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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Members**

I Ablewhite  
N Askew  
C Bean (resigned 30 October 2015)  
R Booth  
S Hyde (appointed as a member 25 November 2014)  
A Jones  
T Sorensen-Bentham

**Trustees**

I Ablewhite<sup>2</sup>  
N Askew<sup>1,2</sup>  
S Barrow<sup>1</sup>  
C Bean (resigned 30 October 2015)<sup>2</sup>  
R Booth<sup>1</sup>  
W Carter<sup>1,2</sup>  
A Cornell<sup>2</sup>  
K Fitzpatrick, Accounting Officer (resigned 2 December 2014)<sup>1,2</sup>  
S Hyde<sup>2</sup>  
A Jones<sup>1</sup>  
P Marchant, Accounting Officer (appointed 1 September 2015)<sup>1,2</sup>  
A Moore (resigned 31 March 2015)<sup>1</sup>  
K Moore (appointed 24 February 2015)<sup>2</sup>  
J Morrison (resigned 1 July 2015)<sup>2</sup>  
I Pantelidis<sup>1</sup>  
E Sier<sup>1</sup>  
T Sorensen-Bentham<sup>1</sup>  
I Swingler, Acting Accounting Officer (appointed 1 January 2015, resigned 31 August 2015)<sup>1,2</sup>  
M Watts<sup>2</sup>  
R Wells<sup>1</sup>

<sup>1</sup> Operational Resources Committee

<sup>2</sup> Pupil Outcomes Committee

**Company registered number**

08135372

**Principal and registered office**

Eldon Road, Eastbourne, East Sussex, BN21 1UE

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Administrative details (continued)**

**Resources Manager**

J Brown

**Senior management team**

P Marchant, Headteacher (from September 2015)  
I Swinger, Deputy Headteacher (acting Headteacher from January 2015)  
M Pickup, Deputy Headteacher  
B Sibley, Assistant Headteacher  
S Franceschi, Assistant Headteacher  
B Greenhalgh, Assistant Headteacher  
E Benyon, Director of Human Resources (to March 2015)  
K Fitzpatrick, Headteacher (to December 2014)  
J Brown, Resources Manager (from March 2015)

**Independent auditor**

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

**Bankers**

LLoyds TSB, Terminus Road, Eastbourne, BN21 3AH

**Solicitors**

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

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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 2014 to 31 August 2015. 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 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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; and
- 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; and
- 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 Resources Manager 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.

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The Senior Leadership Team (SLT) of the Academy comprises the Headteacher, two Deputy Headteachers, three Assistant Headteachers, Resources Manager (from March 2015), and the Director of Human Resources (to March 2015). 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.

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; and
- 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 Operational Resources 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; and
- 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 an item on the Operational Resources Committee agenda to review and revise risks in line with specific review dates.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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, reputational, operational, compliance and financial to achieve the school objectives;  
Whether risk assessment and risk based internal control are embedded in on-going operations and form part of its culture;  
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 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; and  
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.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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## **Objectives and Activities**

### **a. Objects and Aims**

The Cavendish School aims to be an outstanding school where students are challenged to exceed their expected progress and meet ambitious targets. We wish to develop and prepare students for life and the key aspects for this to be achieved are;

Employability - this is linked to outstanding results, in a school where outstanding teaching and student progress are embedded.

Developing life skills - developing students' social skills and equipping them with the skills for lifelong learning.

Developing young people as active members of the community - understand the importance of community and who take an active role and pride within the school and wider community.

Positive mind and body - ensuring students understand the significance of a healthy lifestyle and safe behaviours.

The next 12 months and beyond promises to be an extremely exciting time as we press forward with the development of our all-through school. Planning permission was approved by the Local Authority in June 2015 and we have opened two reception classes. The primary phase will grow year on year with each new reception intake.

Our goal has always been, and will continue to be, 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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.

### **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 2014/15 the priorities were as follows:

1. **ACHIEVEMENT** - Realise outstanding achievement by July 2015;
2. **TEACHING** - Achieve 'outstanding' teaching by July 2015; i.e. move the quality of teaching from good to outstanding;
3. **BEHAVIOUR and SAFETY** - To achieve 'outstanding' behaviour;
4. **LEADERSHIP** - Continue with improvement priorities so that school is judged outstanding.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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.

**Strategic report**

**Achievements and Performance**

We continue to remain proud of the exam performance of our students. This year at a time of considerable change in national exam results our students continue to do well. The progress of our Year 11 students was good from their starting point. They joined us performing below national averages and left performing in line with national averages.

**2015 Key Performance Indicators**

	2015 Results	2015 FFTD Estimate	2014 Results	2014 National
5A* - CEM	56%	54%	60%	55%
English A*-C	66%	62%	68%	67%
English 3 Levels of Progress	73%	68%	71%	70%
English 4 Levels of Progress	32%	28%	18%	32%
Maths A*-C	65%	65%	69%	67%
Maths 3 Levels of Progress	64%	60%	62%	65%
Maths 4 Levels of Progress	32%	21%	31%	29%

**Please note that performance has been benchmarked against 2014 national results as 2015 results are not yet fully available.**

Within this there are a number of areas where we are particularly proud of the performance of our students. The gap between the progress of boys and girls remains small when compared to national rates of progress for both groups.

In addition to this there were many individual successes which should be celebrated. The number of students who gained 5 or more A or A\* grades increased from 20 in 2014 to 36 in 2015. Also, many students exceeded expectations in terms of their progress.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Pupil Premium**

The gap between Disadvantaged and Non-Pupil Premium students closed by 4% for 5A\*CEM. The gap closed for 3 levels of progress for English (1.5%) and Mathematics (7%), with more students achieving this benchmark than in 2013-14.

**SEND**

The gap for In School Support (those with SEN needs) students, compared to other students closed by 22% for 3 Levels of progress in English. 3 Levels of progress in Mathematics was similar to 2014 as a percentage, more children achieved this benchmark. Students achieved one grade higher across 6 subjects compared to the previous year for the Progress8 measure and Value Added (VA) was +83 compared to 2013-14.

**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 Operational Resources 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.

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Financial Review**

**a. Financial and Risk Management Objectives and Policies**

The Accounts relate to the period 1 September 2014 to 31 August 2015.

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 £4,587,923. Restricted fund expenditure amounted to £4,816,195. Total net income for the year was £132,184.

The value of fixed assets at 31 August 2015 was £5,394,985.

The net assets amounted to £6,020,690 which includes a Local Government Pension Scheme (LGPS) liability of £414,000 taken on at conversion and shown in note 25.

**b. Principal Risks and Uncertainties**

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

1. Reduction in finances due to falling roll because of changes in the local and national educational context.
2. Ofsted downgrading the school's category.
3. Changes to the local and national funding formula.
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 2015 amounted to £549,214.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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.

**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 the Resources Manager will review the interest rates being achieved and will compare with other investment opportunities.

**Plans for Future Periods**

As part of our self-evaluation processes the school has identified four key priorities:

**Key Priorities 2015-16;**

- Improve Progress rates to a minimum of plus 5% above National Average, in all subjects.
- Continue to close the Pupil Premium Gap.
- Improve Attendance to above National Average.
- Develop financial Stability by effectively recruiting students to both phases of the school.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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 1 December 2015 and signed on the board's behalf by:



**N Askew**  
Chair of Trustees

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**GOVERNANCE STATEMENT**

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**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 has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
I Ablewhite	6	8
N Askew, Chair	8	8
S Barrow	6	8
C Bean	3	3
R Booth	6	8
W Carter	6	8
A Cornell	7	8
K Fitzpatrick	3	4
S Hyde	8	8
A Jones	3	8
A Moore	1	5
K Moore	3	3
J Morrison	1	8
I Pantelidis	4	8
E Sier	8	8
T Sorensen-Bentham	2	8
I Swingler	2	4
M Watts	4	8
R Wells	7	8



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**GOVERNANCE STATEMENT (continued)**

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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	5	6
S Barrow	4	6
R Booth	6	6
W Carter	3	6
K Fitzpatrick	2	2
A Jones, Chair	5	6
I Swingler	4	4
A Moore	0	3
I Pantelidis	3	6
K Moore	3	3
T Sorensen-Bentham	2	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	4	5
N Askew	5	5
C Bean	0	1
W Carter	3	5
A Cornell	4	5
K Fitzpatrick	2	2
S Hyde	5	5
E Sier	5	5
I Swingler	3	3
J Morrison	2	5
R Wells	4	5
M Watts	2	5

### **REVIEW OF VALUE FOR MONEY**

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

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

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**GOVERNANCE STATEMENT (continued)**

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**Improving educational results**

The academic year 2014-2015 was successful one for The Cavendish School. The year started with the celebration of our GCSE results from 2013/14 with 60% of our Year Eleven students leaving with at least 5 A\*-C grades including English and Maths and our students exceeding national averages in key measures of performance.

In November, East Sussex County Council confirmed our good performance and identified the percentage of children achieving 5A\*-C, including English and Maths, as being above national averages and on target. These successes were further reinforced by national analysis of our performance, which showed us performing above national averages for the progress that our students make whilst they study at Cavendish. Of particular note is the above national average progress of boys.

In addition, whilst ensuring that all students make the progress that they should, in the last three years we have placed particular emphasis on the performance of students who are in receipt of Free School Meals and students with special educational needs. This has been a prime focus for Governors and the Leadership of the school with specific targets set to improve their performance. Their achievements as a group have improved considerably in that time and as mentioned above, the gap between their performance and students who are not in receipt of Free School Meals has continued to narrow each year as has the gap between special educational needs and those without special educational needs.

At our last Ofsted inspection in 2011 attendance was identified as an issue for the school where it was significantly below national averages. This meant that too many students were missing lessons which has an impact on their opportunity for future success. We are pleased to be able to report that following concerted efforts by the school, and through strong leadership by Governors and the school's leadership team working in partnership with parents, our attendance rates have improved dramatically across the school, and are now in line with national expectations; meaning that more students are in school receiving the education they deserve. This has had a positive impact upon individual achievement.

We are also pleased to be able to report that the number of students who are excluded from school for fixed periods of time has reduced considerably since our last Ofsted report. We feel strongly that as long as students are in school learning, they are being given the best possible chance to succeed and we are very pleased with the effort of all concerned to raise standards.

**Financial governance and oversight**

The Cavendish School receives its Responsible Officer (RO) duties from Knill James, Chartered Accountants. The school benefits from their extensive experience in this area of work. The RO reviews key financial policies, systems and procedures, including the use of tenders, and issues reports to the Governors.

The Operational Resources Committee receives monthly management accounts from the Finance Manager. These are also presented and discussed at the OR meetings.

The Full Governing Body approves the budget each year and is mindful of the need to balance income and expenditure to ensure that the academy remains a going concern. The Governing Body also receives and approves the Annual Accounts and the Auditors Management Report.

**Ensuring that the Academy Trust demonstrates good value for money and efficient and effective use of resources**

All contracts and services are evaluated regularly, by way of contract review meetings, to ensure that they are meeting specification and are fit for purpose. Contract review dates are noted to ensure that no contract 'rolls over' and that they are being re-tendered on a regular basis. The Governors have adopted a Financial Scheme of Delegation, which details the financial responsibilities of Governors, Leadership and Budget Holders. This feeds into the Financial Regulations and Procedures, which applies to all staff.

All purchases over £2,000 require a written quotation, and are authorised by the Resources Manager.

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

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**GOVERNANCE STATEMENT (continued)**

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Purchases over £5,000 require three written quotations, and are authorised by the Headteacher. Purchases and contracts above £15,000 require OR Committee authorisation. Tender exercises are undertaken to ensure that long term contracts are competitive.

The East Sussex secondary schools meet through the year and discuss financial and operational work areas which span across all schools. This provides benchmarking information and good practice, which can be adopted in the school to support the efficiency, economy and effectiveness of the school's practices and processes. They also work together on contracts and purchasing to explore ways that economies of scale can be applied to maximise the value for money. The schools also work collaboratively for professional development of staff.

**Income generation**

The school ensures that cashflow is closely monitored and current accounts are interest earning. The school has a number of investment accounts in which to invest surplus funds. The School is careful to ensure that no account balance goes over the sum protected by the Financial Services Compensation Scheme. The school continue to secure funding via sponsorship for school events, such as the annual Celebration of Achievement.

**Reviewing controls and managing risks**

Regular budget monitoring is undertaken by the Resources Manager and significant variances are investigated and reported to the Headteacher and Operational Resources Committee each month.

The School has comprehensive insurance covering all of the major risks relating to buildings, public liability and employers liability.

The school's OR Committee has a strong oversight on the financial position of the school including future budget planning. This includes the estimated pupil numbers for the school, and the Eastbourne area as a whole, to ascertain any impact on the school's funding.

Staff absence is monitored and staff are supported through occupational health, counselling service and the attendance management policy to maintain good attendance levels.

**Reviewing Operation to maximise the use of resources**

The leadership team are reviewing the expenditure to ensure that it is closely aligned with the school development plan. They are also evaluating the links between the budget and the curriculum and striving to ensure that future budget constraints do not compromise the educational outcomes for the students.

The Cavendish school has been heavily impacted upon by the opening of a Free School less than a mile away. In response to this the school has reviewed their financial budget plans, sustainability model and educational provision to ensure value for money continues to be achieved.

The school has reduced the secondary phased planned admission number (PAN) from September 2015 to 175. The school became an 'all-through' school from September 2015, and have opened 2 reception classes in existing buildings. Planning permission has been agreed for a new primary phase building and this is scheduled to be opened in September 2016. This is an exciting opportunity for the school, especially in terms of supporting the educational benefits for our students transferring between the primary and secondary phase of our all through school status.

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**GOVERNANCE STATEMENT (continued)**

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**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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy 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 2014 to 31 August 2015 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 not to appoint an internal auditor. However, the Trustees have appointed Knill James, the external auditor, to perform additional checks.

The 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 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.

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

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**GOVERNANCE STATEMENT (continued)**

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**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 external auditor, performing a program of supplementary work;
- 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 1 December 2015 and signed on its behalf, by:



**N Askew**  
Chair of Trustees



**P Marchant**  
Accounting Officer

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 (2014).

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 (2014).

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.



**P Marchant**  
Accounting Officer

Date: 1 December 2015

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

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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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 (2005);
- 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 1 December 2015 and signed on its behalf by:



**N Askew**  
Chair of Trustees

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

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

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We have audited the financial statements of The Cavendish School (Eastbourne) for the year ended 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 2015 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.



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

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

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**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  
16 December 2015

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

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

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In accordance with the terms of our engagement letter dated 30 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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.

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

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

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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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

**Knill James**

Chartered Accountant  
Registered Auditor

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

16 December 2015

**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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	-	400	-	400	50
Activities for generating funds	3	96,258	690	-	96,948	167,895
Investment income	4	5,983	8,000	-	13,983	9,937
Incoming resources from charitable activities	5	-	4,987,053	-	4,987,053	4,962,223
<b>TOTAL INCOMING RESOURCES</b>		<b>102,241</b>	<b>4,996,143</b>	<b>-</b>	<b>5,098,384</b>	<b>5,140,105</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising expenses and other costs	3	54,390	-	-	54,390	74,859
Charitable activities	10	-	4,797,156	95,615	4,892,771	4,724,699
Governance costs	6	-	19,039	-	19,039	17,068
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>54,390</b>	<b>4,816,195</b>	<b>95,615</b>	<b>4,966,200</b>	<b>4,816,626</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>47,851</b>	<b>179,948</b>	<b>(95,615)</b>	<b>132,184</b>	<b>323,479</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	20	-	(56,898)	56,898	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>47,851</b>	<b>123,050</b>	<b>(38,717)</b>	<b>132,184</b>	<b>323,479</b>
Actuarial gains and losses on defined benefit pension schemes		-	3,000	-	3,000	(239,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>47,851</b>	<b>126,050</b>	<b>(38,717)</b>	<b>135,184</b>	<b>84,479</b>
<i>Total funds at 1 September 2014</i>		<i>501,363</i>	<i>(49,558)</i>	<i>5,433,702</i>	<i>5,885,507</i>	<i>5,801,028</i>
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>549,214</b>	<b>76,492</b>	<b>5,394,985</b>	<b>6,020,691</b>	<b>5,885,507</b>

All activities relate to continuing operations.

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

The notes on pages 31 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 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	16		<b>5,394,985</b>		5,433,702
<b>CURRENT ASSETS</b>					
Debtors	17	163,062		116,463	
Cash at bank and in hand		<b>1,267,855</b>		1,135,578	
			<u>1,430,917</u>	<u>1,252,041</u>	
<b>CREDITORS: amounts falling due within one year</b>	18		<b>(382,598)</b>	(391,647)	
<b>NET CURRENT ASSETS</b>			<b>1,048,319</b>		860,394
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>6,443,304</b>		6,294,096
<b>CREDITORS: amounts falling due after more than one year</b>	19		<b>(8,613)</b>	(11,589)	
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<b>6,434,691</b>		6,282,507
Defined benefit pension scheme liability	25		<b>(414,000)</b>	(397,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>6,020,691</b>		5,885,507
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	20	490,492		347,442	
Restricted fixed asset funds	20		<b>5,394,985</b>	5,433,702	
Restricted funds excluding pension liability			<b>5,885,477</b>	5,781,144	
Pension reserve			<b>(414,000)</b>	(397,000)	
Total restricted funds			<b>5,471,477</b>		5,384,144
Unrestricted funds	20		<b>549,214</b>		501,363
<b>TOTAL FUNDS</b>			<b>6,020,691</b>		5,885,507

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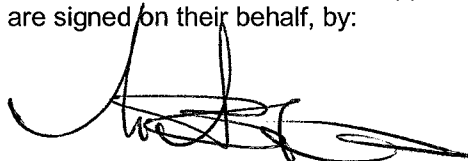
**THE CAVENDISH SCHOOL (EASTBOURNE)**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2015**

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The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2015 and are signed on their behalf, by:



**N Askew**  
Chair of Trustees

The notes on pages 31 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 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	22	192,151	460,521
Capital expenditure and financial investment	23	(56,898)	(127,792)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>135,253</b>	<b>332,729</b>
Financing	23	(2,976)	(2,977)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>132,277</b>	<b>329,752</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	132,277	329,752
Cash outflow from decrease in debt and lease financing	2,976	2,977
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>135,253</b>	<b>332,729</b>
Net funds at 1 September 2014	1,121,012	788,283
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>1,256,265</b>	<b>1,121,012</b>

The notes on pages 31 to 49 form part of these financial statements.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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 2014 to 2015 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.

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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 £2,500 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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**2. VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Donations	-	400	400	50

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
<b>Income</b>				
Letting income	1,858	-	1,858	10,165
Other income	36,672	690	37,362	84,760
School fund	54,862	-	54,862	59,823
School uniform sales	2,866	-	2,866	13,147
	<u>96,258</u>	<u>690</u>	<u>96,948</u>	<u>167,895</u>
<b>Expenses</b>				
School uniform purchases	342	-	342	18,065
School fund	54,048	-	54,048	56,794
	<u>54,390</u>	<u>-</u>	<u>54,390</u>	<u>74,859</u>
Net income from activities for generating funds	<u>41,868</u>	<u>690</u>	<u>42,558</u>	<u>93,036</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Bank interest received	5,983	-	5,983	3,937
LGPS FRS 17 adjustment	-	8,000	8,000	6,000
	<u>5,983</u>	<u>8,000</u>	<u>13,983</u>	<u>9,937</u>

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**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations	4,987,053	4,987,053	4,962,223

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>			
General Annual Grant (GAG)	4,587,923	4,587,923	4,686,476
Capital Grants	-	-	20,824
Other DfE/EFA grants	38,020	38,020	25,445
	<u>4,625,943</u>	<u>4,625,943</u>	<u>4,732,745</u>
<b>Other government grants</b>			
Local authority grants	202,258	202,258	209,757
Special educational projects	18,752	18,752	14,915
Primary start-up funding	139,100	139,100	-
	<u>360,110</u>	<u>360,110</u>	<u>224,672</u>
<b>Other funding</b>			
Teacher training grants	1,000	1,000	4,806
	<u>1,000</u>	<u>1,000</u>	<u>4,806</u>
	<u>4,987,053</u>	<u>4,987,053</u>	<u>4,962,223</u>

**6. GOVERNANCE COSTS**

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Support costs - Governance	12,584	12,584	9,190
Wages and salaries	6,455	6,455	7,878
	<u>19,039</u>	<u>19,039</u>	<u>17,068</u>

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**7. DIRECT COSTS**

	Educational operations £	Total 2015 £	Total 2014 £
Technology costs	42,990	42,990	51,348
Educational supplies	123,424	123,424	83,994
Examination fees	73,408	73,408	69,302
Staff development	38,244	38,244	2,671
Educational consultancy	169,164	169,164	183,475
Other direct	11,729	11,729	28,301
Wages and salaries	2,708,823	2,708,823	2,729,952
National insurance	194,173	194,173	206,243
Pension cost	347,701	347,701	371,172
Depreciation	95,615	95,615	75,946
	<u>3,805,271</u>	<u>3,805,271</u>	<u>3,802,404</u>

**8. SUPPORT COSTS**

	Governance £	Educational operations £	Total 2015 £	Total 2014 £
Recruitment and support	-	52,675	52,675	7,029
Maintenance of premises and equipment	-	175,018	175,018	126,389
Cleaning	-	89,858	89,858	86,306
Rent and rates	-	49,713	49,713	54,976
Energy costs	-	59,472	59,472	60,177
Insurance	-	47,311	47,311	50,451
Security and transport	-	8,419	8,419	6,436
Catering	-	52,382	52,382	67,150
Bank interest and charges	-	98	98	-
Other support costs	4,334	66,606	70,940	50,776
Auditors fees	8,250	-	8,250	7,875
Wages and salaries	5,750	359,526	365,276	336,648
National insurance	203	16,359	16,562	15,486
Pension cost	502	110,063	110,565	69,664
	<u>19,039</u>	<u>1,087,500</u>	<u>1,106,539</u>	<u>939,363</u>

**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**9. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure Other costs	Total	<i>Total</i>
	2015	2015	2015	2014
	£	£	£	£
Fundraising expenses	-	54,390	54,390	74,859
<b>Costs of generating funds</b>	<b>-</b>	<b>54,390</b>	<b>54,390</b>	<b>74,859</b>
Educational operations	3,250,697	554,574	3,805,271	3,802,404
Support costs	485,948	601,552	1,087,500	922,295
<b>Charitable activities</b>	<b>3,736,645</b>	<b>1,156,126</b>	<b>4,892,771</b>	<b>4,724,699</b>
<b>Governance</b>	<b>6,455</b>	<b>12,584</b>	<b>19,039</b>	<b>17,068</b>
	<b>3,743,100</b>	<b>1,223,100</b>	<b>4,966,200</b>	<b>4,816,626</b>

**10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	<i>Total</i>
	2015	2015	2015	2014
	£	£	£	£
Educational operations	3,805,271	1,087,500	4,892,771	4,724,699

**11. NET INCOMING RESOURCES**

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	95,615	75,946
Auditor's remuneration	8,250	7,875
Auditor's remuneration - non-audit	3,650	1,025
	<b>107,515</b>	<b>84,846</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>2015</b>	<b>2014</b>
	£	£
Wages and salaries	<b>2,932,774</b>	2,989,535
Social security costs	<b>210,735</b>	221,729
Other pension costs (Note 25)	<b>458,266</b>	440,836
	<u><b>3,601,775</b></u>	<u>3,652,100</u>
Supply teacher costs	<b>136,999</b>	68,299
Compensation payments	<b>4,326</b>	8,766
	<u><b>3,743,100</b></u>	<u>3,729,165</u>

**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:

	<b>2015</b>	<b>2014</b>
	No.	No.
Teaching	<b>58</b>	62
Teaching support	<b>17</b>	19
Premises	<b>2</b>	3
Administration	<b>15</b>	15
	<u><b>92</b></u>	<u>99</u>

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>2015</b>	<b>2014</b>
	No.	No.
In the band £60,001 - £70,000	<b>1</b>	0
In the band £90,001 - £100,000	<b>1</b>	1

All of the higher paid employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £13,258 (2014: £12,917).



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**13. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	<b>2015</b>	<i>2014</i>
	<b>£'000</b>	<i>£'000</i>
K Fitzpatrick, Headteacher & Accounting Officer	<b>30-35</b>	<i>90-95</i>
I Swingler, Acting Headteacher & Accounting Officer	<b>65-70</b>	<i>-</i>
S Barrow, Staff Governor	<b>40-45</b>	<i>40-45</i>
S Hyde, Staff Governor	<b>10-15</b>	<i>10-15</i>
A Moore, Staff Governor	<b>5-10</b>	<i>10-15</i>
K Moore, Staff Governor	<b>5-10</b>	<i>-</i>
M Watts, Staff Governor	<b>40-45</b>	<i>40-45</i>

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

**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 2015 was £1,471 (2014 - £1,471). The cost of this insurance is included in the total insurance cost.

**15. OTHER FINANCE INCOME**

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<i>£</i>
Expected return on pension scheme assets	<b>63,000</b>	<i>51,000</i>
Interest on pension scheme liabilities	<b>(55,000)</b>	<i>(45,000)</i>
	<b>8,000</b>	<i>6,000</i>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**16. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2014	5,369,025	45,188	160,310	5,574,523
Additions	-	10,630	46,268	56,898
At 31 August 2015	<u>5,369,025</u>	<u>55,818</u>	<u>206,578</u>	<u>5,631,421</u>
<b>Depreciation</b>				
At 1 September 2014	89,484	8,144	43,193	140,821
Charge for the year	42,952	5,689	46,974	95,615
At 31 August 2015	<u>132,436</u>	<u>13,833</u>	<u>90,167</u>	<u>236,436</u>
<b>Net book value</b>				
At 31 August 2015	<u>5,236,589</u>	<u>41,985</u>	<u>116,411</u>	<u>5,394,985</u>
At 31 August 2014	<u>5,279,541</u>	<u>37,044</u>	<u>117,117</u>	<u>5,433,702</u>

**17. DEBTORS**

	2015 £	2014 £
Trade debtors	2,788	3,474
Other debtors	53,755	54,223
Prepayments and accrued income	106,519	58,766
	<u>163,062</u>	<u>116,463</u>

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

	2015 £	2014 £
Other loans	2,977	2,977
Trade creditors	110,409	173,581
Other taxation and social security	61,653	65,890
Other creditors	58,622	61,588
Accruals and deferred income	148,937	87,611
	<u>382,598</u>	<u>391,647</u>

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**19. CREDITORS:**

**Amounts falling due after more than one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other loans	<b>8,613</b>	<b>11,589</b>

Included within the above are amounts falling due as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Between one and two years</b>		
Other loans	<b>2,977</b>	<b>2,977</b>
<b>Between two and five years</b>		
Other loans	<b>5,636</b>	<b>8,612</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**20. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	501,363	102,241	(54,390)	-	-	549,214
<b>Restricted funds</b>						
General Annual Grant (GAG)	347,442	4,587,923	(4,446,411)	(56,898)	-	432,056
Primary start-up grant	-	139,100	(80,664)	-	-	58,436
Roy Hodson Trust	-	400	(400)	-	-	-
Mentor income	-	690	(690)	-	-	-
Teacher training grant	-	1,000	(1,000)	-	-	-
Special educational projects	-	18,752	(18,752)	-	-	-
Other DfE/EFA grants	-	38,020	(38,020)	-	-	-
Local authority grants	-	202,258	(202,258)	-	-	-
Pension reserve	(397,000)	8,000	(28,000)	-	3,000	(414,000)
	<u>(49,558)</u>	<u>4,996,143</u>	<u>(4,816,195)</u>	<u>(56,898)</u>	<u>3,000</u>	<u>76,492</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	5,433,702	-	(95,615)	56,898	-	5,394,985
Total restricted funds	<u>5,384,144</u>	<u>4,996,143</u>	<u>(4,911,810)</u>	<u>-</u>	<u>3,000</u>	<u>5,471,477</u>
Total of funds	<u><u>5,885,507</u></u>	<u><u>5,098,384</u></u>	<u><u>(4,966,200)</u></u>	<u><u>-</u></u>	<u><u>3,000</u></u>	<u><u>6,020,691</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 transfer between to the restricted fixed asset fund relates to the acquisition of fixed assets from the GAG.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**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 2015.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	501,363	102,241	(54,390)	-	-	549,214
Restricted funds	(49,558)	4,996,143	(4,816,195)	(56,898)	3,000	76,492
Restricted fixed asset funds	5,433,702	-	(95,615)	56,898	-	5,394,985
	<u>5,885,507</u>	<u>5,098,384</u>	<u>(4,966,200)</u>	<u>-</u>	<u>3,000</u>	<u>6,020,691</u>

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	5,394,985	5,394,985	5,433,702
Current assets	562,676	868,240	-	1,430,916	1,252,041
Creditors due within one year	(13,462)	(369,135)	-	(382,597)	(391,647)
Creditors due in more than one year	-	(8,613)	-	(8,613)	(11,589)
Provisions for liabilities and charges	-	(414,000)	-	(414,000)	(397,000)
	<u>549,214</u>	<u>76,492</u>	<u>5,394,985</u>	<u>6,020,691</u>	<u>5,885,507</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before revaluations	132,184	323,479
Depreciation of tangible fixed assets	95,615	75,946
(Increase)/decrease in debtors	(46,599)	33,667
(Decrease)/increase in creditors	(9,049)	28,429
Increase in provisions	17,000	238,000
FRS 17 adjustments	3,000	(239,000)
	192,151	460,521

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

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(56,898)	(127,792)
	2015 £	2014 £
<b>Financing</b>		
Repayment of loans	(2,976)	(2,977)
	(2,976)	(2,977)

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,135,578	132,277	-	1,267,855
<b>Debt:</b>				
Finance leases	-	-	-	-
Debts due within one year	(2,977)	-	-	(2,977)
Debts falling due after more than one year	(11,589)	-	2,976	(8,613)
	1,121,012	132,277	2,976	1,256,265

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**THE CAVENDISH SCHOOL (EASTBOURNE)**  
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**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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £40,438 were payable to the scheme at 31 August 2015 (2014 - 45,222) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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**25. PENSION COMMITMENTS (continued)**

The pension costs paid to TPS in the period amounted to £503,275 (2014: £531,501).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy 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 2015 was £165,000, of which employer's contributions totalled £129,000 and employees' contributions totalled £36,000. The agreed contribution rates for future years are 18.2% for employers and 6.1% 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 Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	3.80	854,000	6.40	779,000
Bonds	3.80	192,000	3.50	100,000
Property	3.80	132,000	4.50	100,000
Cash	3.80	24,000	3.30	20,000
Total market value of assets		<u>1,202,000</u>		<u>999,000</u>
Present value of scheme liabilities		<u>(1,616,000)</u>		<u>(1,396,000)</u>
Deficit in the scheme		<u><u>(414,000)</u></u>		<u><u>(397,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Present value of funded obligations	<u>(1,616,000)</u>	<u>(1,396,000)</u>
Fair value of scheme assets	<u>1,202,000</u>	<u>999,000</u>
Net liability	<u><u>(414,000)</u></u>	<u><u>(397,000)</u></u>



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**25. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	<b>2014</b>
	£	£
Current service cost	(157,000)	(125,000)
Interest on obligation	(55,000)	(45,000)
Expected return on scheme assets	63,000	51,000
	<u>(149,000)</u>	<u>(119,000)</u>
Actual return on scheme assets	<u>(40,000)</u>	<u>(93,000)</u>

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

	<b>2015</b>	<b>2014</b>
	£	£
Opening defined benefit obligation	1,396,000	907,000
Current service cost	157,000	125,000
Interest cost	55,000	45,000
Contributions by scheme participants	36,000	32,000
Actuarial (Gains)/losses	(27,000)	288,000
Benefits paid	(1,000)	(1,000)
	<u>1,616,000</u>	<u>1,396,000</u>

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

	<b>2015</b>	<b>2014</b>
	£	£
Opening fair value of scheme assets	999,000	748,000
Expected return on assets	63,000	51,000
Actuarial gains and (losses)	(24,000)	49,000
Contributions by employer	129,000	120,000
Contributions by employees	36,000	32,000
Benefits paid	(1,000)	(1,000)
	<u>1,202,000</u>	<u>999,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £242,000 (2014 - £245,000).

The Academy expects to contribute £127,000 to its Defined benefit pension scheme in 2016.

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**25. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	2014
Equities	<b>71.00 %</b>	78.00 %
Bonds	<b>16.00 %</b>	10.00 %
Property	<b>11.00 %</b>	10.00 %
Cash	<b>2.00 %</b>	2.00 %

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

	<b>2015</b>	2014
Discount rate for scheme liabilities	<b>3.80 %</b>	3.70 %
Expected return on scheme assets at 31 August	<b>3.80 %</b>	5.80 %
Rate of increase in salaries	<b>4.60 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.70 %

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

	<b>2015</b>	2014
Retiring today		
Males	<b>22.2</b>	22.2
Females	<b>24.4</b>	24.4
Retiring in 20 years		
Males	<b>24.2</b>	24.2
Females	<b>26.7</b>	26.7

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	<b>2015</b>	2014	2013
	£	£	£
Defined benefit obligation	<b>(1,616,000)</b>	(1,396,000)	(907,000)
Scheme assets	<b>1,202,000</b>	999,000	748,000
Deficit	<b>(414,000)</b>	(397,000)	(159,000)
Experience adjustments on scheme liabilities	<b>2,000</b>	(37,000)	-
Experience adjustments on scheme assets	<b>(24,000)</b>	49,000	51,000

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**26. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	5,651	-
Between 2 and 5 years	5,193	10,844
	<u>5,193</u>	<u>10,844</u>

**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 £14,998 (2014 - £14,850) in the period.

Mr W Carter, a trustee, was paid £339 (2014 - £9,972) for consultancy services provided in the period. There was no amount outstanding at the year end (2014 - £nil).

Mr Fitzpatrick, son of a trustee, sold printing supplies to the Academy in the period for £4,385 (2014 - £5,430). No amount was outstanding at the year end (2014 - £nil).

The Cavendish Development Trust, of which Mr Bean, Mr Booth, and previously Mr Fitzpatrick are trustees, paid the Academy £nil (2014 - £2,120) towards Celebration vouchers as part of the Rewards Scheme. There was no amount outstanding at the year end (2014 - £nil).

**28. MEMBERS LIABILITY**

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