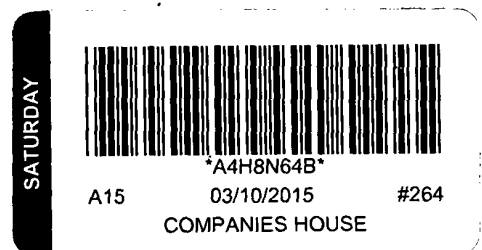


INSPIRA CUMBRIA LIMITED

31 MARCH 2015

ABBREVIATED ACCOUNTS
(A company limited by guarantee)



ArmstrongWatson®
Accountants & Financial Advisers

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

Mr M Farley
Mr M Bowman
Mr D Clough
Mr K Sutton
Mr P Irving
Dr M L Lawty-Jones
Mr S Balmer
Mr J M Graham
Mr D N Pattinson (appointed 5 November 2014)
Mr S J Lyon (appointed 5 November 2014)

COMPANY SECRETARY

Mr D Emerson

REGISTERED NUMBER

04182567

REGISTERED OFFICE

Gillan Way
Penrith 40 Business Park
Penrith
Cumbria
CA11 9BP

INDEPENDENT AUDITORS

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

BANKERS

HSBC Plc
PO Box 5
29 English Street
Carlisle
Cumbria
CA3 8JT

SOLICITORS

Burnetts Solicitors
6 Victoria Place
Carlisle
Cumbria
CA1 1ES

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

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INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015

INTRODUCTION

The directors present their strategic report for Inspira Cumbria Limited (the Company) for the year ended 31 March 2015.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The Company continued its principal activities throughout the current year.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators and the Board and its sub committees scrutinise them on a quarterly basis.

Analysis using key performance indicators includes:

(i) Financial - Liquidity and Gearing ratios

The Company has rigorous cash flow management procedures in place to pay its debts over the next 12 month business cycle. It sets a target ratio of between 1.5 and 2.0 and for the previous 3 year period has achieved ratios of 1.6% (2013), 1.8% (2014) and 1.3% (2015). Treasury management and the control of cash flows is scrutinised by the Board and any investments are carried out in a secure and managed approach. As such, cash reserves were utilised during the year to assist with the purchase of the Company's head office premises and it is accepted that a ratio of 1.3 is satisfactory for 2015.

(ii) Non financial – Staff turnover, contractual performance

With its growing number of diverse contracts the Company continues to employ a range of highly trained and motivated staff. Against an average monthly employee count of 151 (2013/14 – 137), the Company has also funded sub-contract work that has employed some 350 staff throughout its sub-contractor network on a variety of contracts designed to meet the requirements of each area of work activity.

The Company has continued to perform favourably against its contractual targets with the following commissioning bodies: Cumbria County Council (Youth Services), NCS Trust (National Citizen Service), Career Connect and Economic Solutions (National Careers Service).

NEET and Not Known statistics continue to be robust and the Company compares very well in terms of its performance when compared against the regional and national benchmark figures.

Development and financial performance during the year

As reported in the Company's profit and loss account, turnover has shown an increase of 19.3% from £8,673,144 in 2013/14 to £10,349,619 for the year to 31st March 2015. The increase in turnover is down to a number of factors but is mainly attributable to an increase in the size of the contract with NCS Trust, which has seen an increase of 83% between 2014 and 2015. This has more than offset decreases to other public sector contracts.

Profit on ordinary activities, before taxation, increased from £42,302 in 2013/14 to £140,984 in 2014/15. As the Company's turnover increases year on year, work continues to control its costs to ensure that the organisation operates in a financially stable way.

Overall employee expenditure expressed as a percentage of total Company expenditure was 39.8% in 2014/15 (2013/14 - 43.9%).

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

The balance sheet shows that the Company's net assets, excluding pension scheme liabilities, at the year end has remained constant at £1.0million. Following receipt of the actuarial valuation of the local government pension scheme, the Company has seen an increase of £1,349,000 in the net liability to £2,731,000 on the defined benefit scheme. As in previous years, external factors can lead to significant adjustments on the pension scheme's assets and liabilities and the Board continues to monitor the position closely.

Outlook

The financial year 2014/15 saw the Company submit a number of tenders to its current commissioners together with new funding initiatives. The Company was successful in being awarded a continuation of the contract held with the National Citizen Service Trust for the period to October 2018. This is now the largest single contract held by the Company.

The new prime contractor for the National Careers Service awarded a contract to the Company until March 2017.

In respect of work with Cumbria County Council, the Company tendered for two contracts to commence in April 2015. It was successful in being awarded a countywide contract for Careers Information, Advice and Guidance for the period to March 2019, with funding guaranteed for the first two years of the contract.

For the tender submitted in respect of Early Help Service, the local authority decided not to award a contract but did offer the Company a six month extension which will cease at the end of September 2015.

A new area of work which the Company successfully bid to deliver was the Jobtrain programme which commenced in June 2015. Funded by the Department for Work and Pensions (DWP), this activity will provide the Company with significant scope to capitalise on future funding opportunities.

Board Attendance

During the year the Board and its Committees continued to meet on a quarterly basis with two further meetings taking place in November and February to consider the Company's key strategic priorities. Combined attendance at those meetings was 77% for the Board, 83% for the Staffing Committee and 85% for the Finance and Performance Management Committee.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continually monitor the key risks facing the Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The Company engages its auditor to undertake a programme of internal audit work which assesses the suitability and operation of key internal management processes to ensure that its systems and procedures are fit for purpose. The Board and its Committees receive regular reports which highlight key findings and make any recommendations required to improve the Company's internal management controls.

The principal risks and uncertainties facing the Company are as follows:

- Loss of main contracts due to competition, poor performance or unsuccessful tender submissions – the market in which the Company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing contracts or sales to key competitors;
- Financial issues – impact of payment by results and the increase in the Company's pension scheme deficit due to demographic factors and poor performance of investment markets leading to increased costs of pension scheme membership;
- Reputational damage and other factors affecting business continuity;

INSPIRA CUMBRIA LIMITED
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STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

- Technological issues – resilience of telecommunication and IT infrastructure and the pace of change affecting the wider business environment;
- Loss of key personnel and declining industrial relations – this would present significant operational difficulties for the Company.

This report was approved by the board and signed on its behalf.



.....
Mr M Bowman
Director

Date: 16.9.15

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The profit for the year, after taxation, amounted to £137,052 (2014 - £40,481).

DIRECTORS

The directors who served during the year were:

Mr M Farley
Mr M Bowman
Mr D Clough
Mr K Sutton
Mr P Irving
Dr M L Lawty-Jones
Mr S Balmer
Mr J M Graham
Mr D N Pattinson (appointed 5 November 2014)
Mr S J Lyon (appointed 5 November 2014)

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

CORPORATE GOVERNANCE

The company is committed to high standards of corporate governance. The board is responsible for good governance and this statement summarises how the relevant principles are applied to the company.

The board currently comprises the non-executive chairman, the chief executive and six non-executive directors. They demonstrate a range of experience which is crucial to the successful direction of the company. All of the non-executives are independent of management.

All directors are equally accountable in law for the proper stewardship of the company's affairs. The non-executives have a particular responsibility to ensure that strategies proposed by the management team are fully discussed and critically appraised to ensure that they not only meet the company's objectives, but also take into account the interests of employees and the community in which the company operates.

To enable directors to meet their responsibilities the full board meets at least four times a year, all directors have full and timely access to all relevant information and there is frequent communication between meetings.

INTERNAL CONTROLS

The Board is responsible for the company's systems of internal control and for reviewing their effectiveness during the year. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable not absolute assurance against material misstatement or loss.

The key features of the control system which has been established include the following:

- The Audit and Performance Management Committee, made up of the chief-executive and three non-executive directors, review the internal control system.
- The Board has identified strategic risks to the business and the processes to manage these risks.
- Strict procedures are in place to control expenditure that can be incurred on behalf of the company by directors or staff.

BOARD COMMITTEES

The board has two committees with the following membership.

The audit and performance management committee is made up of the chief executive and three non-executive directors as follows:

S Balmer (Chair)
M Bowman (Chief Executive)
P Irving
D Clough

In addition the chair of the board of directors, M Farley also attends the committee meetings.

The staffing committee is made up of the chief executive and three non-executive directors as follows:

M Farley (Chair)
M Bowman (Chief Executive)
D Clough
P Irving

INSPIRA CUMBRIA LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

DISCLOSURE OF INFORMATION TO AUDITORS


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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
Mr M Bowman
Director

Date: 16/9/15

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO INSPIRA CUMBRIA LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, which comprise the abbreviated Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet, the Cash flow statement and the related notes, together with the financial statements of Inspira Cumbria Limited for the year ended 31 March 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts which comprise the abbreviated Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet, the Cash flow statement and the related notes have been properly prepared in accordance with the regulations made under that section.



Alan Johnston (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Carlisle
Date: 2.10.15

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
TURNOVER	1	10,349,619	8,673,144
GROSS PROFIT		10,349,619	8,673,144
Administrative expenses		(10,474,164)	(8,762,947)
OPERATING LOSS	2	(124,545)	(89,803)
Interest receivable and similar income		8,439	9,105
Interest payable and similar charges	5	(3,910)	-
Other finance income	6	261,000	123,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		140,984	42,302
Tax on profit on ordinary activities	7	(3,932)	(1,821)
PROFIT FOR THE FINANCIAL YEAR	13	137,052	40,481

All amounts relate to continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR		137,052	40,481
Actuarial (loss)/gain related to pension scheme	19	<u>(1,473,000)</u>	<u>(1,629,000)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>(1,335,948)</u>	<u>(1,588,519)</u>


The notes on pages 12 to 21 form part of these financial statements.

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 04182567

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	2014 £
FIXED ASSETS				
Tangible assets	8		1,036,409	260,709
CURRENT ASSETS				
Debtors	9	544,650	372,532	
Cash at bank		1,051,031	1,386,612	
		<u>1,595,681</u>	<u>1,759,144</u>	
CREDITORS: amounts falling due within one year	10	<u>(1,220,384)</u>	<u>(969,326)</u>	
NET CURRENT ASSETS			<u>375,297</u>	<u>789,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,411,706</u>	<u>1,050,527</u>
CREDITORS: amounts falling due after more than one year	11	<u>(361,783)</u>	<u>(13,656)</u>	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>1,049,923</u>	<u>1,036,871</u>
Defined benefit pension scheme liability	19	<u>(2,731,000)</u>	<u>(1,382,000)</u>	
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY			<u><u>(1,681,077)</u></u>	<u><u>(345,129)</u></u>
CAPITAL AND RESERVES				
Profit and loss account	13	<u>(1,681,077)</u>	<u>(345,129)</u>	
	14	<u><u>(1,681,077)</u></u>	<u><u>(345,129)</u></u>	

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:


.....
Mr M Bowman
Director

Date: 16.9.15

The notes on pages 12 to 21 form part of these financial statements.

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	15	160,843	(235,665)
Returns on investments and servicing of finance	16	4,529	9,105
Taxation		(1,821)	(1,800)
Capital expenditure and financial investment	16	(882,266)	(69,406)
CASH OUTFLOW BEFORE FINANCING		(718,715)	(297,766)
Financing	16	383,134	-
DECREASE IN CASH IN THE YEAR		(335,581)	(297,766)

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

	2015 £	2014 £
Decrease in cash in the year	(335,581)	(297,766)
Cash inflow from increase in debt and lease financing	(383,134)	-
MOVEMENT IN NET DEBT IN THE YEAR	(718,715)	(297,766)
Net funds at 1 April 2014	1,386,612	1,684,378
NET FUNDS AT 31 MARCH 2015	667,897	1,386,612

The notes on pages 12 to 21 form part of these financial statements.

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

Note 19 to the financial statements shows a deficiency in the company's pension scheme of £2.7 million (2014 deficit £1.4m). The pension deficit has increased by £1.3 million during the year. This is primarily due to the increase in present value of future pension obligations exceeding the growth in the fair value of scheme assets. The overall deficit has arisen as a result of general poor performance of investment markets in past years. Also because of increases in the assumed mortality rates for retiring members. The deficit is being addressed by increased levels of company contributions for future years. While there can be no certainty regarding such matters, the directors are of the opinion that an upturn in the financial markets will eventually liquidate the deficiency and that the present level of the company's resources will be adequate to meet any increased liability in the short term. The directors will continue to monitor the pension deficit position.

The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available to them. On this basis, they consider that it is appropriate to prepare financial statements on a going concern basis. This assumes that the company will have sufficient resources to fund any increase in pension scheme contributions which might arise in the future and consequently the financial statements do not include any adjustments that would result if this proved not to be the case.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised on a contract basis or when services are invoiced.

1.4 Tangible fixed assets and depreciation

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:

Freehold property	-	straight line over 40 years
Leasehold improvements	-	straight line over the term of the lease
Computers	-	straight line over 3 years
Equipment	-	straight line over 3 years

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2015.

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

The pension scheme is measured using a projected unit method and discounted to present value using the current rate of return on a high quality corporate bond.

The company also contributes to a Teachers' Pension Scheme (TPS) for certain employees, this is a defined benefit scheme and the assets are held separately from those of the company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the company 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. 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 the reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

2. OPERATING LOSS

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	106,566	73,863
Auditors' remuneration	7,410	7,300
Operating lease rentals:		
- plant and machinery	26,157	39,482
- other operating leases	185,133	200,041
	<u> </u>	<u> </u>

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	3,385,642	3,221,664
Social security costs	227,219	229,814
Other pension costs (Note 19)	555,622	393,150
	<u> </u>	<u> </u>
	<u>4,168,483</u>	<u>3,844,628</u>

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

	2015 No.	2014 No.
Management and administration	151	137
	<u> </u>	<u> </u>

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

4. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	88,264	86,966

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined benefit pension schemes.

5. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	3,910	-

6. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	1,193,000	994,000
Interest on pension scheme liabilities	(932,000)	(871,000)
	261,000	123,000

7. TAXATION

	2015 £	2014 £
UK corporation tax charge on profit for the year	3,932	1,821

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	140,984	42,302
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	28,197	12,910
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(24,265)	(11,089)
Current tax charge for the year (see note above)	3,932	1,821

INSPIRA CUMBRIA LIMITED
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**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold Improv'ts £	Computer £	Equipment £	Total £
Cost					
At 1 April 2014	-	277,354	347,337	51,315	676,006
Additions	800,683	-	81,583	-	882,266
Transfers	67,219	(67,219)	-	-	-
At 31 March 2015	867,902	210,135	428,920	51,315	1,558,272
Depreciation					
At 1 April 2014	-	109,698	272,974	32,625	415,297
Charge for the year	6,672	24,180	62,066	13,648	106,566
Transfers	21,922	(21,922)	-	-	-
At 31 March 2015	28,594	111,956	335,040	46,273	521,863
Net book value					
At 31 March 2015	839,308	98,179	93,880	5,042	1,036,409
At 31 March 2014	-	167,656	74,363	18,690	260,709

9. DEBTORS

	2015 £	2014 £
Trade debtors	237,763	139,131
Other debtors	184,184	154,245
Prepayments and accrued income	122,703	79,156
	<u>544,650</u>	<u>372,532</u>

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

	2015 £	2014 £
Bank loan	21,351	-
Trade creditors	-	73,517
Corporation tax	3,932	1,821
Other taxation and social security	257,557	272,395
Other creditors	53,807	49,937
Accruals and deferred income	883,737	571,656
	<u>1,220,384</u>	<u>969,326</u>

The bank loan falling due with one year of £21,351 (2014 - £Nil) is secured by the following:

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

10. CREDITORS:
Amounts falling due within one year (continued)

Floating Charge over all assets and undertaking both present and future dated 19 November 2014.

First Legal charge over Freehold Property known as Unit 2, Gillan Way, Penrith 40 Business Park, Penrith, CA11 9BP.

The bank loan is repayable over 15 years and interest is charged at 2.5% per annum over the Bank of England base rate.

11. CREDITORS:
Amounts falling due after more than one year

	2015 £	2014 £
Bank loan	361,783	-
Accruals and deferred income	-	13,656
	<u>361,783</u>	<u>13,656</u>

Included within the above are amounts falling due as follows:

	2015 £	2014 £
Between one and two years		
Bank loan	52,952	-
Between two and five years		
Bank loan	85,998	-
Over five years		
Bank loan	222,833	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable by instalments	222,833	-

The bank loan falling due after one year of £361,783 (2014 - £Nil) is secured by the following:

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 19 November 2014.

First Legal charge over Freehold Property known as Unit 2, Gillan Way, Penrith 40 Business Park, Penrith, CA11 9BP.

INSPIRA CUMBRIA LIMITED
(A company limited by guarantee)

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. COMPANY STATUS

Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

13. RESERVES

	Profit and loss account £
At 1 April 2014	(345,129)
Profit for the financial year	137,052
Pension reserve movement	(1,473,000)
	<hr/>
At 31 March 2015	(1,681,077)
	<hr/>

The closing balance on the Profit and loss account includes a £2,731,000 (2014 - £1,382,000) debit, stated after deferred taxation of £NIL (2014 - £NIL), in respect of pension scheme liabilities of the company pension scheme.

14. RECONCILIATION OF MOVEMENT IN MEMBERS' DEFICIT

	2015 £	2014 £
Opening members' (deficit)/funds	(345,129)	1,243,390
Profit for the financial year	137,052	40,481
Other recognised gains and losses during the year	(1,473,000)	(1,629,000)
	<hr/>	<hr/>
Closing members' deficit	(1,681,077)	(345,129)
	<hr/>	<hr/>

15. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating loss	(124,545)	(89,803)
Depreciation of tangible fixed assets	106,566	73,863
(Increase)/decrease in debtors	(152,894)	259,841
Increase/(decrease) in creditors	194,716	(521,566)
Increase in net pension assets/liabilities	137,000	42,000
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	160,843	(235,665)
	<hr/>	<hr/>

INSPIRA CUMBRIA LIMITED
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**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	8,439	9,105
Interest paid	(3,910)	-
	<u>4,529</u>	<u>9,105</u>
Net cash inflow from returns on investments and servicing of finance	<u>4,529</u>	<u>9,105</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(882,266)	(69,406)
	<u>2015 £</u>	<u>2014 £</u>
Financing		
New secured loans	383,134	-
	<u>383,134</u>	<u>-</u>

17. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	1,386,612	(335,581)	-	1,051,031
Debt:				
Debts due within one year	-	(383,134)	361,783	(21,351)
Debts falling due after more than one year	-	-	(361,783)	(361,783)
Net funds	<u>1,386,612</u>	<u>(718,715)</u>	<u>-</u>	<u>667,897</u>

18. CAPITAL COMMITMENTS

At 31 March 2015 the company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	-	44,832
	<u>-</u>	<u>44,832</u>

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**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

19. PENSION COMMITMENTS

The company operates a defined contribution scheme for employees. The pension cost charge for the year amounted to £10,091 (2014 - £114) and outstanding contributions at the balance sheet date amounted to £2,392 (2014 - £114).

The company also contributes to a Teacher's Pension Scheme (TPS) for certain employees. The pension cost charge for the year amounted to £13,805 (2014 - £13,310) and outstanding contributions at the balance sheet date amounted to £1,150 (2014 - £1,664).

The company operates a defined benefit pension scheme.

The company contributes to the Greater Manchester Pension Fund (a Local Government Pension Scheme) on behalf of its employees to provide benefits based on final pensionable pay. Contributions are charged to the income and expenditure account so as to spread the cost of pensions over employee's working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(25,421,000)	(21,527,000)
Fair value of scheme assets	22,690,000	20,145,000
Net liability	<u>(2,731,000)</u>	<u>(1,382,000)</u>

The amounts recognised in profit or loss are as follows:

	2015 £	2014 £
Current service cost	(576,000)	(302,000)
Interest on obligation	(932,000)	(871,000)
Expected return on scheme assets	1,193,000	994,000
Gains/losses on curtailments and settlements	-	(65,000)
Difference between current service cost and employer contributions	-	(26,000)
Total	<u>(315,000)</u>	<u>(270,000)</u>
Actual return on scheme assets	<u>2,347,000</u>	<u>1,391,000</u>

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**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

19. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	21,527,000	19,332,000
Current service cost	576,000	302,000
Interest cost	932,000	871,000
Contributions by scheme participants	183,000	152,000
Actuarial Losses	2,627,000	1,258,000
Losses on curtailments	-	65,000
Benefits paid	(424,000)	(453,000)
Closing defined benefit obligation	<u>25,421,000</u>	<u>21,527,000</u>

Changes in the fair value of scheme assets were as follows:

	2015 £	2014 £
Opening fair value of scheme assets	20,145,000	19,498,000
Expected return on assets	1,193,000	994,000
Actuarial gains and (losses)	1,154,000	(371,000)
Contributions by employer	439,000	325,000
Contributions by scheme participants	183,000	152,000
Benefits paid	(424,000)	(453,000)
	<u>22,690,000</u>	<u>20,145,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(3,398,000) (2014 - £(1,925,000)).

The company expects to contribute £809,000 to its defined benefit pension scheme in 2016.

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

	2015	2014
Equities	73.00 %	72.00 %
Bonds	17.00 %	17.00 %
Property	6.00 %	6.00 %
Cash	4.00 %	5.00 %

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

	2015	2014
Discount rate at 31 March	3.20 %	4.30 %
Expected return on scheme assets at 31 March	3.20 %	5.90 %
Future salary increases	- %	1.00 %
Future pension increases	2.40 %	2.80 %

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**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

19. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	21.4	21.4
Females	24.0	24.0
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(25,421,000)	(21,527,000)	(19,332,000)	(18,024,000)	(17,172,000)
Scheme assets	22,690,000	20,145,000	19,498,000	16,891,000	16,568,000
(Deficit)/surplus	(2,731,000)	(1,382,000)	166,000	(1,133,000)	(604,000)
Experience adjustments on scheme liabilities	(2,627,000)	(1,258,000)	26,000	(198,000)	115,000
Experience adjustments on scheme assets	1,154,000	(371,000)	1,508,000	(857,000)	(833,000)

20. OPERATING LEASE COMMITMENTS

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

	Land and buildings		2015 £		Other 2014 £	
Expiry date:	2015 £	2014 £				
Within 1 year	1,476	25,055	-		-	
Between 2 and 5 years	27,500	-	-		-	
After more than 5 years	122,215	149,500	-		-	