	5	6
Mrs M Pennington	0	0
Mr Philip Taylor	0	0
Ms Fiona Parsons	6	6

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Fiona Parsons (Chair)	3	3
Dave Williams	3	3
David Plummer	3	3
Danielle Harris	0	2
Nigel Sternberg	1	3
Philip Brown	3	3

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Using government framework contracts to tender for printing services across the majority of the Trust
- Re-tendering the catering contract to reduce the overall costs of catering over the next 3 years
- Entering into insurance to protect the Trust against unexpected cover bills caused by absence of key employees at Primary Schools (and rationalising this contract to a single supplier) and undertaking a programme to appoint a preferred supplier of agency staff at preferential rates;
- Sharing procurement of services and the provision of training between several schools to generate economies of scale;
- Reviewing staffing requirements and reducing cost commitments where possible when staff vacancies occur;
- Benchmarking expenditure against that of similar Trusts to check that expenditure levels are not excessive in comparison to other similar organisations.
- Appointing a qualified accountant into a senior role at Trust level supported by a qualified management accountant and financial accountant to manage finances and drive cost efficiencies.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cavendish Learning Trust for the year 1 September 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

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

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

- Review of payroll system and controls
- Review of purchasing system and controls
- Review of income and cash accounting
- Review of accounting systems at local school sites
- Review of significant capital programmes
- Review of pension submission data
- Review of financial forecasting procedures

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

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of Trustees on 19 December 2019 and signed on their behalf by:

Ms Barbara Walsh
Chair of Trustees

Barbara Walsh

Mr Dave Williams
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cavendish Learning Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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

Mr Dave Williams
Accounting Officer
Date: 19 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 19 December 2019 and signed on its behalf by:

Barbara Walsh

Ms Barbara Walsh
(Chair of Trustees)

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

Opinion

We have audited the financial statements of Cavendish Learning Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

20 December 2019

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

In accordance with the terms of our engagement letter dated 16 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cavendish Learning Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Cavendish Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cavendish Learning Trust's funding agreement with the Secretary of State for Education dated 28 February 2012, and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

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

- Review of the academy trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;

- Ensure that ESFA approval has been obtained for relevant transactions;

- Discussions with Trustees, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Philip Allsop

BHP LLP

2 Rutland Park
Sheffield
S10 2PD

Date: 20 December 2019

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	**5,000**	-	**398,876**	**403,876**	6,064,106
Charitable activities	4	**267,151**	**10,758,494**	-	**11,025,645**	10,020,153
Other trading activities	5	**46,771**	**37,729**	-	**84,500**	62,287
Investments	6	**757**	**29**	-	**786**	682
Total income		**319,679**	**10,796,252**	**398,876**	**11,514,807**	16,147,228
Expenditure on:						
Charitable activities	7	**328,073**	**11,341,939**	**834,331**	**12,504,343**	11,480,415
Total expenditure		**328,073**	**11,341,939**	**834,331**	**12,504,343**	11,480,415
Net expenditure		**(8,394)**	**(545,687)**	**(435,455)**	**(989,536)**	4,666,813
Transfers between funds	18	**(19,185)**	**(30,390)**	**49,575**	**-**	-
Net movement in funds before other recognised gains/(losses)		**(27,579)**	**(576,077)**	**(385,880)**	**(989,536)**	4,666,813
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	**(1,984,000)**	-	-	**(1,984,000)**	671,000
Net movement in funds		**(2,011,579)**	**(576,077)**	**(385,880)**	**(2,973,536)**	5,337,813
Reconciliation of funds:						
Total funds brought forward		**316,832**	**(3,033,064)**	**29,427,504**	**26,711,272**	21,373,459
Net movement in funds		**(2,011,579)**	**(576,077)**	**(385,880)**	**(2,973,536)**	5,337,813
Total funds carried forward		**(1,694,747)**	**(3,609,141)**	**29,041,624**	**23,737,736**	26,711,272

The Statement of Financial Activities includes all gains and losses recognised in the year.

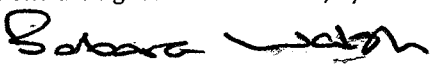
CAVENDISH LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7935515

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	14		**28,731,333**		29,116,889
			28,731,333		29,116,889
Current assets					
Stocks	15	**5,565**		9,090	
Debtors	16	**751,377**		415,000	
Cash at bank and in hand		**816,808**		1,146,902	
		1,573,750		1,570,992	
Creditors: amounts falling due within one year	17	**(894,347)**		(826,609)	
Net current assets			**679,403**		744,383
Total assets less current liabilities			**29,410,736**		29,861,272
Net assets excluding pension liability			**29,410,736**		29,861,272
Defined benefit pension scheme liability	24		**(5,673,000)**		(3,150,000)
Total net assets			**23,737,736**		26,711,272
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	18	**29,041,624**		29,427,504	
Restricted income funds	18	**(5,593,141)**		(3,033,064)	
Total restricted funds	18		**23,448,483**		26,394,440
Unrestricted income funds	18		**289,253**		316,832
Total funds			**23,737,736**		26,711,272

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 29 to 61 were approved by the Trustees, and authorised for issue on 19 December 2019 and are signed on their behalf, by:



Ms Barbara Walsh
(Chair of Trustees)

The notes on pages 33 to 61 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	**(280,981)**	475,188
Cash flows from investing activities	21	**(49,113)**	(125,419)
Change in cash and cash equivalents in the year		**(330,094)**	349,769
Cash and cash equivalents at the beginning of the year		**1,146,902**	797,133
Cash and cash equivalents at the end of the year	22	**816,808**	1,146,902

The notes on pages 33 to 61 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

1.2 Going concern

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

1. **Accounting policies (continued)**

1.3 Income

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

- ***Legacies***

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

- ***Grants***

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

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

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

- ***Donations***

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

1.4 Expenditure

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

- ***Charitable activities***

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

1. **Accounting policies (continued)**

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

1.7 Stocks

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

1. **Accounting policies (continued)**

1.8 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.

1.9 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.

1.10 Liabilities

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

1.11 Financial instruments

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

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

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

1.12 Operating leases

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

1. **Accounting policies (continued)**

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

1.15 Fund accounting

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

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

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

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

2. *Critical accounting estimates and areas of judgment*

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	**Restricted funds 2019** £	**Total funds 2019** £	Total funds 2018 £
Donations	5,000	-	**5,000**	6,982
Transfer from local authority on conversion	-	-	**-**	5,545,687
Capital grants	-	398,876	**398,876**	511,437
	5,000	398,876	**403,876**	6,064,106
Total 2018	147,055	5,917,051	6,064,106	

4. Funding for the Academy Trust's education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	9,181,470	**9,181,470**	8,230,121
Other DfE/ESFA grants	4,375	773,506	**777,881**	700,248
	4,375	9,954,976	**9,959,351**	8,930,369
Other Government grants				
Special Educational Needs	-	236,994	**236,994**	281,898
Other government grants non capital	14,404	336,939	**351,343**	248,231
	14,404	573,933	**588,337**	530,129
Other income from the academy trusts' educational operations				
Internal catering income	245,527	51,820	**297,347**	280,987
Other	2,845	177,765	**180,610**	278,668
	267,151	10,758,494	**11,025,645**	10,020,153
Total 2018	266,903	9,753,250	10,020,153	

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	13,529	-	**13,529**	17,001
Other	33,242	37,729	**70,971**	45,286
	46,771	37,729	**84,500**	62,287
Total 2018	36,984	25,303	62,287	

6. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	757	29	**786**	682
Total 2018	658	24	682	

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	7,971,841	-	821,329	**8,793,170**	8,164,393
Allocated support costs	1,448,260	906,765	1,356,148	**3,711,173**	3,316,022
	9,420,101	906,765	2,177,477	**12,504,343**	11,480,415
Total 2018	8,678,304	753,703	2,048,408	11,480,415	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	8,793,170	3,711,173	**12,504,343**	11,480,415
Total 2018	8,164,393	3,316,022	11,480,415	

Analysis of direct costs

	Education 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance costs (note 24)	93,000	**93,000**	82,000
Staff costs	7,971,843	**7,971,843**	7,368,261
Educational supplies	443,443	**443,443**	444,470
Examination fees	100,910	**100,910**	117,463
Staff development	80,553	**80,553**	49,152
Other costs	8,255	**8,255**	5,539
Technology costs	95,166	**95,166**	97,508
	8,793,170	**8,793,170**	8,164,393

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	1,428,678	**1,428,678**	1,290,296
Depreciation	834,331	**834,331**	728,223
Other support costs	180,777	**180,777**	198,486
Recruitment and other staff costs	22,951	**22,951**	12,119
Maintenance of premises and equipment	165,723	**165,723**	156,689
Cleaning	27,733	**27,733**	26,450
Rent and rates	66,930	**66,930**	87,883
Heat and light	195,092	**195,092**	116,482
Insurance	110,908	**110,908**	98,121
Security and transport	88,338	**88,338**	100,100
Catering	402,019	**402,019**	339,583
Office overhead	135,014	**135,014**	112,710
Bank interest and charges	5,068	**5,068**	6,121
(Profit) / loss on disposal of fixed asset	-	**-**	757
Governance costs (note 11)	47,611	**47,611**	42,002
	3,711,173	**3,711,173**	3,316,022

9. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	**834,331**	728,223
Loss on disposal of fixed assets	**-**	757
Fees paid to auditors for:		
- audit	**16,000**	15,000
- other services	**3,000**	3,000

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	**6,679,375**	6,333,898
Social security costs	**601,271**	576,181
Pension costs	**1,542,974**	1,429,701
	8,823,620	8,339,780
Agency staff costs	**498,714**	293,279
Staff restructuring costs	**97,767**	45,245
	9,420,101	8,678,304

Staff restructuring costs comprise:

	2019	2018
	£	£
Redundancy payments	**72,263**	45,245
Severance payments	**25,504**	-
	97,767	45,245

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	**108**	110
Admin	**167**	168
Management	**22**	21
	297	299

10. Staff costs (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	**90**	94
Admin	**87**	108
Management	**20**	21
	197	223

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	**2**	3
In the band £70,001 - £80,000	**1**	-
In the band £80,001 - £90,000	**-**	1
In the band £100,001 - £110,000	**1**	-

3 of the above employees participated in the Teachers Pension Scheme, whilst the other participated in the Local Government Pension Scheme. During the year ended 31 August 2019, pension contributions for these employees amounted to £52,914 (2018: £45,580).

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £266,433 (2018: £277,644).

11. Governance

	2019	2018
	£	£
Internal audit costs	**3,750**	3,750
Auditors' remuneration	**16,000**	15,000
Auditors' non audit costs	**3,000**	3,000
Governance expense - wages and salaries	**19,580**	19,747
Other governance costs	**5,281**	505
Total	**47,611**	42,002

12. Central services

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

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

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

3.7% of the General Annual Grant for each Academy
Facilities management services provided by central employees are recharged at cost
Insurance costs for staff absence cover

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

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Netherthorpe	**214,595**	241,643
Barrow Hill	**16,150**	48,520
Poolsbrook	**17,834**	56,045
Whitecotes	**32,067**	123,579
Dunston	**42,648**	56,214
Gilbert Heathcote	**21,672**	31,462
Total	**344,966**	557,463

13. Trustees' remuneration and expenses

The Chief Executive and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of staff Trustees' remuneration and other benefits fell within the following bands: Mr D Williams: Remuneration £100,000 - £110,000 (2018: £85,000 - £90,000) Employer's pension contributions £15,000 - £20,000 (2018: £10,000 -£15,000), Ms K Porteous: Remuneration £5,000 - £10,000 (2018: £55,000 - £60,00) Employer's pension contributions £nil (2018: £5,000 - £10,000), Mr D Plummer: Remuneration £75,000 - £80,000 (2018: £65,000 - £70,000) Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000).

During the year ended 31 August 2019, no Trustee expenses have been incurred *(2018 - £NIL)*.

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	**30,520,326**	**722,838**	**559,478**	**909,139**	**32,711,781**
Additions	**316,538**	**15,243**	**18,864**	**98,130**	**448,775**
At 31 August 2019	**30,836,864**	**738,081**	**578,342**	**1,007,269**	**33,160,556**
Depreciation					
At 1 September 2018	**2,249,041**	**422,089**	**332,524**	**591,238**	**3,594,892**
Charge for the year	**617,100**	**77,419**	**44,491**	**95,321**	**834,331**
At 31 August 2019	**2,866,141**	**499,508**	**377,015**	**686,559**	**4,429,223**
Net book value					
At 31 August 2019	**27,970,723**	**238,573**	**201,327**	**320,710**	**28,731,333**
At 31 August 2018	28,271,285	300,749	226,954	317,901	29,116,889

15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	**5,565**	9,090

16. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	**63,539**	5,734
Other debtors	**16,057**	3,408
Prepayments and accrued income	**543,321**	316,799
Tax recoverable	**128,460**	89,059
	751,377	415,000

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	**359,405**	275,701
Other taxation and social security	**142,081**	147,402
Accruals and deferred income	**392,861**	403,506
	894,347	826,609

	2019	2018
	£	£
Deferred income at 1 September 2018	**165,650**	16,743
Resources deferred during the year	**109,730**	165,650
Amounts released from previous periods	**(165,650)**	(16,743)
	109,730	165,650

At the financial year end £109,730 was recognised in deferred income in relation to income received which relates to the following financial year.

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	**316,832**	**319,679**	**(328,073)**	**(19,185)**	**-**	**289,253**
Restricted general funds						
General Annual Grant (GAG)	**-**	**9,181,470**	**(9,151,080)**	**(30,390)**	**-**	**-**
Pupil premium	**-**	**675,918**	**(675,918)**	**-**	**-**	**-**
Special needs funding	**-**	**236,994**	**(236,994)**	**-**	**-**	**-**
Trips	**11,368**	**67,564**	**(70,586)**	**-**	**-**	**8,346**
Sponsor capacity fund	**64,213**	**-**	**(47,754)**	**-**	**-**	**16,459**
Staff gifts	**1,250**	**1,530**	**(1,598)**	**-**	**-**	**1,182**
Charity fund	**643**	**986**	**(30)**	**-**	**-**	**1,599**
De Gruchy Fund	**26,058**	**14**	**(1,000)**	**-**	**-**	**25,072**
Restricted other	**13,404**	**631,776**	**(617,979)**	**-**	**-**	**27,201**
Pension reserve	**(3,150,000)**	**-**	**(539,000)**	**-**	**(1,984,000)**	**(5,673,000)**
	(3,033,064)	**10,796,252**	**(11,341,939)**	**(30,390)**	**(1,984,000)**	**(5,593,141)**
Restricted fixed asset funds						
Class II Restricted Funds - all funds	**29,427,504**	**398,876**	**(834,331)**	**49,575**	**-**	**29,041,624**
Total Restricted funds	**26,394,440**	**11,195,128**	**(12,176,270)**	**19,185**	**(1,984,000)**	**23,448,483**
Total funds	**26,711,272**	**11,514,807**	**(12,504,343)**	**-**	**(1,984,000)**	**23,737,736**

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

18. Statement of funds (continued)

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.

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

Charity fund: Funds raised for charitable purposes.

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

Restricted other: Funds received towards the cost of providing universal infant free school meals, for Early Years provision, the use of high needs funding, and other funds raised by the school for specific projects or purposes.

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

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

Transfers: The transfer in the year relates to GAG funds spent on capitalised items in the year.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Central	**66,007**	77,269
Netherthorpe	**218,136**	98,670
Barrow Hill	**(85,330)**	(49,477)
Poolsbrook	**5,592**	94,975
Whitecotes	**(51,153)**	20,112
Dunston	**93,452**	113,555
Gilbert Heathcote	**122,408**	78,664
Pension reserve	**(5,673,000)**	(3,150,000)
Total before fixed asset funds and pension reserve	**(5,303,888)**	(2,716,232)
Restricted fixed asset fund	**29,041,624**	29,427,504
Total	**23,737,736**	26,711,272

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Barrow Hill	**85,330**
Whitecotes	**51,153**

Barrow Hills deficit relates to a £49k deficit brought forward and an in year deficit of £36k. The in year deficit is due to an over spend on agency supply costs, additional admin salary costs due to long term sickness and a large over spend on learning resources.

Whitecotes deficit is due to an over spend within the year on agency cover costs.

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

The Trust has put a preferred supplier agreement in place with a supply agency and supply costs are now being monitored on a weekly basis. The Trust has also identified the top spend areas and these are under rigorous review.

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	**Total 2019 £**	Total 2018 £
Central	28,073	511,683	-	33,353	**573,109**	636,865
Netherthorpe	4,411,899	632,671	278,466	937,449	**6,260,485**	6,358,244
Barrow Hill	381,006	36,442	26,246	95,510	**539,204**	563,789
Poolsbrook	504,276	35,652	32,635	103,924	**676,487**	566,792
Whitecotes	708,542	97,258	48,919	193,943	**1,048,662**	1,046,722
Dunston	1,093,315	89,221	41,458	217,409	**1,441,403**	782,329
Gilbert Heathcote	396,071	65,541	15,718	114,332	**591,662**	310,451
Pensions	-	-	-	539,000	**539,000**	487,000
Academy Trust	7,523,182	1,468,468	443,442	2,234,920	**11,670,012**	10,752,192

18. Statement of funds (continued)

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

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	28,731,333	**28,731,333**
Current assets	289,253	974,206	310,291	**1,573,750**
Creditors due within one year	-	(894,347)	-	**(894,347)**
Provisions for liabilities and charges	-	(5,673,000)	-	**(5,673,000)**
Total	289,253	(5,593,141)	29,041,624	**23,737,736**

Analysis of net assets between funds - prior year

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

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	**(989,536)**	4,666,813
Adjustments for:		
Depreciation	**834,331**	728,223
Capital grants from DfE and other capital income	**(398,876)**	(511,437)
Interest receivable	**(786)**	(682)
Defined benefit pension scheme obligation inherited	**-**	612,000
Defined benefit pension scheme cost less contributions payable	**446,000**	405,000
Defined benefit pension scheme finance cost	**93,000**	82,000
Decrease in stocks	**3,525**	1,616
(Increase)/decrease in debtors	**(336,377)**	244,781
Increase in creditors	**67,738**	245,389
Loss on the sale of fixed assets	**-**	757
Fixed asset donations received	**-**	(5,999,272)
Net cash (used in)/provided by operating activities	**(280,981)**	475,188

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	**786**	682
Purchase of tangible fixed assets	**(448,775)**	(637,538)
Capital grants from DfE Group	**398,876**	511,437
Net cash used in investing activities	**(49,113)**	(125,419)

22. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	**816,808**	1,146,902
Total cash and cash equivalents	**816,808**	1,146,902

23. Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**726,341**	374,740

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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.

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £567,431 (2018 - £492,932).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £524,000 (2018 - £462,000), of which employer's contributions totalled £401,000 (2018 - £352,000) and employees' contributions totalled £ 123,000 (2018 - £110,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5.50 - 12.50 per cent 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.

24. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	**2.80**	2.90
Rate of increase for pensions in payment/inflation	**2.30**	2.40
Discount rate for scheme liabilities	**1.80**	2.80
Commutation of pensions to lump sums	**50.00**	50.00

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

	2019 Years	2018 Years
Retiring today		
Males	**21.9**	21.9
Females	**24.4**	24.4
Retiring in 20 years		
Males	**23.9**	23.8
Females	**26.5**	26.5

Sensitivity analysis

	2019 £000	2018 £000
0.5% decrease in Real Discount Rate	**1,418,000**	965,000
0.5% increase in Salary Increase Rate	**224,000**	179,000
0.5% increase in the Pension Increase Rate	**1,162,000**	771,000

24. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	**3,014,010**	2,802,610
Corporate bonds	**1,185,840**	794,770
Property	**395,280**	292,810
Cash and other liquid assets	**345,870**	292,810
Total market value of assets	**4,941,000**	4,183,000

The actual return on scheme assets was £124,000 (2018 - £79,000).

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

	2019 £	2018 £
Current service cost	**(771,000)**	(757,000)
Past service cost	**(76,000)**	-
Interest income	**124,000**	79,000
Interest cost	**(217,000)**	(161,000)
Total amount recognised in the Statement of Financial Activities	**(940,000)**	(839,000)

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

	2019 £	2018 £
At 1 September	**7,333,000**	4,962,000
Effect of business combinations and disposals	-	1,945,000
Current service cost	**847,000**	757,000
Interest cost	**217,000**	161,000
Employee contributions	**123,000**	110,000
Actuarial losses/(gains)	**2,121,000**	(567,000)
Benefits paid	**(27,000)**	(35,000)
At 31 August	**10,614,000**	7,333,000

24. Pension commitments (continued)

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

	2019	2018
	£	£
At 1 September	**4,183,000**	2,240,000
Effect of business combinations and disposals	-	1,333,000
Interest income	**124,000**	79,000
Actuarial gains	**137,000**	104,000
Employer contributions	**401,000**	352,000
Employee contributions	**123,000**	110,000
Benefits paid	**(27,000)**	(35,000)
At 31 August	**4,941,000**	4,183,000

25. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy 2019	academy 2018
	£	£
Not later than 1 year	**32,069**	33,131
Later than 1 year and not later than 5 years	**42,788**	10,878
Later than 5 years	**240**	-
	75,097	44,009

26. Members' liability

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

27. 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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

During the year H Nelson was employed at the Trust. H Nelson is the daughter of K Porteous who was part of the senior management team at Cavendish Learning Trust. H Nelson was paid within the normal pay range for her role and receives no special treatment as a result of her relationship with K Porteous.

During the year purchases of £226 (2018: £1,446) were made from Yellow Spade Design Limited, a company of which a Trustee is a Director. At the year end a balance of £Nil (2018: £1,086) remained unpaid.

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. On 1 September 2018 it was holding undistributed funds of £20,372. During the accounting period ended 31 August 2019 the trust received £38,937 and disbursed £48,446 from the fund. An amount of £10,863 is included in accruals and deferred income relating to undistributed funds that is repayable to the ESFA.