
THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 17
Statement on regularity, propriety and compliance	18
Trustees' responsibilities statement	19
Independent auditor's report	20 - 21
Independent reporting accountant's assurance report on regularity	22 - 23
Statement of financial activities	24 - 25
Balance sheet	26 - 27
Cash flow statement	28
Notes to the financial statements	29 - 49

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

I Ablewhite, Trustee²
N Askew, Trustee^{1,2}
C Bean, Trustee (resigned as a member 31 October 2014)²
R Booth, Trustee¹
S Hyde, Trustee (appointed as a member 25 November 2014)²
A Jones, Trustee¹
T Sorensen-Bentham, Trustee¹

Trustees

S Barrow¹
W Carter^{1,2}
A Cornell²
K Fitzpatrick, Accounting Officer^{1,2}
C Heaps (resigned 4 September 2013)
R Mason (resigned 10 December 2013)²
B Matthews (resigned 16 October 2013)¹
A Moore¹
J Morrison²
I Pantelidis (appointed 13 May 2014)¹
E Sier (appointed 8 November 2013)¹
M Watts²
R Wells¹

¹ Operational Resources Committee

² Pupil Outcomes Committee

Company registered number

08135372

Principal and registered office

Eldon Road, Eastbourne, East Sussex, BN21 1UE

School Business Manager

G Riley

Senior management team

K Fitzpatrick, Headteacher
I Swingler, Deputy Headteacher
M Pickup, Deputy Headteacher
B Sibley, Assistant Headteacher
S Franceschi, Assistant Headteacher
B Greenhalgh, Assistant Headteacher
E Benyon, Director of Human Resources

Independent auditor

Knill James, One Bell Lane, Lewes, East Sussex, BN7 1JU

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Bankers

Lloyds TSB, Terminus Road, Eastbourne, BN21 3AH

Solicitors

Veale Wasborough Vizard, Orchard Court, Orchard Lane, Bristol, BS1 5WS

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of The Cavendish School (Eastbourne) (the Academy) for the 1 September 2013 to 31 August 2014. The company was incorporated on 9 July 2012 and commenced operating as an Academy on 1 August 2012. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, Governance and Management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of The Cavendish School (Eastbourne) are also the directors of the charitable company for the purposes of company law. The charitable company is The Cavendish School (Eastbourne) known as The Cavendish School.

Details of the trustees, who also act as governors, who served during the period are included in the Reference and Administrative Details on page 1.

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. Trustees' Indemnities

Governor Liability and Fidelity Guarantee is covered by an insurance policy (Education Combined) with Zurich Municipal Insurance.

d. Principal Activities

The principal activities of the Academy Trust are specifically restricted to the following:

- 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.
- To promote for the benefit of the inhabitants of Eastbourne and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

e. Method of Recruitment and Appointment or Election of Trustees

The Academy appoints governors in accordance with clauses 62 to 70 of its Articles of Association. In summary:

Up to nine Governors appointed under Article 3

A minimum of two and no more than three staff Governors (for the avoidance of doubt, not including the Headteacher), if appointed under Article 50a

Up to one Local Authority Governor if appointed under Article 51

A minimum of two and no more than seven parent Governors appointed under Articles 53-58

The Headteacher

Any additional Governors, if appointed under Article 62, 62a or 68a

Any further Governors, if appointed under Article 63 or 68a

f. Policies and procedures Adopted for the induction and Training of Trustees

An induction programme for new governors has recently been established on the "Governor Development" pages of the school website. The main purpose of these pages, which are managed by the "Link" governor, is to provide governors with ready access to on-line information about school governance. The induction programme can be accessed through the following link <https://sites.google.com/a/cavendish.e-sussex.sch.uk/governor-development/induction>. The first induction session is scheduled for 19 November.

Induction sessions include the following:

- Meeting with Chair of Governors - tour of school, familiarisation with handbook and website
- Safeguarding, confidentiality, other members, pen portraits, supporters (staff and governors)
- Standard Operating Procedures - Appreciative Friends, impact evaluation, effective running of meetings, the governing body, What it means to be Chair and supporting the Chair
- Membership of an ad hoc committee
- Links - responsibilities within the school, links with our local community.

g. Organisational Structure

The Governing Body is collectively responsible for the overall direction of The Cavendish School and its strategic management. This involves determining the guiding principles within which the Academy operates, setting general policy, adopting an annual development plan and budget, monitoring the Academy activities and making major decisions about capital expenditure and senior staff appointments. The Governing Body is also responsible for ensuring that the Academy meets all its statutory obligations and through the Headteacher and Director of Operational Resources that it complies with financial regulations. The Headteacher is the Accounting Officer of the Academy.

The Governing Body recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Headteacher and the Senior Leadership of the Academy.

The Senior Leadership Team (SLT) of the Academy comprises the Headteacher, two Deputy Headteachers, three Assistant Headteachers, the Director of Operational Resources, and the Director of Human Resources. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The SLT meet at least once per week to discuss matters relating to the operation and leadership of the Academy. Members of the SLT report to their link governors on a regular basis and to the Governor sub-committees of Operational Resources and Pupil Outcomes. The sub-committees report to the Full Governing Body. The full Governing body and its committees each have their own terms of reference which governs their remit and operation.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Directors of Learning are responsible for each curriculum area and Progress Leaders for the pastoral operations of the Academy. These individuals are line managed by members of the SLT.

h. Risk Management

The management of risks to the School is undertaken in accordance with the Funding Agreement and the Academies Financial Handbook.

The Governing Body is responsible for risk management and for maintaining a sound system of internal controls that supports the achievement of its objectives, whilst safeguarding public funds, other funds and assets for which it is responsible. The Governing Body is advised in this role by the Operational Resources Committee and both are advised and informed by the Senior Leadership Team.

The Governing Body fulfils its Risk Management role by:

- Establishing the system of internal control;
- Approving and reviewing policies that underpin the internal control process;
- Agreeing objectives, plans and resources by means of the annual budget and School Improvement Plan;
- Approving and reviewing the risk register;
- Considering carefully the advice from the Responsible Officer, Auditor and Audit Committee on internal financial controls.

The Senior Leadership Team fulfils its risk management role by:

- Implementing governor's policies on risk management and internal control;
- Advising the Operational Resources Committee of the fundamental risks faced by the School and helping to evaluate them;
- Providing timely and sufficient information to governors and the Finance & Personnel Committee on the status of risk and controls;
- Assisting the Operational Resources to draw up, review and revise the Risk Register;
- Working to embed risk management and risk-based internal control in all aspects of management;
- Extracting the priority risks on the register and addressing them through effective control measures, i.e. making them a priority in the School Development Plan.

The Risk Register shall be a standing item on the Operational Resources Committee agenda to review and revise risks in line with specific review dates.

The Risk Register will be considered annually by the Governing Body who should consider:

- The appropriate level of exposure to risk for the school as a whole;
- Whether risk review procedures cover strategic and reputational, operational, compliance, financial and other risks to achieving the school objectives;
- Whether risk assessment and risk based internal control are embedded in ongoing operations and form part of its culture;
- Changes in the nature and extent of risks and the school's ability to respond to changes in its internal and external environment since the last assessment; the scope and quality of management's ongoing process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;
- The extent and frequency of reports on internal control to the Governing Body and whether this is sufficient for the Governing Body to build up a cumulative assessment of the state of control and effectiveness of risk management;

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- The incidence of any control failings or weaknesses identified at any point in the year and the impact that they have had or could have on financial results;
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

i. Connected Organisations including Related Party Relationships

The Cavendish School is a collaborative school and therefore values partnership working in a number of different ways. These partnerships and alliances are all geared towards improving standards, outcomes and opportunities for young people in our School, in the local community and throughout the region. These groups include:

- The South Downs Alliance - is a group of 21 Secondary and Primary Schools whose work is primarily professional development focused. This Alliance set up in partnership with the Local Authority, has been led by the Cavendish Leadership for the last 3 years. As well as developing strategy and structure for offering school to school support, a number of leadership and middle management courses have taken place this year involving staff from all schools in the alliance.
- The Eastbourne Secondary Heads Group, which includes 8 local secondary schools as well as Sussex Downs College, is a soft federation that works collaboratively for the good of the pupils across the town of Eastbourne and surrounding areas. Common protocols and a shared approach to raising standards and improving outcomes are the key objectives of this group.
- The Cavendish Development Trust is a charity separate from the school whose sole aim is to raise funds to support the learning of young people.
- The East Sussex Secondary Heads Group – comprises of all secondary schools in East Sussex and meets termly to promote good practice and raise standards.

Objectives and Activities

a. Objects and Aims

The Cavendish School aims to be an outstanding school and for the academic year 2013/2014 the Governors and the Leadership team identified the main priorities as improving pupil progress, achievement, attendance and behaviour; delivering outstanding teaching; and exploring the feasibility of becoming an all-through school.

Outlined in this document are some of the strategies that have been put in place to meet these objectives.

In terms of performance, our students achieved 63% 5A*-C including English and Maths. There were also many outstanding performances for individual students.

We are particularly proud that our students with special educational needs have exceeded their target for achieving 5A*-C including English and Maths.

As well as academic achievements, we are very pleased that our high standards of behaviour have been maintained and in some areas like attendance they continue to improve. Although not detailed in this document, attendance overall was 95% which compares very favourably with the national average attendance for secondary schools of 95%.

The next 12 months and beyond promises to be an extremely exciting time as we press forward with the development of an All-through School. Subject to planning permission, we will open the doors in September 2015 to two reception classes and the primary school will grow year on year with each new reception intake.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

We have also applied to open a school based sixth form, and if this application is successful, we will be looking at a school that offers provision from 2-19 years.

However, these developments will not take the focus away from our goal to become an outstanding school. The central tenet of The Cavendish School is to equip our students with the personal and academic attributes to lead a happy and fulfilled life. We want our students to fulfil their potential, enjoy a positive school experience and become responsible, capable and confident citizens.

b. Our Values

Believing in Excellence means that we have key values that all members of the school community live by. These are:

- Respect
- Ambition
- Confidence
- Integrity
- Resilience

We believe that these values apply to three important spheres of life:

- Believing in Excellence for ourselves
- Believing in Excellence for others
- Believing in Excellence for our environment

By respect we mean that everyone

- acts in a way that keeps themselves safe physically and emotionally
- values all members of the school community by displaying good manners at all times including the way we speak to each other
- shows respect for the school buildings, facilities and surrounding environment

By ambition we mean that everyone

- seeks to do the very best they can do in all they do
- encourages others to be the best they can be in all they do
- tries to make our environment pleasant for everyone.

By confidence we mean that everyone

- develops confidence through participation in school and the wider community
- recognises their own strengths and sets personal goals for improvement
- builds confidence by pursuing individual interests in a manner which broadens horizons

By integrity we mean that everyone

- behaves in a manner that shows a strong sense of right and wrong
- treats others fairly and with honesty
- cares about our shared environment

By resilience we mean that everyone

- works hard to overcome the things they find difficult and does not give up
- supports others to overcome difficulties, looks at a mistake, not as failure, but as an opportunity to seek a solution.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

c. Our Mission Statement

The Cavendish School is an outstanding community school which is fully inclusive and has the highest educational standards, built around a high performing core. We offer the highest quality learning and teaching, with excellent examination results, where all students are challenged to exceed their expected progress and meet ambitious targets.

We believe all our students should have the best possible life chances. Therefore, it is important for our students to be:

- Respectful of themselves, others and their environment
- Functionally literate and numerate
- Technologically intelligent
- Independent, creative and enterprising
- Responsible citizens able to take their place in society by the time they leave our school.

Cavendish is a popular and highly successful school recognised nationally for its excellence in many spheres. We are particularly pleased to have been designated as a specialist school for the Performing Arts.

d. Objectives, Strategies and Activities

The main objective of the academy is to equip our students with the personal and academic attributes to lead a happy and fulfilled life. We do this by providing a broad and balanced curriculum and extensive out of hours opportunities. Our Inclusion team provide the pastoral and behavioural support.

In addition to this the Governors and the Leadership Team write a comprehensive school development plan which identifies the improvement priorities for the year. For the Year 2013/14 the priorities were as follows:

1. Respond to new priorities based on external local and national factors
2. Achieve outstanding achievement by July 2014
3. Achieve outstanding teaching by July 2014; i.e. move quality of teaching from good to outstanding
4. To achieve outstanding behaviour
5. Governors continue with improvement priorities so that school is judged to be outstanding, by driving and delivering improvement identified in Achievement, Teachings and Behaviour sections of the School Evaluation Form

The objectives in the school development plan have been consistently and rigorously monitored by the Governing Body.

e. Public Benefit

The Governors of the Trust confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and Performance

We continue to remain proud of the exam performance of our students. This year at a time of considerable volatility in national exam results our students continue to do well. As in previous years students in the departing Year 11 joined us performing broadly in line with national averages and leave us performing well above the national average for 5A*-C including English and Maths.

This year has seen a significant change in the way that school performance is measured but we have performed well both in terms of old measures and new measures. If we were to report on the old performance measures 63% of our students left with 5A*-C including English and Maths compared with a result for all state funded schools of 59.5% (56% for all schools). Based on the new measures for schools 60% of students left Cavendish with 5A*-C including English and Maths compared with a result for all state funded schools of 56% (52.5% for all schools).

Within this there are a number of areas where we are particularly proud of the performance of our students. The gap between the relative performance of boys and girls remains small when compared with targets for the two groups. Our Special Educational Needs & Disabilities School (SEND) Action students have achieved above target and therefore closing the gap for a group who nationally underachieve compared to non-SEND students. Over time we also continue to close the gap between Pupil Premium and non- pupil Premium students.

In addition to this there were many individual successes which should be celebrated. 10% of our students achieved 5 or more A* and A grades including one student who gained an A* in every subject they took. Also, many students exceeded expectations.

Headlines

Performance Measure	Estimates	Result
5 A* - C EM	64%	63%
3L+ Prog Eng	72%	71%
3L+ Prog Maths	66%	63%
4L+ Prog Eng	33%	19.5%
4L+ Prog Maths	27%	31%

2014 Key Vulnerable Groups Performance in 5A*-C English& Maths

1. Performance of our Y11 Pupil Premium Students

2014 Pupil Premium Students (40 students)

Estimate	Result
51%	40%

N.B. Our comprehensive annual report on how we spent our Pupil Premium funding is available on the Cavendish School Website <http://www.cavendishschool.net/wp-content/uploads/2014/09/Pupil-Premium-2013-14.pdf>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

2. Special Educational Needs & Disabilities (SEND) - School Action

2014 SEND (22 students)

Estimate	Result
24%	27%

We are particularly proud that our SEND School Action students have achieved above target and therefore closing the gap for a group who nationally underachieve compared to non-SEND students.

a. Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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 adopting of the going concern basis can be found in the Statement of Accounting Policies.

b. Key Financial Performance Indicators

The school prepares management accounts, cash flow statements and an annual budget against which the actual income and expenditure is closely monitored to ensure that the school is delivering and achieving its targets to a high standard.

The Finance Committee monitor the management accounts presented to them on a termly basis and, in addition, a summarised management account is sent out each month to governors. The annual budget is approved along with any changes during the financial year and budget variations are approved by the Governing Body.

The Committee monitors education performance by using extensive monitoring and evaluations by means of lesson observations and drop-in monitoring visits to the classroom, the annual school growth plan, parent voice and student voice. Tracking data for all students on a regular basis is carried out and much investment has been placed on small group work intervention and mentoring of individual students. The school's growth plan is costed/risk rated to ensure the financial implications of the plan can be met.

Financial Review

a. Financial and Risk Management Objectives and Policies

The Accounts relate to the period 1 September 2013 to 31 August 2014.

The majority of the Academy income comes from the Department for Education (DfE) via the Education Funding Agency (EFA). This income is known as restricted income as it is intended to be used for the core purpose of educating children and its supporting functions. The general annual grant income (GAG) for the aforementioned period was £4,686,476. Restricted fund expenditure amounted to £4,665,821. Total net income for the year was £84,480.

The value of fixed assets at 31 August 2014 was £5,433,702.

The net assets amounted to £5,885,508 which includes a Local Government Pension Scheme (LGPS) liability of £397,000 taken on at conversion and shown in note 25.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

b. Principal Risks and Uncertainties

The Governors have identified the following principal risk and uncertainties facing the Academy Trust:

1. Falling roll due to changes in the local and national educational context
2. Ofsted downgrading the school's category
3. Reduction in finances as a result of the falling roll
4. A major building defect

c. Reserves Policy

The Governors aim is to use allocated funding for the benefit of our current students. However the Academy Trust aims to carry forward a prudent level of resources to cover medium and long term needs for renewal and replacement. For example:

- meet any unforeseen emergency or unexpected needs for funds (for example: urgent repairs);
- provide time to take action should funding levels fall (for example: to enable the Academy the option to respond through natural wastage rather than through redundancy of staff);
- meet planned commitments that cannot be met through future income alone (for example: major asset purchase or extension); and
- Fund short term deficits in cash whilst waiting receipt of funding.

As part of its reserves policy, Governors give careful consideration to the cash flow implications that arise from increased or decreased contributions to its defined benefit scheme under Financial Reporting Standard (FRS17) Retirement Benefits.

Where contributions can be met from projected future income without significant impact on the levels of activity then Governors will not designate any of their existing funds to meet future pension commitments. Where contribution increases would cause uncertainty or would result in a curtailment of activities, Governors would seek actuarial and legal advice and prudently create a designation of existing funds.

Free reserves as at 31 August 2014 amounted to £451,806.

d. Investment Policy

PRINCIPLES

The Governors' Operational Resources Committee aims to manage the cash balances of The Cavendish School to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Operational Resources Committee aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is an absolute minimum risk to the loss of these cash funds.

PURPOSES

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To minimise the risk of loss in the capital value of any cash funds invested
- To protect, as far as possible, the capital value of any invested funds against inflation
- To optimise returns on invested funds

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

GUIDELINES

Ethical Considerations

The Cavendish School will operate a socially responsible investment system and apply negative screening to all of its investments. This encompasses the following principles:

- Avoiding arms trade and manufacturers
- Avoiding all tobacco products
- Avoiding any company that is in violation of an international sanction
- Avoiding any company that would present a severe reputational risk to the school

Other Considerations

Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in interest bearing deposit accounts with any banks or other financial institutions which are UK registered.

Where robust financial monitoring indicates the availability for cash funds for investment identified proportions of the surplus may be invested for periods of between 6 weeks and 3 years provided that funds can be withdrawn before the investment term albeit with an interest penalty.

Periodically (at least every 3 months) the Business Manager will review the interest rates being achieved and will compare with other investment opportunities that comply with the parameters of this policy.

This policy will be reviewed every 2 years.

Plans for Future Periods

1 ACHIEVEMENT - Achieve outstanding achievement by July 2015

- i) Improve monitoring and planned intervention for all year groups so that rates of progress in key priority groups (Pupil Premium, learning support students, lower - med ability students and a watching brief on girls' performance) and subjects are in line with expectations. This will be based on a minimum of 3 levels of progress and agreed targets for attainment where appropriate:
 - Maths - improve rates of progress in year 11 for all students so that 70% of all students make at least 3 levels of progress and ensure there is minimal gender gap.
 - Continue to close the gap between pupil premium children and non-pupil premium children by 5%
- ii) Ensure outcomes for yr 10 & 11 students gaining two Science GCSEs are in line with outcomes for English and Maths (70% 3 levels of progress for each science qualification and 62% of GCSE entry achieve 2 A*-C science qualifications)
- iii) Devise and implement new ICT strategy for an all through school:
 - by creating a critical path in Year 1
 - Enhance resources for independent learning through ICT hardware and e-learning resources
- iv) Establish Values in the school culture (to be judged independently and moderated by Governors)
 - Re-establish current rewards 1 Sept 14, review and update with new rewards package for Jan 2015

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- 2 TEACHING - Achieve 'outstanding' teaching by July 2015; i.e. move quality of teaching from good to outstanding
- i) Feedback for learning policy consistently established within the school (to be judged independently and moderated by Governors)
 - ii) Improve pupil progress and outcomes for higher ability pupils as a result of establishment of most able policy (so that there is a 3% increase in the whole school 3A/A* figures from 19 to 22%)
 - iii) Establish quality and consistency of homework and online learning by the introduction of 'Show my Homework' so that data from the baseline below shows an improvement of a minimum of 5%. Historically % parents surveys suggest
 - 62% believe their children gets enough homework
 - 75% believe the quality of Homework is good enough
 - iv) Following Autumn Subject Reviews of those subjects who did not meet 2014 agreed target grade (Science, History, Media, Drama, Dance, German & French) devise & implement action plans so that by July 2015, all of these areas will have met or exceeded progress target (tba – Oct 2014)
- 3 BEHAVIOUR and SAFETY - To achieve 'outstanding' behaviour
- i) Ensure 70% of Pupil Premium, SEND and Learning Support students achieve 3x levels of progress in English / and 3x levels of progress in maths. As a result 50% of this group will achieve the 3x levels Eng and Maths match.
 - ii) To oversee the introduction of the 2 x new learning mentors so that an identified caseload (2 x 7) of students from Pupil Premium, SEND and Learning Support access an appropriate curriculum where impact is measured for each child and improvements in attendance, behaviour and attainment.
 - iii) Implement safeguarding audit action points – interim review Jan 2015 / achieved by Easter 2015
 - iv) To review curriculum at Key Stage 4, focussing on the offer for lower and middle ability students; so that:
 - Students can access 2 alternative courses which will support the Progress 8 agenda.
 - 2 more courses start in 1 Sept 2015
 - v) Review departmental approaches to Year 11 Intervention to ensure a whole school approach to Wave 1 intervention.
- 4 LEADERSHIP - Continue with improvement priorities so that school is judged outstanding
- i) Lead Core leadership team, to embed Joint Governors & Leadership moderation of Self Evaluation and School Development Plan so that senior leaders are fully accountable (and outcomes are subject to rigorous line management and appraisal)
 - ii) Continue to improve attendance and progress with emphasis on girls, Pupil Premium, and Special Educational Needs and Disabilities (SEND) pupils so that the school achieves a 96% overall attendance for 2015-16 academic year
 - iii) Ensure appraisal / performance related pay progression is integrated to Self-Evaluation and School Development Plan, appraisal and governors' moderation and that all middle leaders are fully accountable.
 - iv) Review curriculum to ensure that courses and syllabi meet the needs of learners:
 - v) Ensure KS4 curriculum is appropriate and accessible for all students
 - vi) Devise and implement strategy to develop the Y9 curriculum so that students study KS4 skills and/ or topics and are assessed against GCSE grading criteria.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITOR

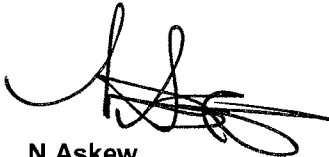
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- in so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

AUDITOR

The auditor, Knill James, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2014 and signed on the board's behalf by:



N Askew
Chair of Trustees

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Cavendish School (Eastbourne) 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 Headteacher, 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 The Cavendish School (Eastbourne) 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 Trustees' responsibilities statement. The board of trustees usually meets 3 times during the year. However, there were additional meetings this year due to the consultation on the primary school and sixth form. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
I Ablewhite	3	6
N Askew, Chair	6	6
C Bean	3	6
R Booth	6	6
S Hyde	6	6
A Jones	4	6
T Sorensen-Bentham	3	6
S Barrow	5	6
W Carter	5	6
A Cornell	4	6
K Fitzpatrick	6	6
R Mason	1	1
B Matthews	0	0
A Moore	3	6
J Morrison	1	6
I Pantelidis	1	1
E Sier	5	6
M Watts	2	6
R Wells	6	6

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Operational Resources Committee is a sub-committee of the main board of trustees. They have formally met on six occasions. Its purpose is to oversee the effective operations of the Academy and ensure that the resources are deployed for the benefit of the students of the Academy. The function of the Audit Committee is carried out by the Operational Resources Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
N Askew	6	6
S Barrow	6	6
R Booth	6	6
W Carter	5	6
K Fitzpatrick	5	6
A Jones (Chair)	4	6
B Matthews	0	0
A Moore	2	6
I Pantelidis	1	1
E Sier	5	5
T Sorenson-Bentham	4	6
R Wells	5	6

The pupil outcomes committee is a sub-committee of the main board of trustees. They have formally met on five occasions. Its purpose is to oversee the quality of teaching and learning, and to monitor standards in progress, inclusion and attendance.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
I Ablewhite	3	5
N Askew	5	5
C Bean	0	5
W Carter	5	5
A Cornell	3	5
K Fitzpatrick	3	5
S Hyde	3	5
R Mason	1	3
J Morrison	2	5
M Watts	2	5

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 The Cavendish School (Eastbourne) for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 operational resources 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 Mrs Alex Hunt as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

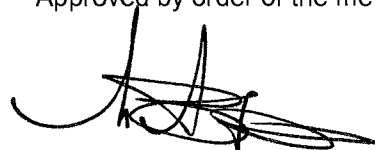
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

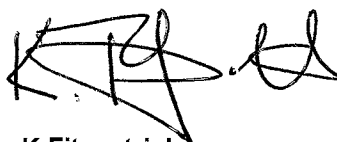
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the resources 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 2 December 2014 and signed on its behalf, by:



N Askew
Chair of Trustees



K Fitzpatrick
Accounting Officer

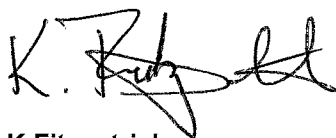
THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Cavendish School (Eastbourne) I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013).

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



K Fitzpatrick
Accounting Officer

Date: 2 December 2014

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 2 December 2014 and signed on its behalf by:



N Askew
Chair of Trustees

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE CAVENDISH SCHOOL
(EASTBOURNE)**

We have audited the financial statements of The Cavendish School (Eastbourne) for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditor's 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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE CAVENDISH SCHOOL
(EASTBOURNE)**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Knill James

Susan Foster FCA (Senior statutory auditor)

for and on behalf of

Knill James

Chartered Accountant
Registered Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

Date: *15th December 2014*

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CAVENDISH SCHOOL (EASTBOURNE) AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cavendish School (Eastbourne) during the year 1 September 2013 to 31 August 2014 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 The Cavendish School (Eastbourne) and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Cavendish School (Eastbourne) and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Cavendish School (Eastbourne) and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE CAVENDISH SCHOOL (EASTBOURNE)'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Cavendish School (Eastbourne)'s funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

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

Our normal audit procedures do provide assurance with regard to the regularity engagement, however some additional testing has been undertaken. This included:

- direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- extension of procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities (if any) has received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of the adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control (if any) represents a breach of authorities;
- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts;
- extension of testing to other funds, activities conducted, consideration of propriety, or the review of high level financial controls.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Knill James

Susan Foster FCA

Knill James

Chartered Accountant
Registered Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

Date: *15th December 2014*

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>	
Note						
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	50	-	50	5,623,479
Activities for generating funds	3	157,658	10,238	-	167,896	169,840
Investment income	4	9,937	-	-	9,937	781
Incoming resources from charitable activities	5	-	4,941,399	20,824	4,962,223	5,272,255
TOTAL INCOMING RESOURCES		167,595	4,951,687	20,824	5,140,106	11,066,355
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	3	74,859	-	-	74,859	122,230
Charitable activities		-	4,648,753	75,946	4,724,699	5,117,713
Governance costs	6	-	17,068	-	17,068	19,384
TOTAL RESOURCES EXPENDED	9	74,859	4,665,821	75,946	4,816,626	5,259,327
NET INCOMING RESOURCES BEFORE TRANSFERS		92,736	285,866	(55,122)	323,480	5,807,028

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
Transfers between Funds	20	-	(78,563)	78,563	-	-
NET INCOME FOR THE YEAR		92,736	207,303	23,441	323,480	5,807,028
Actuarial gains and losses on defined benefit pension schemes		-	(239,000)	-	(239,000)	(6,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		92,736	(31,697)	23,441	84,480	5,801,028
<i>Total funds at 1 September 2013</i>		<i>408,628</i>	<i>(17,861)</i>	<i>5,410,261</i>	<i>5,801,028</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		501,364	(49,558)	5,433,702	5,885,508	5,801,028

All activities relate to continuing operations.

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

The notes on pages 29 to 49 form part of these financial statements.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)
REGISTERED NUMBER: 08135372

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	16		5,433,702		5,381,856
CURRENT ASSETS					
Debtors	17	116,464		150,131	
Cash at bank and in hand		1,135,578		805,825	
		<u>1,252,042</u>		<u>955,956</u>	
CREDITORS: amounts falling due within one year	18	(391,647)		(363,218)	
NET CURRENT ASSETS			860,395		592,738
TOTAL ASSETS LESS CURRENT LIABILITIES			6,294,097		5,974,594
CREDITORS: amounts falling due after more than one year	19		(11,589)		(14,566)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			6,282,508		5,960,028
Defined benefit pension scheme liability	25		(397,000)		(159,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			5,885,508		5,801,028
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	347,442		141,139	
Restricted fixed asset funds	20	5,433,702		5,410,261	
Restricted funds excluding pension liability		<u>5,781,144</u>		<u>5,551,400</u>	
Pension reserve		<u>(397,000)</u>		<u>(159,000)</u>	
Total restricted funds			5,384,144		5,392,400
Unrestricted funds	20		501,364		408,628
TOTAL FUNDS			5,885,508		5,801,028

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2014 and are signed on their behalf, by:



N Askew
Chair of Trustees

The notes on pages 29 to 49 form part of these financial statements.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Year ended 31 August 2014 £	13 months ended 31 August 2013 £
Net cash flow from operating activities	22	460,522	824,867
Capital expenditure and financial investment	23	(127,792)	(19,040)
CASH INFLOW BEFORE FINANCING		332,730	805,827
Financing	23	(2,977)	-
INCREASE IN CASH IN THE YEAR		329,753	805,827

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	Year ended 31 August 2014 £	13 months ended 31 August 2013 £
Increase in cash in the year	329,753	805,827
Cash outflow from decrease in debt and lease financing	2,977	-
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	332,730	805,827
Other loan	-	(17,545)
MOVEMENT IN NET FUNDS IN THE YEAR	332,730	788,282
Net funds at 1 September 2013	788,282	-
NET FUNDS AT 31 AUGUST 2014	1,121,012	788,282

The notes on pages 29 to 49 form part of these financial statements.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	over the lease term
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	25% straight line

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

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 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 quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
Cash on conversion	-	-	-	360,236
Donations	-	50	50	1,552
Fixed assets gifted on conversion	-	-	-	5,427,691
LGPS Deficit on conversion	-	-	-	(166,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	50	50	5,623,479
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
Income				
Letting income	10,165	-	10,165	3,508
Other income	74,523	10,238	84,761	50,070
School fund	59,823	-	59,823	92,479
School uniform sales	13,147	-	13,147	23,783
	<hr/>	<hr/>	<hr/>	<hr/>
	157,658	10,238	167,896	169,840
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses				
School uniform purchases	18,065	-	18,065	21,099
School fund	56,794	-	56,794	101,131
	<hr/>	<hr/>	<hr/>	<hr/>
	74,859	-	74,859	122,230
	<hr/>	<hr/>	<hr/>	<hr/>
Net income from activities for generating funds	82,799	10,238	93,037	47,610
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
Bank interest received	3,937	-	3,937	781
LGPS FRS 17 adjustment	6,000	-	6,000	-
	<u>9,937</u>	<u>-</u>	<u>9,937</u>	<u>781</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
Educational operations	-	4,962,223	4,962,223	5,272,255
	<u>-</u>	<u>4,962,223</u>	<u>4,962,223</u>	<u>5,272,255</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,686,476	4,686,476	4,866,639
Capital Grants	-	20,824	20,824	31,002
Other DfE/EFA grants	-	25,445	25,445	84,244
Local authority grants	-	209,757	209,757	187,950
Special educational projects	-	14,915	14,915	102,420
Teacher training grants	-	4,806	4,806	-
	<u>-</u>	<u>4,962,223</u>	<u>4,962,223</u>	<u>5,272,255</u>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
Support costs - Governance	-	9,190	9,190	11,584
Wages and salaries	-	7,878	7,878	7,800
	<u>-</u>	<u>17,068</u>	<u>17,068</u>	<u>19,384</u>

7. DIRECT COSTS

	Educational operations £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
LPGS FRS 17 adjustment	-	-	1,000
Technology costs	51,348	51,348	88,525
Educational supplies	83,994	83,994	89,867
Examination fees	69,302	69,302	95,941
Staff development	2,671	2,671	11,876
Educational consultancy	183,475	183,475	103,042
Other direct	28,301	28,301	51,298
Wages and salaries	2,729,952	2,729,952	3,037,885
National insurance	206,243	206,243	224,219
Pension cost	371,172	371,172	416,879
Depreciation	75,946	75,946	64,875
	<u>3,802,404</u>	<u>3,802,404</u>	<u>4,185,407</u>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. SUPPORT COSTS

	Governance £	Educational operations £	Year ended 31 August 2014 £	13 months ended 31 August 2013 £
Recruitment and support	-	7,029	7,029	7,377
Maintenance of premises and equipment	-	126,389	126,389	119,619
Cleaning	-	86,306	86,306	96,771
Rent and rates	-	54,976	54,976	33,812
Energy costs	-	60,177	60,177	74,286
Insurance	-	50,451	50,451	47,476
Security and transport	-	6,436	6,436	5,770
Catering	-	67,150	67,150	60,880
Other support costs	1,315	49,461	50,776	53,366
Auditors fees	7,875	-	7,875	7,500
Wages and salaries	6,804	329,844	336,648	366,873
National insurance	298	15,188	15,486	17,612
Pension cost	776	68,888	69,664	60,348
	<u>17,068</u>	<u>922,295</u>	<u>939,363</u>	<u>951,690</u>

9. RESOURCES EXPENDED

	Staff costs 2014 £	Other costs 2014 £	Year ended 31 August 2014 £	13 months ended 31 August 2013 £
Fundraising expenses	-	74,859	74,859	122,230
Costs of generating funds	<u>-</u>	<u>74,859</u>	<u>74,859</u>	<u>122,230</u>
Educational operations	3,307,367	495,037	3,802,404	4,185,407
Support costs	413,920	508,375	922,295	932,308
Charitable activities	<u>3,721,287</u>	<u>1,003,412</u>	<u>4,724,699</u>	<u>5,117,715</u>
Governance	<u>7,878</u>	<u>9,190</u>	<u>17,068</u>	<u>19,383</u>
	<u><u>3,729,165</u></u>	<u><u>1,087,461</u></u>	<u><u>4,816,626</u></u>	<u><u>5,259,328</u></u>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Year ended 31 August 2014 £	13 months ended 31 August 2013 £
Educational operations	<u>3,802,404</u>	<u>922,295</u>	<u>4,724,699</u>	<u>5,117,715</u>

11. NET INCOMING RESOURCES

This is stated after charging:

	Year ended 31 August 2014 £	13 months ended 31 August 2013 £
Depreciation of tangible fixed assets: - owned by the charity	75,946	64,875
Auditor's remuneration	7,875	7,500
Auditor's remuneration - non-audit	1,025	1,700
	<u>84,846</u>	<u>74,075</u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	Year ended 31 August 2014 £	13 months ended 31 August 2013 £
Wages and salaries	3,057,834	3,404,758
Social security costs	221,729	241,830
Other pension costs (Note 25)	440,836	477,228
	<u>3,720,399</u>	<u>4,123,816</u>
Compensation payments	8,766	-
	<u>3,729,165</u>	<u>4,123,816</u>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. STAFF (continued)

b. Staff numbers

The average number of persons (including the senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	Year ended 31 August 2014	13 months ended 31 August 2013
	No.	No.
Teaching	71	74
Teaching support	19	19
Premises	3	3
Administration	15	17
	<u>108</u>	<u>113</u>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	Year ended 31 August 2014	13 months ended 31 August 2013
	No.	No.
In the band £90,001 - £100,000	<u>1</u>	<u>1</u>

All of the higher paid employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £12,917 (2013: £13,873).

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal 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 Trustees' remuneration fell within the following bands:

	Year ended 31 August 2014	<i>13 months ended 31 August 2013</i>
	£'000	<i>£'000</i>
S Barrow, Staff Governor	40-45	<i>45-50</i>
K Fitzpatrick, Headteacher and Accounting Officer	90-95	<i>95-100</i>
A Moore, Staff Governor	10-15	<i>10-15</i>
M Watts, Staff Governor	40-45	<i>45-50</i>
S Hyde, Staff Governor	10-15	<i>-</i>

During the year, no Trustees received any reimbursement of expenses (2013 - £285).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,471 (2013 - £1,450). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	Year ended 31 August 2014	<i>13 months ended 31 August 2013</i>
	£	<i>£</i>
Expected return on pension scheme assets	51,000	<i>32,000</i>
Interest on pension scheme liabilities	(45,000)	<i>(33,000)</i>
	6,000	<i>(1,000)</i>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

16. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	5,369,025	24,943	52,763	5,446,731
Additions	-	20,245	107,547	127,792
At 31 August 2014	<u>5,369,025</u>	<u>45,188</u>	<u>160,310</u>	<u>5,574,523</u>
Depreciation				
At 1 September 2013	46,532	4,053	14,290	64,875
Charge for the year	42,952	4,091	28,903	75,946
At 31 August 2014	<u>89,484</u>	<u>8,144</u>	<u>43,193</u>	<u>140,821</u>
Net book value				
At 31 August 2014	<u>5,279,541</u>	<u>37,044</u>	<u>117,117</u>	<u>5,433,702</u>
At 31 August 2013	<u>5,322,493</u>	<u>20,890</u>	<u>38,473</u>	<u>5,381,856</u>

17. DEBTORS

	2014 £	2013 £
Trade debtors	3,474	5,392
Other debtors	54,224	24,748
Prepayments and accrued income	58,766	119,991
	<u>116,464</u>	<u>150,131</u>

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

	2014 £	2013 £
Other loans	2,977	2,977
Trade creditors	173,581	118,805
Other taxation and social security	65,890	64,820
Other creditors	61,588	64,363
Accruals and deferred income	87,611	112,253
	<u>391,647</u>	<u>363,218</u>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

19. CREDITORS:

Amounts falling due after more than one year

	2014	2013
	£	£
Other loans	11,589	14,566

Included within the above are amounts falling due as follows:

	2014	2013
	£	£
Between one and two years		
Other loans	2,977	2,977
Between two and five years		
Other loans	8,612	11,589

The loan is to repaid in yearly instalments of £2,977 and is interest free.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	408,628	167,595	(74,859)	-	-	501,364
Restricted funds						
General Annual Grant (GAG)	141,139	4,680,476	(4,395,610)	(78,563)	-	347,442
Other DfE/EFA grants	-	25,445	(25,445)	-	-	-
Local authority grants	-	209,757	(209,757)	-	-	-
Special educational projects	-	14,915	(14,915)	-	-	-
Teacher training grants/income	-	15,044	(15,044)	-	-	-
Little Theatre	-	50	(50)	-	-	-
Pension reserve	(159,000)	6,000	(5,000)	-	(239,000)	(397,000)
	<u>(17,861)</u>	<u>4,951,687</u>	<u>(4,665,821)</u>	<u>(78,563)</u>	<u>(239,000)</u>	<u>(49,558)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	5,381,856	-	(26,717)	78,563	-	5,433,702
Devolved capital grant	28,405	20,824	(49,229)	-	-	-
	<u>5,410,261</u>	<u>20,824</u>	<u>(75,946)</u>	<u>78,563</u>	<u>-</u>	<u>5,433,702</u>
Total restricted funds	<u>5,392,400</u>	<u>4,972,511</u>	<u>(4,741,767)</u>	<u>-</u>	<u>(239,000)</u>	<u>5,384,144</u>
Total of funds	<u><u>5,801,028</u></u>	<u><u>5,140,106</u></u>	<u><u>(4,816,626)</u></u>	<u><u>-</u></u>	<u><u>(239,000)</u></u>	<u><u>5,885,508</u></u>

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

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	408,628	167,595	(74,859)	-	-	501,364
Restricted funds	(17,861)	4,951,687	(4,665,821)	(78,563)	(239,000)	(49,558)
Restricted fixed asset funds	5,410,261	20,824	(75,946)	78,563	-	5,433,702
	<u>5,801,028</u>	<u>5,140,106</u>	<u>(4,816,626)</u>	<u>-</u>	<u>(239,000)</u>	<u>5,885,508</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year ended 31 August 2014 £	<i>13 months ended 31 August 2013 £</i>
Tangible fixed assets	-	-	5,433,702	5,433,702	5,381,856
Current assets	904,600	347,442	-	1,252,042	955,954
Creditors due within one year	(391,647)	-	-	(391,647)	(363,218)
Creditors due in more than one year	(11,589)	-	-	(11,589)	(14,566)
Provisions for liabilities and charges	-	(397,000)	-	(397,000)	(159,000)
	<u>501,364</u>	<u>(49,558)</u>	<u>5,433,702</u>	<u>5,885,508</u>	<u>5,801,028</u>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Net incoming resources before revaluations	323,480	5,807,028
Donated assets	-	(5,427,691)
Depreciation of tangible fixed assets	75,946	64,875
Decrease/(increase) in debtors	33,667	(150,129)
Increase in creditors	28,429	377,784
Increase in provisions	238,000	159,000
FRS 17 adjustments	(239,000)	(6,000)
	460,522	824,867
Net cash inflow from operations	460,522	824,867

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014	2013
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(127,792)	(19,040)
	(127,792)	(19,040)
Financing		
Repayment of loans	(2,977)	-
	(2,977)	-

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013	Cash flow	Other non-cash changes	31 August 2014
	£	£	£	£
Cash at bank and in hand:	805,825	329,753	-	1,135,578
Debt:				
Finance leases	-	-	-	-
Debts due within one year	(2,977)	-	-	(2,977)
Debts falling due after more than one year	(14,566)	2,977	-	(11,589)
	788,282	332,730	-	1,121,012
Net funds	788,282	332,730	-	1,121,012

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £152,000, of which employer's contributions totalled £120,000 and employees' contributions totalled £32,000. The agreed contribution rates for future years are 18.2% for employers and 6.8% for employees.

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

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	<i>Expected return at 31 August 2013 %</i>	<i>Fair value at 31 August 2013 £</i>
Equities	6.40	779,000	6.60	599,000
Bonds	3.50	100,000	4.20	67,000
Property	4.50	100,000	4.70	60,000
Cash	3.30	20,000	3.60	22,000
Total market value of assets		<u>999,000</u>		<u>748,000</u>
Present value of scheme liabilities		<u>(1,396,000)</u>		<u>(907,000)</u>
Deficit in the scheme		<u><u>(397,000)</u></u>		<u><u>(159,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,396,000)	(907,000)
Fair value of scheme assets	<u>999,000</u>	<u>748,000</u>
Net liability	<u><u>(397,000)</u></u>	<u><u>(159,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	2014 £	2013 £
Current service cost	(125,000)	(119,000)
Interest on obligation	(45,000)	(33,000)
Expected return on scheme assets	<u>51,000</u>	<u>32,000</u>
Total	<u><u>(119,000)</u></u>	<u><u>(120,000)</u></u>
Actual return on scheme assets	<u><u>93,000</u></u>	<u><u>84,000</u></u>

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

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

	2014	2013
	£	£
Opening defined benefit obligation	907,000	664,000
Current service cost	125,000	119,000
Interest cost	45,000	33,000
Contributions by scheme participants	32,000	35,000
Actuarial Losses	288,000	57,000
Benefits paid	(1,000)	(1,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,396,000	907,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2014	2013
	£	£
Opening fair value of scheme assets	748,000	498,000
Expected return on assets	51,000	32,000
Actuarial gains and (losses)	49,000	51,000
Contributions by employer	120,000	133,000
Contributions by employees	32,000	35,000
Benefits paid	(1,000)	(1,000)
	<hr/>	<hr/>
	999,000	748,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £245,000 (2013 - (£6,000)).

The Academy expects to contribute £125,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	78.00 %	80.00 %
Bonds	10.00 %	9.00 %
Property	10.00 %	8.00 %
Cash	2.00 %	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.80 %	6.10 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.2	21.3
Females	24.4	23.4
Retiring in 20 years		
Males	24.2	23.3
Females	26.7	25.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(1,396,000)	(907,000)
Scheme assets	999,000	748,000
Deficit	(397,000)	(159,000)
Experience adjustments on scheme assets	49,000	51,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Expiry date:		
Within 1 year	-	1,562
Between 2 and 5 years	10,844	10,629

THE CAVENDISH SCHOOL (EASTBOURNE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy'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 trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Mrs Booth, the wife of a trustee and a teacher at the Academy, was paid a salary of £14,850 (2013 - £16,187) in the period.

Mr W Carter, a trustee, was paid £9,972 (2013 - £12,623) for consultancy services provided in the period. There was no amount outstanding at the year end (2013 - £nil).

Mr Fitzpatrick, son of a trustee, sold printing supplies to the Academy in the period for £5,430 (2013 - £1,962). No amount was outstanding at the year end (2013 - £nil).

LMDB Accountants, of which Mr Booth is a partner, provided an internal systems report for the Academy during the period. The cost of this report was £nil (2013 - £950). No amount was outstanding at the Balance Sheet date (2013 - £nil).

The Cavendish Development Trust, of which Mr Fitzpatrick, Mr Bean, and Mr Booth are trustees, paid the Academy £2,120 towards Celebration vouchers as part of the Rewards Scheme. No amount was outstanding at the Balance Sheet date.