



THE CAVENDISH SCHOOL

The Cavendish School Charitable Trust Limited

Annual Report and Financial Statements

31 August 2022

Company Limited by Guarantee
Registration Number
987480 (England and Wales)

Charity Registration Number
312727

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LEGAL AND ADMINISTRATIVE INFORMATION

Governors

S Bettison
B Crystal
G Fontaine
A M Gotto (Co-Chair of Governors)
K Hake
E Molnar
A Pangonis
D Phillips (Chair of Finance and General Purposes Committee)
N Rushton (Co-Chair of Governors)
E Saudi (appointed 26 September 2022)
A Tsoi
M Webster

Head

T Lombard

Secretary

S Chen Cooper

Bursar and Clerk to the Governors

S Chen Cooper

Registered Principal office

The Cavendish School
31 Inverness Street
London
NW1 7HB

Telephone

020 7485 1958

Website

www.cavendishschool.co.uk

Company registration number

987480 (England and Wales)

Charity registration number

312727

Auditors

Moore Kingston Smith LLP
Floor 6
9 Appold Street
London
EC2A 2AP

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Lloyds TSB Bank plc
140 Camden High Street
London
NW1 0NG

Solicitors

Harrison Clark Rickerbys Ltd
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

The Governors (who are also directors of The Cavendish School Charitable Trust for the purposes of company law and trustees for the purposes of charity law) present their statutory report together with the financial statements of The Cavendish School Charitable Trust Limited (company registration number 987480 (England and Wales)) (the "charitable company") for the year ended 31 August 2022.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 35 of the attached financial statements and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Legal status

The charitable company is constituted as a company limited by guarantee and not having a share capital. The members, who are also Governors, are liable to contribute an amount not exceeding £1 each in the event of winding up.

The charitable company was incorporated on 20 August 1970 by Memorandum of Association.

Principal aims and objects

The principal aims and objects of the charitable company are the advancement and promotion of education and, in particular, the running of The Cavendish School in Camden Town, London (the "school").

Mission

We aim to provide:

- ◆ A non-selective, high-quality, caring and diverse learning environment that promotes and respects a learning partnership between home, school and the wider community, making the most of what London has to offer.
- ◆ An educational approach that is always centred on and sensitive to the individual needs of pupils and supports them to become resilient, confident, positive, flexible and independent learners. Our pupils are prepared for the future.
- ◆ A broad, balanced, stimulating and challenging curriculum with enriching extra-curricular opportunities so that pupils can reach their full potential in all areas of their learning and development.
- ◆ A welcoming, nurturing, vibrant, safe and sustainable learning environment.
- ◆ An excellent preparation for pupils to move confidently to the next stage of their learning with the opportunity to develop the skills, knowledge and understanding to become positive and confident lifelong learners and role models.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

- ◆ An environment that celebrates and builds on our original foundation of Catholic values and welcomes those from all faiths and none.

Through:

- ◆ Appointment, recruitment and development of a skilled and empathetic teaching and support staff of the highest calibre.
- ◆ Effective leadership and management that can provide a strategic vision for the school.

We see ourselves as a caring, inclusive, non-selective community of individuals who enjoy working together to support and appreciate each other's personal development and love of learning. We are committed to providing equality of opportunity.

Public benefit

The Charities Act 2006 made changes which affect the school, principally removing the presumption in law that education is for public benefit. The effect of this is a requirement that educational charities demonstrate the public benefit they provide. The Charity Commission has provided guidelines on the changes together with an analysis of the law affecting charities. These documents have been considered by the Governors, who are confident that the charitable company is operating in the interest of the public. Furthermore, the object of the charitable company is the advancement and promotion of education, specifically the running of the Cavendish School for, but not exclusively for, children of the Roman Catholic faith, which is a charitable purpose within the meaning of the Charities Act 2011.

This report is designed to meet the Charity Commission's requirement to describe the public benefit provided by the charitable company. The paragraphs below describe the various ways in which the Governors believe that the charitable company provides public benefit.

- ◆ The major public benefit the school provides is a rich and diverse education, without recourse to the public purse and a strong ethos of a positive contribution to our local community. Much of the curriculum taught follows the areas prescribed by law for state schools, on the basis it is considered essential for a successful society. Consequently, its provision is to benefit the public.
- ◆ The school is open to all and Governors aim to make it as affordable as reasonably possible, consistent with the aim of providing a high-quality education in a small school environment.
- ◆ During the last year, the school awarded bursaries to six pupils which covered 20% to 100% of their fees.
- ◆ The school also has a Bursary Fund from which awards were made at the discretion of the Governors. The Fund and the school's Bursary Policy were advertised on the school's website.
- ◆ During the last year, the school also granted hardship awards to a pupil which covered 24% and 42% of Spring and Summer term fees, respectively.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

Public benefit (continued)

- ◆ The Head also operates a fund to assist pupils from less well-off families with support for educational assessment, music lessons and uniform.
- ◆ As part of the commitment to promoting education the school also provides training for teachers of around £10,000 for the year. Providing teachers with additional skills, who in turn will use these skills at The Cavendish School or other schools, is for the benefit of the wider public.
- ◆ We also work in partnership with other schools. Pupils from two local schools joined our pupils for a talk from Afua Hirsch on how Africa is perceived and for a Royal Institution Science in Schools event. Cavendish parent volunteers also provide weekly reading support to a local school.
- ◆ Following the appointment of a Co-curricular and Partnerships Co-ordinator, efforts to share the school's facilities with local schools will increase and reciprocal training has been set up for the new year.
- ◆ Since May 2022, a Ukrainian group has been using the school's premises for its weekly meetings that inform, support and advocate for refugee families in Camden. Children play while adults and their hosts are helped with medical, job and housing advice.
- ◆ The Cavendish also has a long-standing collaboration with the Institute of Education, the education school of University College London, which specialises in postgraduate study and research in the field of education. Students are usually offered work placements during the school year, providing opportunities to observe, make assessments, assist and teach, complete tasks and to engage in reflective discussion. In addition, they are provided with advice and support in relation to the planning, preparation and assessment of children and the management of behaviour. One member of the Senior Leadership Team has joined the Recruitment Panel which meets several times during the Autumn, Spring and Summer terms in order to interview and assess potential student teachers.
- ◆ As part of the educational goal of good citizenship, the school's pupils and their families are encouraged and enabled to take an interest in local and national issues. As a practical consequence of this, the school's pupils raised funds for a range of local and national charities during the year.

We estimate that the value of these actions is approximately £70,000, equivalent to around 2% of the total revenues of the school.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT

Governance, structure and management

◆ **Governance**

The Board of Governors is responsible for setting aims and agreeing on a strategy for the school, recruiting and assessing senior management and for ensuring frameworks exist to meet legal, financial and regulatory obligations. Management of the school is the responsibility of the Head and the management team.

The school has a rolling programme for reviewing procedures and policies. All are reviewed at least once every three years or more frequently should changes in legislation or circumstance require.

The Governors would like to express their thanks to the Head, Senior Management Team and the entire staff for their hard work during the year, for the progress that has been made in the school during the period and for their considerable efforts during the period of national lockdown. The Governors also thank the parents and carers who contribute so willingly and generously to the life of the school and all the officers of the Friends of the Cavendish (see later).

◆ **Governors**

The following officers served throughout the year, except where shown:

Governors	Appointed/Resigned
S Bettison	
B Crystal	
D Phillips	
G Fontaine	
A M Gotto	
K Hake	
E Molnar	
A Pagonis	
N Rushton	
E Saudi	Appointed 26 September 2022
A Tsoi	
M Webster	

Secretary

S Chen Cooper

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Governance, structure and management (continued)

None of the Governors received any remuneration in respect of their services as governors during the year (2021 - £nil).

Out-of-pocket expenses of £274 were reimbursed to three Governors during the year (2021 - £485).

Three (2021 - five) Governors who are also parents had children attending the school during the financial year. Fees paid by the Governors are the same as fees paid by others. At the year-end, the School was owed £nil (2021: £nil) by any Governor.

The school has purchased insurance to protect the school from loss arising from the neglect or defaults of its Governors. The insurance premium payable by the school during the year totalled £1,020 (2021 - £1,195) and provides cover of up to a maximum of £2 million.

♦ ***Appointment of Governors and training procedures***

New Governors are elected by a consensus of existing Governors and may serve for a period of three years before being required to stand for re-election.

The Governors have put in place a system whereby individual Governors have nominated links with individual teachers and curriculum areas to enhance the links between Governors and the teaching staff and with the responsibility for Early Years Foundation Stage (E.Y.F.S.), safeguarding, health and safety and compliance.

The Governors are members of the Association of Governing Bodies of Independent Schools. The Governors are offered the opportunity to attend seminars and conferences and regular training to maintain their expertise in governance issues.

♦ ***Key management personnel***

The Governors consider that they, together with the Head and the Senior Management Team, comprise the key management of the charity in charge of directing and controlling, running and operating the school on a day-to-day basis.

The remuneration of key management personnel is set by the Finance and General Purposes Committee and is confirmed by the Governing Body. Note is taken of market conditions, national and local pay scales and levels of performance.

The Head and the Bursar have annual reviews where their targets are agreed upon/reviewed with Governors. The rest of the Senior Management Team has biennial performance reviews where their targets are agreed upon/reviewed with the Head.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Governance, structure and management (continued)

The Senior Management Team consists of:

T Lombard	Head
R Pritchett	Assistant Head & Head of Expressive Arts
I Boyt	Senior Deputy Head
H Edwards	Deputy Head (Academic)
J Hodgson	Deputy Head (Pastoral)
S Chen Cooper	Bursar & Clerk to the Governors

♦ **Committees**

The general school governance continued with regular Board and sub-committee meetings.

The composition of the sub-committees for this year was as follows:

Education	Finance & General Purposes
S Bettison	B Crystal
G Fontaine	E Molnar
K Hake	D Phillips (Chair)
A Tsoi	
M Webster (Chair)	

The two Co-Chairs of Governors are ex-officio members of both committees.

♦ **Statement of Governors' responsibilities**

The Governors (who are also directors of The Cavendish School Charitable Trust for the purposes of company law and trustees for the purposes of charity law) are responsible for preparing the Governors' report, the strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. Under company law, the Governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Governance, structure and management (continued)

In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that 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.

Each of the Governors confirms that:

- ◆ so far as the Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ The Governor has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Governors are responsible for the maintenance and integrity of the 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.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Governance, structure and management (continued)

♦ *Working with other organisations*

Friends of the Cavendish

The Governors reiterate their gratitude to the Friends of the Cavendish for their support during the year. Fundraising after the pandemic was resumed in September 2021.

♦ *Risk management*

In line with the requirement for Governors to undertake a risk assessment exercise and report on the same in their annual report, the Governors have looked at the risks the school currently faces and have reviewed the measures already in place, or needing to be put in place, to deal with them. The Governors have identified four main areas where risks may occur:

- Strategic
- Operational
- Financial
- Regulatory

Strategic considers the long-term health of the school. It is concerned with areas such as pupil numbers, staff recruitment and retention, quality of management, financial management and identification of changes to the school environment.

Operational looks at the risks inherent in the school's activities including the operation of its school – reputational, communication with parents, training, the suitability of teaching resources and buildings, maintenance, health and safety, safeguarding of children, disaster planning, etc.

Along with all other organisations which work with children, the Governors recognise the absolute necessity of ensuring the protection and safety of all those the school serves. This means that all staff, including peripatetic staff, have to undergo a check with the Disclosure and Barring Service (previously the Criminal Records Bureau) and other extensive pre-recruitment checks. In addition to this, all staff receive child protection training which is updated a minimum of once per year. Additionally, there is a designated Governor assigned to safeguarding children.

The safeguarding policy aims to outline the role that The Cavendish School has, the procedure that staff should follow and the guidance issued on pupil protection generally. All staff must ensure that the needs and safety of the pupils are at the forefront of their practice. In their day-to-day contact with individual pupils, teachers and other staff are particularly well placed to observe outward signs of abuse, changes in behaviour or failure to thrive.

Financial risks include those relating to budgetary control, fraud and money laundering, spending, accounting, borrowing policies, etc. and the need to ensure adequate cash flow coverage and reserves to meet future needs.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Governance, structure and management (continued)

Long-term forecasting of pupil numbers continues to be difficult and Governors are mindful of the continuing need to raise the profile of the school, maintain and further enhance good working practices and continue to achieve an Excellent grading in inspections. The Senior Management Team, overseen by Governors, works with an Admissions and Marketing Officer to oversee marketing strategies and ensure that they are aligned with the key strategic aims:

1. To develop the business model.
2. To improve the quality of provision.
3. To develop structures to support the plan.

Regulatory looks at the effects of government policies, the consequences of new laws and regulations, etc.

Activities, specific objectives and relevant policies

♦ *Activities and specific objectives*

The principal activity of the charitable company in the year under review was the running of The Cavendish School, which was originally established to provide a Catholic education for girls aged between three and eleven with sibling boys to age seven.

♦ *Volunteers*

The Governors would like to thank all the parents for their much-valued contribution to the school community. Parents have participated in activities such as fundraising for local and international charities, uniform sales and educational visits as well as sharing the benefits of their professional expertise.

Financial review

Results for the year

Income for the year was £3,621,863 (2021 – £3,373,554), including £3,398,307 (2021 – £3,285,235) in respect of gross school fees and £44,412 (2021 – £50,786) in respect of total bursaries. Expenditure was £3,459,706 (2021 – £3,283,845). Expenditure includes £2,403,280 (2021 – £2,439,434) in respect of staff costs; £22,076 (2021 – £25,717) for interest on the bank loans and £170,989 (2021 – £178,011) in respect of depreciation charges.

The net income for the year was £162,157 (2021 – £89,709).

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

The Governors have examined the requirement for free reserves (also referred to as the general fund), i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Governors consider that, given the nature of the school's work, the level of free reserves should be equivalent to the termly expenditure at any one time. Based on current expenditure levels this should be in the region of £1,000,000. The Governors believe that this level of reserves would provide sufficient flexibility to respond to unforeseen emergencies whilst specific action plans are implemented. In addition, the school retains a healthy cash reserve that is capable of meeting anticipated future liabilities.

Financial position

The balance sheet shows total funds of £5,074,647.

The tangible fixed assets fund of £3,680,197 represents the net book value of the school's tangible fixed assets less the related borrowings.

General funds of the school at 31 August 2022 are £1,268,201 and the Head's Discretionary fund was £5,240.

Overall, the Governors consider the affairs of the school to be satisfactory but they are aware of the need to monitor its resources closely; the potential financial issues facing independent schools; and the need to constantly monitor budgets and forecasts.

Fixed assets

The main asset of the school is the freehold building.

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Summary

The 2021-2022 financial year saw an improvement in trading conditions for the school as the negative effects of Covid eased. The School ended the year with a surplus of £162k and a cash balance of £2.6m. Income increased by 7.7% year-on-year, returning to 2019/2020 levels. This was driven by a material increase in income from clubs, after school care and lettings offsetting a small decline in average pupil numbers from 215 to 211. Costs increased by 5.7%, reflecting broader economic developments. While the School elected to increase salaries in the second half, total salary costs for the year fell, reflecting a slightly smaller headcount year-on-year.

Despite this improvement, a significant and sustained increase in UK inflation presents challenges for the School. For example, significant increases in the cost of living could cause some families to reassess household expenditure, and while School's energy prices are largely fixed until late 2024, its costs have risen materially in other areas. Separately, the proposed removal of business rate relief represents a significant future headwind at an estimated additional cost of £160k a year – approximately equal to the School's average annual surplus over the past four years.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Financial review (continued)

Nonetheless, the Board remains focused on managing these challenges and maintaining a disciplined and prudent approach to financial management.

Cash levels are continuously monitored, and the School ensures at least a term's worth of expenditures is readily available. This year the Board elected to take advantage of higher interest rates and deposited £1m of surplus cash in three separate savings facilities with well-known UK banks.

Fees for 2022-2023 were increased, ensuring the School remained on a financially prudent footing and at the competitive end of market pricing. An increase in school fees in 2023-2024 is highly likely given underlying inflation levels.

Finally, a sub-committee has been formed to review staff salary levels and ensure these remain competitive versus the broader industry and commensurate with higher living costs.

Acknowledgement

The Governors would like to express their thanks to those Cavendish leavers who generously donated their deposits to the school's Bursary Fund.

Future plans

The sense of energy and enthusiasm in the School highlighted in last year's report has continued unabated, with the Head continuing to prove a great success and developing excellent relationships with the Governors.

Financial challenges for the school continued post-Covid, but it appears that these have now bottomed out. This is evidenced by considerably healthier than predicted numbers overall. In particular, there is a good-sized cohort in the Nursery this year which will feed into Reception in 2023 and a very strong conversion rate for applicants for occasional vacancies at all levels in the school. The Head and the Admissions Officer have worked closely together to improve the marketing offering, in particular with excellent use of social media to increase the school's online presence. This has resulted in a marked increase in interest in the school with individual family tours happening almost every day and regular open mornings for groups. The school is also in the middle of a comprehensive Brand Strategy project to further enhance the school's profile and give a clear message to prospective parents about its core values and strengths.

The Head and the Bursar work extremely well together and remain closely focused on the school's finances. Although numbers have improved we are mindful that the current cost of living crisis may impact families within the school and pupil numbers. We are confident that the school's current healthy financial position will enable the school to weather this, should it prove to be the case.

The School will continue to offer its broad and balanced curriculum and provide numerous enrichment opportunities for pupils, including the greater use of Regent's Park for outdoor activities introduced by the new Head, numerous during and after-school clubs, and increased opportunities to play team sports.

GOVERNOR'S REPORT (including a Strategic Report)

For the year ended 31 August 2022

STRATEGIC REPORT (continued)

Future plans (continued)

The Head has worked hard to develop strong relationships with the heads of a broad range of secondary schools. The school achieved excellent results in the 11+ this year, with the focus remaining on a commitment to matching Year 6 girls to the secondary school most suitable to them.

Governor's report (including the strategic report) approved by the Governors and signed on their behalf by:

A. Gotto N. Rushton

A Gotto and N Rushton
Governors of The Cavendish School Charitable Trust
Company registration number
987480 (England and Wales)

Approved by the Governors on: 5/12/22

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CAVENDISH SCHOOL CHARITABLE TRUST LIMITED

For the year ended 31 August 2022

Opinion

We have audited the financial statements of The Cavendish School Charitable Trust Limited ('the company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CAVENDISH SCHOOL CHARITABLE TRUST LIMITED

For the year ended 31 August 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the governors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the governors' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the governors' annual report.

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.

Responsibilities of trustees

As explained more fully in the governors' responsibilities statement set out on pages 8 & 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CAVENDISH SCHOOL CHARITABLE TRUST LIMITED

For the year ended 31 August 2022

for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CAVENDISH SCHOOL CHARITABLE TRUST LIMITED

For the year ended 31 August 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements through discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CAVENDISH SCHOOL CHARITABLE TRUST LIMITED

For the year ended 31 August 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

 Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)

13 December 2022

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Floor 6

9 Appold Street

London

EC2A 2AP

The Cavendish School Charitable Trust Limited

STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure statement) for the year ended 31 August 2022

	Notes	Unrestricted / Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
INCOME FROM:					
Charitable Activities					
School fees	3	3,340,183	13,712	3,353,895	3,234,449
Other educational income	4	199,409	-	199,409	35,487
Other income	5				
Other trading income		40,675	-	40,675	19,508
Other activities		3,233	-	3,233	1,498
Investments	6				
Investment Income		1,070	-	1,070	401
Voluntary sources	7				
Grants and donations		2,610	20,971	23,581	82,211
Total income and endowments		<u>3,587,180</u>	<u>34,683</u>	<u>3,621,863</u>	<u>3,373,554</u>
EXPENDITURE ON:					
Costs of raising funds	8				
Interest and other costs		22,076	-	22,076	25,717
Charitable activities	8				
Education		3,394,985	42,645	3,437,630	3,258,128
Total expenditure	8	<u>3,417,061</u>	<u>42,645</u>	<u>3,459,706</u>	<u>3,283,845</u>
Net operating income/(expenditure)		170,119	(7,962)	162,157	89,709
Net income/(expenditure)		170,119	(7,962)	162,157	89,709
Transfer between funds		13,712	(13,712)	-	-
Net movement in funds		183,831	(21,674)	162,157	89,709
Fund balances brought forward		4,853,765	58,725	4,912,490	4,822,781
Fund balances carried forward	18, 19	<u>5,037,596</u>	<u>37,051</u>	<u>5,074,647</u>	<u>4,912,490</u>

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

The Cavendish School Charitable Trust Limited

BALANCE SHEET
as at 31 August 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	13	4,169,538	4,290,332
		4,169,538	4,290,332
CURRENT ASSETS			
Debtors	14	113,377	54,459
Cash at bank and in hand		2,587,042	2,300,218
		2,700,419	2,354,677
CREDITORS: Amounts falling due within one year	15	(948,061)	(866,180)
NET CURRENT ASSETS		1,752,358	1,488,497
TOTAL ASSETS LESS CURRENT LIABILITIES		5,921,896	5,778,829
CREDITORS: Amounts falling due after more than one year	16	(847,249)	(866,339)
NET ASSETS		5,074,647	4,912,490
FUNDS			
Restricted Funds	19	37,051	58,725
Unrestricted Funds – General	19	1,268,199	1,034,796
Head's Discretionary Fund	18	5,240	6,064
Hardship Fund	18	83,959	83,959
Tangible Fixed Asset Fund	18	3,680,198	3,728,946
		5,074,647	4,912,490

Approved and authorised for issue by the Board of Governors on 5/12/22 and signed on their behalf by:

A Gatto N Rushton

A Gatto and N Rushton
Governors of The Cavendish School Charitable Trust
Company registration number
987480 (England and Wales)

The accompanying notes form part of these financial statements.

The Cavendish School Charitable Trust Limited

CASHFLOW STATEMENT

for the year ended 31 August 2022

CASH FLOW STATEMENT	Notes	2022 £	2021 £
Net cash inflow from operating activities	23	430,660	472,292
Cash flows from investing activities:			
Bank interest received		1,070	401
Payments to acquire fixed assets		(50,193)	(20,189)
Net cash outflow from investing activities		<u>(49,123)</u>	<u>(19,788)</u>
Financing:			
Loans repaid		(72,637)	(69,641)
Interest repaid		(22,076)	(25,717)
Net cash outflow from financing activities		<u>(94,713)</u>	<u>(95,358)</u>
Increase/(decrease) in cash		286,824	357,146
Cash and cash equivalents at the beginning of the reporting period		<u>2,300,218</u>	<u>1,943,072</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,587,042</u></u>	<u><u>2,300,218</u></u>

The Cavendish School Charitable Trust Limited

ACCOUNTING POLICIES

for the year ended 31 August 2022

1 ACCOUNTING POLICIES

The Cavendish School Charitable Trust Limited is a company limited by guarantee with registered number 987480, incorporated and domiciled in England and Wales. Its registered office is The Cavendish School, 31 Inverness Street, London, NW1 7HB.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The school is dependent on pupils applying to it and on parents to pay their fees. Long term forecasting of pupil numbers is difficult but work continues to raise the profile of the school and to maintain and enhance the relationships with parents, feeder schools and nurseries and destination schools. The impact of the COVID-19 pandemic creates uncertainty over pupil numbers and its impact on the parents' ability to continuing paying school fees for the foreseeable future. However, the school has produced forecasts for at least 12 months from the date of approval of these financial statements which show that the school will have sufficient funds to continue operating as a going concern.

As such the School can expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts. However, there can be no certainty in relation to these matters.

On this basis the Governors have concluded that the School is a going concern. The financial statements do not include any adjustments that would result from the School not being able to meet its liabilities as they fall due.

1.3 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee, the guarantors at the present time being the Governors, to the extent of £1 each.

1.4 FEES RECEIVABLE AND SIMILAR INCOME

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school.

1.5 DONATIONS AND FUND ACCOUNTING

Donations received for the general purposes of the school are included as unrestricted funds. Donations restricted by the wishes of the donor or the terms of an appeal are taken to restricted funds. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restriction.

1.6 EXPENDITURE

Expenditure is allocated to expense headings, which aggregate all costs relating to the category either on a direct cost basis, or apportioned according to time spent.

Liabilities are recognised as soon as there is a legal or constructive obligation committing the school to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and includes any attributable VAT which cannot be recovered. All expenses are allocated or apportioned to the applicable expenditure headings. Expenditure on charitable activities comprises expenditure on the provision of education.

Governance costs comprise the costs of running the Trust, including strategic planning for its future development, external audit, and all other costs of complying with constitutional and statutory requirements.

The Cavendish School Charitable Trust Limited

ACCOUNTING POLICIES

for the year ended 31 August 2022

1.7 TEACHING COSTS

The cost of teaching and support staff salaries, including pension and national insurance costs, books, other tuition expenses and IT support.

1.8 FIXED ASSETS AND DEPRECIATION

All fixed assets are used in direct furtherance of the school's objectives. Fixed assets are included in these financial statements at their original cost less depreciation and accumulated impairment losses provided to date.

Assets that are expected to have a useful economic life of less than one year and cost less than £2,000 are not capitalised and are written off in the year of purchase.

Freehold property is depreciated at a rate of 2% per annum on a straight-line basis in order to write the buildings off over their estimated useful economic lives to the school. Certain improvements to property are depreciated on a straight-line basis in order to write off the costs over a period of fifteen years.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the costs less estimated residual value of each asset, by equal annual instalments, over their expected useful lives which are considered to be:

Furniture and general		
office equipment	- 10 years	10% - 20% per annum based on cost
Computer and IT	- 3 years	33.3% per annum based on cost
Piano	- 30 years	3.33% per annum based on cost

The cost of freehold property represents the historical value recorded in the books of £5,849,407. The council are of the opinion that the current value of the school's land and building is substantially in excess of the figure shown in the financial statements. The buildings have an insured value of £17,082,320 (2021: £16,638,052).

1.9 PENSIONS

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the year.

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff, however from 1 September, after a period of consultation the school took the decision to leave the TPS and put in place an alternative defined contribution scheme with AVIVA for the teaching staff.

The school also pays contributions into a Group Personal Pension Scheme for Support staff. The Scheme is a defined contribution pension scheme. The assets of the Scheme are held separately from those of the School in an independently administered fund. The Pension Scheme charge represents contributions payable by the school in accordance with the rules of the Scheme.

1.10 LEASES AND HIRE PURCHASE CONTRACTS

Where assets are financed by finance leases and hire purchase agreements the assets are included in the Balance Sheet at cost less depreciation in accordance with the school's normal accounting policy. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the Statement of Financial Activities over the period of the lease in proportion to the balance of capital payments outstanding.

Rentals paid under operating leases are charged to the Statement of Financial Activities evenly over the period of the lease.

1.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.12 FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 14, 15 and 16 for the debtor and creditor notes.

The Cavendish School Charitable Trust Limited

ACCOUNTING POLICIES

for the year ended 31 August 2022

1.13 TAXATION

The company is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

1.14 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

2 KEY ESTIMATES & JUDGEMENTS

In the application of the company's accounting policies, the Council is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Council of Management, the estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment and note 1.8 for the useful economic lives for each class of asset.

Recoverable value of fee debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2022

3 FEE INCOME

The School's activities are carried out within the UK.
The school's fee income comprised:

	2022 £	2021 £
Gross fees	3,398,307	3,285,235
Less: Bursaries paid for from restricted funds	(13,712)	(2,116)
Less: Unrestricted bursaries	(30,700)	(48,670)
	<u>3,353,895</u>	<u>3,234,449</u>

Included within the above is an amount of £13,712 (2021: £2,116) which is supported by restricted income.

4 OTHER EDUCATIONAL INCOME

	2022 £	2021 £
Extras and disbursements	180,080	23,647
Registration fees	11,100	8,100
Other income	8,229	3,740
	<u>199,409</u>	<u>35,487</u>

5 OTHER TRADING INCOME

	2022 £	2021 £
Rent and lettings	40,675	19,508
Other income	3,233	1,498
	<u>43,908</u>	<u>21,006.00</u>

6 INVESTMENT INCOME

	2022 £	2021 £
Interest received	1,070	401
	<u>1,070</u>	<u>401</u>

7 DONATIONS AND GRANTS

	2022 £	2021 £
Donations and gifts	23,581	30,488
Furlough grant	-	3,488
Other grants	-	48,235
	<u>23,581</u>	<u>82,211</u>

Included within the above is an amount of £20,971 (2021: £77,933) which relates to restricted income.

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

8 EXPENDITURE

(a) Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2022 £
Teaching	1,895,706	271,521	42,573	2,209,800
Welfare	8,269	196,066	-	204,335
Premises and Estates	-	280,548	128,416	408,964
Administration	473,456	120,745	-	594,201
Finance Costs	-	22,076	-	22,076
Governance	-	20,330	-	20,330
Total Charitable Expenditure	2,377,431	911,286	170,989	3,459,706

Included within £3,459,706 is an amount of £42,645 (2021: £49,899) relating to restricted expenditure.

Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2021 £
Teaching	1,952,051	98,254	49,879	2,100,184
Welfare	8,474	177,798	-	186,272
Premises and Estates	-	245,386	128,132	373,518
Administration	478,909	104,455	-	583,364
Finance	-	25,717	-	25,717
Governance	-	14,790	-	14,790
Total Charitable Expenditure	2,439,434	666,400	178,011	3,283,845

(b) Other Governance Costs include:	2022 £	2021 £
Auditors' remuneration		
- Audit Fees	13,223	13,500
- Other Auditors remuneration	-	1,290

(c) Administration & Finance Costs	2022 £	2021 £
Salaries	391,256	391,773
National Insurance	45,173	43,136
Pension Costs	29,497	33,329
Other Staff Costs	7,530	10,671
Subscriptions	22,383	24,457
Staff travel	201	7
Operating Leases	5,320	14,466
IT support	11,499	3,711
Postage and stationery	447	1,743
Telephones	6,085	5,776
Marketing and advertising	18,118	3,945
Miscellaneous - Administration	13,527	-
Recruitment Costs	1,757	-
Legal and Professional Fees	16,768	20,888
Other Administration Costs	24,547	29,426
Bank charges and interest	22,169	25,753
	616,277	609,081

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

9 STAFF COSTS	2022 £	2021 £
Wages and salaries	1,948,005	1,931,160
Social security costs	216,508	205,589
Other pension costs	205,297	250,294
Other staff costs	33,470	52,391
	<u>2,403,280</u>	<u>2,439,434</u>

The number of employees who received remuneration under redundancy and settlement costs were 0 (2021:1) which totalled £nil (2021: £4,859).

The average monthly number of employees during the year was as follows:

	2022 No.	2021 No.
Teaching	44	43
Support	9	9
	<u>53</u>	<u>52</u>

The number of employees whose emoluments £60,000 in the year was as follows:

	2022 No.	2021 No.
£60,000 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1
	<u>3</u>	<u>3</u>

Pension contributions for the year amounted to £86,813 (2021: £86,813) for the above employees.

Key management personnel include the Governors and the senior executives which are made up 5 members of the Senior Leadership Team including the head and the bursar. The total pay and benefits received by management personnel were £574,024 (2021 £419,275).

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

10 PENSIONS

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff, however from 1 September 2021, after a period of consultation the school took the decision to leave the TPS and put in place an alternative defined contribution scheme with AVIVA for the teaching staff. The pension charge for the year includes contributions payable to the TPS and AVIVA scheme of £175,800 (2021: £216,965) and at the year-end £nil was accrued in respect of contributions to the TPS.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The School also runs a scheme for its non-teaching staff, which is a defined contributions scheme. The cost for the year represents the School's contributions to the scheme of £29,497 (2021: £33,329) and at the year end £4,817 (2021: £5,280) was accrued in respect of contributions to this scheme.

11 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Travel and other reimbursements of £372 (2021: £485) for the governors were paid by the charity during the year.

12 NET INCOME FOR THE YEAR

	2022	2021
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	170,989	178,012
Operating lease rentals – other	5,320	14,466
Auditor's remuneration		
Audit services for the school - current year	13,223	13,500
Non-audit services	-	1,415

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2022

13 TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Equipment £	Fixtures & Fittings £	Total £
Cost:				
At 1 September 2021	5,618,982	17,718	322,590	5,959,290
Additions	33,200	-	16,993	50,193
	<u>5,652,182</u>	<u>17,718</u>	<u>339,583</u>	<u>6,009,483</u>
At 31 August 2022				
Depreciation:				
At 1 September 2021	1,436,223	3,470	229,265	1,668,958
Charge for year	128,416	12,403	30,170	170,989
	<u>1,564,639</u>	<u>15,873</u>	<u>259,435</u>	<u>1,839,947</u>
At 31 August 2022				
Net book value:				
At 31 August 2022	<u>4,087,543</u>	<u>1,845</u>	<u>80,148</u>	<u>4,169,536</u>
At 1 September 2021	<u>4,182,759</u>	<u>14,248</u>	<u>93,325</u>	<u>4,290,332</u>

14 DEBTORS

	2022 £	2021 £
Fees and extras	20,444	7,503
Accrued income	13,518	-
Prepayments and accrued income	79,415	46,956
	<u>113,377</u>	<u>54,459</u>

15 CREDITORS

Amounts falling due within one year:	2022 £	2021 £
Loans	75,591	72,637
Trade creditors	40,084	51,026
Taxation and social security costs	51,336	49,313
Fee Deposits	65,000	83,000
Fees in advance	647,964	563,757
Other creditors	49,158	27,715
Accruals	18,928	18,732
	<u>948,061</u>	<u>866,180</u>
Deferred income:	2022 £	2021 £
Brought forwards	563,757	439,424
Released in year	(563,757)	(439,424)
Received in year	647,964	563,757
	<u>647,964</u>	<u>563,757</u>
Carried forwards		

Deferred income relates to schools fees received in advance for the following term.

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

16 CREDITORS DUE AFTER ONE YEAR

	2022 £	2021 £
Amounts falling due after more than one year:		
Bank loan	413,749	489,339
School fee deposits	433,500	377,000

847,249	866,339
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	2022 £	2021 £
Movement on loans		
In one year or less		
Between one and two years	75,591	72,637
Between two and five years	78,684	75,590
After five years	167,323	208,641
	167,742	205,108

489,340	561,976
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	2022 £	2021 £
Movement on deposits:		
In one year or less		
Between one and two years	65,000	83,000
Between two and five years	72,500	54,000
After five years	191,000	176,000
	170,000	147,000
	498,500	460,000

The bank loans are secured by first and second fixed charges over the freehold property situated at 31 Inverness Street, NW1 7HB (previously referred to as 179 Arlington Road, London NW1 7EY) and fixed plant and machinery. The balance of £489,340 includes two fixed interest elements of £150,169 and £339,171, repayable by instalments, on which interest is charged at 3.69% and 4.5% respectively.

17 FINANCIAL INSTRUMENTS

	2022 £	2021 £
Carrying amount of financial assets		
Measured at amortised cost	33,962	7,503
Carrying amount of financial liabilities		
Measured at amortised cost	224,506	253,110

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2022

18 STATEMENT OF FUNDS

	At 1 September 2021 £	Income £	Expenditure £	Transfer Between Funds £	At 31 August 2022 £
Unrestricted & Designated Funds:					
General reserve	1,034,796	3,584,570	(3,413,627)	62,460	1,268,199
Tangible Fixed Asset Funds	3,728,946	-	-	(48,748)	3,680,198
Head's Discretionary Funds	6,064	2,610	(3,434)	-	5,240
Hardship Funds	83,959	-	-	-	83,959
Total Unrestricted & Designated Funds:	4,853,765	3,587,180	(3,417,061)	13,712	5,037,596
Restricted funds:					
Various Restricted Funds	58,725	34,683	(42,645)	(13,712)	37,051
Total funds	4,912,490	3,621,863	(3,459,706)	-	5,074,647

	At 1 September 2020 £	Income £	Expenditure £	Transfer Between Funds £	At 31 August 2021 £
Unrestricted & Designated Funds:					
General reserve	873,265	3,293,048	(3,232,515)	100,998	1,034,796
Tangible Fixed Asset Funds	3,816,539	-	-	(87,593)	3,728,946
Head's Discretionary Funds	4,922	2,573	(1,431)	-	6,064
Hardship Funds	83,959	-	-	-	83,959
Total Unrestricted & Designated Funds:	4,778,685	3,295,621	(3,233,946)	13,405	4,853,765
Restricted funds:					
Various Restricted Funds	44,096	77,933	(49,899)	(13,405)	58,725
Total funds	4,738,822	3,373,554	(3,283,845)	-	4,912,490

Restricted funds

The restricted funds of the school include income comprising donations, grants and other income received on trust to be used for bursaries, Early Years support and dedicated classroom assistant support.

Unrestricted funds

The tangible fixed assets fund represents the net book value of the school's tangible fixed assets less the related loans. A decision was made to separate this fund from the general fund of the school in recognition of the fact that the tangible fixed assets are essential to the day to day work of the school and as such their value should not be regarded as funds that would be realisable with ease in order to meet future contingencies.

A transfer occurs each year from the tangible fixed assets fund to the unrestricted funds for the depreciation element of the fixed assets.

There has been a transfer from the restricted funds for monies which have been spent in the unrestricted funds.

Designated Fund

The Head's Discretionary Fund is funded by donations from parents and used at the discretion of the Head in order to assist the development and welfare of individual pupils.

In 2020, the governors transferred £100,000 from general reserves to set up a designated Hardship Fund in response to the COVID-19 pandemic to support pupils and their families during the summer term and beyond if necessary.

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Tangible Fixed Asset Fund £	Head's Discretionary Fund £	Restricted fund £	2022 Total £
Tangible fixed assets	-	4,169,538	-	-	4,169,538
Current assets	2,658,128	-	5,240	37,051	2,700,419
Current liabilities	(872,470)	(75,591)	-	-	(948,061)
Long term liabilities	(433,500)	(413,749)	-	-	(847,249)
Total net assets	1,352,158	3,680,198	5,240	37,051	5,074,647

	Unrestricted funds £	Tangible Fixed Asset Fund £	Head's Discretionary Fund £	Restricted fund £	2021 Total £
Tangible fixed assets	-	4,290,332	-	-	4,290,332
Current assets	2,289,888	-	6,064	58,725	2,354,677
Current liabilities	(793,543)	(72,637)	-	-	(866,180)
Long term liabilities	(377,000)	(489,339)	-	-	(866,339)
Total net assets	1,119,345	3,728,356	6,064	58,725	4,912,490

20 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2022, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 Office equipment	2021 Office equipment
Due within one year	8,957	8,957
Due between two and five years	17,915	26,872
	26,872	35,829

21 RELATED PARTIES

Five (2021: five Governors who are also parents had children attending the school during the financial year. Fees paid by the Governors are the same as fees paid by others. At the year end the School was owed £nil (2021: £nil) by a Governor in relation to nursery sessions for their child.

The school has purchased insurance to protect the school from loss arising from the neglect or defaults of its Governors. The insurance premium payable by the school during the year totalled £1,028 (2021: £1,174) and provides cover of up to a maximum of £2 million.

During the year no governors were awarded gifts (2021: £nil) for their assistance over the Summer Term. During the year the governor also donated £nil (2021: £nil) to the School's Bursary Fund.

The Cavendish School Charitable Trust Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2022

22 CAPITAL COMMITMENTS

The company had capital commitments contracted for but not provided for in these financial statements of £nil (2021: £23,505).

23 NOTES TO THE CASHFLOW STATEMENT

	2022 £	2021 £
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	162,157	89,709
Depreciation	170,989	178,012
Bank interest received	(1,070)	(401)
Interest payable	22,076	25,717
Increase/(Decrease) in creditors	135,427	156,119
(Increase)/Decrease in debtors	(58,919)	23,136
	<u>430,660</u>	<u>472,292</u>

Analysis of changes in net debt

	At 1 September 2021	Cash flows	Other non- cash changes	At 31 August 2022
Cash and cash equivalents				
Cash	2,300,218	286,824	0	2,587,042
Overdrafts	0	0	0	0
Cash Equivalents	0	0	0	0
	<u>2,300,218</u>	<u>286,824</u>	<u>0</u>	<u>2,587,042</u>
Borrowings				
Debt due within one year	- 72,818	72,637	-75,591	-75,772
Debt due after one year	-489,158	0	75,591	-413,567
	<u>-561,976</u>	<u>72,637</u>	<u>0</u>	<u>-489,339</u>
Total	<u>1,738,242</u>	<u>359,461</u>	<u>0</u>	<u>2,097,703</u>