

**Company number: 7740632**

**Cartmel Priory Church of England School Academy Trust  
(A company limited by guarantee)**

**Annual report and financial statements**

**for the year ended 31 August 2013**

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**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

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**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Legal and administrative information**

<b>Company registration number</b>	7740632		
<b>Business address and Registered Office</b>	Cartmel Church of England School Headless Cross Cartmel Grange over Sands LA11 7SA		
<b>Trustees and members</b>	Rev Nick Ash Carlisle Diocesan Board of Finance The Right Reverend James Newcome The Ven Rev Michael Middleton (now The Ven Rev Penny Driver) Stephen Peter Chambers		
<b>Company Secretary</b>	Joanne Claire Coulston		
<b>Clerk to the governors</b>	Lynda Halhead Emma Wright	Resigned 31/08/13 Appointed 01/09/13	
<b>Directors and governors</b>	Catherine Louise Ashcroft * Stephen Peter Chambers (Chair) Susan Dean (Vice Chair) Penelope Maralyn Hollander Dorothy Janette Mary Lownds Jonathan Graeme Livingstone Miller David Rory Mitchell Rev David Sidney Simon Rev Nick Devenish Sarah Lewis* Kirsten Ross (LEA governor) Emma Vickers* Lesley Spring Stephen Bell Dr Paul Stanley Williams (Principal)	Resigned 31/08/13     Resigned 04/10/13 Resigned 10/2013   Appointed 24/09/12  Resigned 31/08/13 Appointed 01/03/13 Appointed 18/01/13	
<b>Governors not directors</b>	Elaine Charnock* Joanne Coulston* Krysia Carmichael David Nicholson *Staff governors	Appointed 01/09/13 Appointed 01/09/13 Appointed 01/09/13 Appointed 01/09/13	
<b>Senior Management Team</b>	Dr Paul Williams (Principal) Catherine Louise Ashcroft Joanne Claire Coulston		
<b>Independent Auditor</b>	Stables Thompson & Briscoe		
<b>Bankers</b>	Barclays Bank plc	<b>Solicitors</b>	Schofield Sweeney, Leeds

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Report of the governors (incorporating the directors' report)**  
**for the year ended 31 August 2013**

The governors present their report and the financial statements for the year ended 31 August 2013. The governors, who are also directors of Cartmel Priory Church of England School Academy Trust for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

**Objectives, Activities and Attainment**

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Objects and Aims

The principal object and activity of the charitable company is the operation of the Academy to provide education for pupils of different abilities between the ages of 11 and 16.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy and that the curriculum should comply with the requirements of the Department for Education.

Principal Activities

The Academy Trust's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement), and in having regard to the advice of the Diocesan Board of Education.

Public Benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The objective of the Academy is to advance for the public benefit education in the Peninsula and in the surrounding area, offering a broad curriculum.

Objectives, Strategies and Activities

Cartmel Priory Church of England School Academy Trust is a school founded upon Christian principles of care and mutual respect. The school aims to provide excellent support for its pupils in a safe and happy environment where each pupil is challenged to reach their full potential. The school mission statements John 10 v 10 "I have come that they may have life and live it to the full" and "Run Faster, Reach Further, Aim Higher, Grow Tall, Work Harder, Think Deeper, Laugh Louder, Love All" reflect the ethos and mission of Cartmel Priory Church of England School. That is we are committed to the development of the whole pupil academically, morally, socially, physically and spiritually as a complete person. The school is also committed to the community of the Cartmel Peninsula bringing together pupils from 6 separate geographical locations (and beyond) to create a single homogenous community.

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**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Report of the governors (incorporating the directors' report)**  
**for the year ended 31 August 2013**

The governor's specific objectives for 2012-13 were

- To achieve the academies academic targets for 2012-13,
- To support the principle that every child matters,
- To ensure the school's Christian ethos is reflected in all appropriate areas,
- To support the continued development of high quality teaching and learning,
- To maintain effective financial management and control of the Academy's funds

The strategies for achieving these objectives are laid out in detail in the school development plan 2011-14 which has detailed actions under each of the following key headings

- Attainment
- Teaching and Learning
- Personal Development and Ethos
- Leadership and Management
- Science Status

**Achievement and Performance**

Cartmel Priory Church of England School Academy Trust completed its second year of operation at the end of August 2013 having changed to Academy status on 1 September 2011. The hard work, commitment and professionalism of staff and support of parents/carers continues to be the bedrock on which the success of the pupils was built.

**Academic Achievements**

Cartmel Priory School was judged to be good by Ofsted in June 2013 and the report recognised many of the strengths of the school. Exam results were disappointing in 2013 with the percentage of pupils achieving 5+A\*-C (EM) at 55%. The GCSE results in maths were lower than in 2012, but were good, the percentage of pupils making three levels of progress being 75%. English results were disappointing with the percentage of pupils making three levels of progress being 64%, below the national average. The performance of the most able students was in line with expectations, middle-low ability pupils especially boys underperformed. Year 10 (current Y11) made good progress in 2012-13, and Year 9 (current Y10) exceeded their end of KS3 targets in all three core subjects L5+ English 89%, maths 93% and science 93%. Exam results in 2014 and 2015 are therefore expected to be in line with the previous good performance of the school.

**Other achievements**

In the sports arena the school had pupils who represented England and Great Britain in Orienteering and Baseball. A number of the school's pupils represented the County in a variety of sports. The school ran three successful house sports days.

The school production Grease was hugely enjoyable and involved a large variety and number of students and staff both on stage and off stage.

7 year 9 students took part in the John Muir Award, the group contributing to the work of Cartmel in Bloom, planting trees in the school grounds in autumn and aquatic plants in the River Eea in the summer, as well as taking part in a variety of outdoor activities including a snowy day in the Langdales.

The Eco Committee also supported Cartmel in Bloom and have made significant progress in a number of areas.

**Cartmel Priory Church of England School Academy Trust**  
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**Report of the governors (incorporating the directors' report)**  
**for the year ended 31 August 2013**

All pupils contributed to charities through non uniform days raising over £3000

**Attendance**

Overall attendance for the year 2012-13 was 93.7% with unauthorised absence at 0.3%. The percentage of pupils who are classed as persistent absentees (attendance<85%) was 9%. The figures are broadly in line with national figures, though the persistent absentee rate is slightly higher.

**Exclusions**

For the sixth year in a row there were no permanent exclusions. 2.5% of students were excluded during the year (total number of days 10.5), well below the national average. Ofsted June 2013 graded behaviour in the school as outstanding.

**Christian character and ethos**

Christian values are evident in the school's excellent relationships. Pupils see their school as a "supportive community" which nurtures every individual and enables them to fulfil their potential. Ofsted 2013 reported that a powerful ethos of care, support and ambition pervades the school and that pupils are highly considerate and respectful of others. Collective worship and RE continue to make a vital contribution to pupils' development as citizens. The delivery of the school's outstanding collective worship programme is supported by a wide variety of students, staff and others, including members of the local clergy. All Y11 students followed a full course RE GCSE qualification for the first time in 2013.

**Structure, Governance and Management**

Membership

The Members of the Academy Trust shall comprise of five members the signatories to the Memorandum who are -

- the Diocesan Board of Finance,
- the Diocesan Bishop,
- the Archdeacon of Westmorland & Furness,
- the Incumbent,
- the Chairman of the Governors

One person may be appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose.

The full governing body is responsible to the Academy Trust members and to the school, its staff, pupils and parents for the successful leadership and management of the school. The governors also act as the directors for the charitable activities of Cartmel Priory Church of England Academy Trust. The Charitable Company is known as Cartmel Priory Church of England School Academy Trust.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Report of the governors (incorporating the directors' report)**  
**for the year ended 31 August 2013**

Method of Recruitment and Appointment or Election of Governors

The governors are appointed under the terms of the Academy's articles of association as follows -

- not less than 9 Foundation Governors – appointed by the Trust Members
- up to 3 Staff Governors – appointed by the Trust Members after being elected by members of staff
- up to 1 Local Authority Governor – appointed by the Local Authority
- 2 Parent Governors – elected by the parents of pupils registered at the Academy
- the Principal/Headteacher – ex officio
- any Additional Governors – appointed by the Secretary of State
- The Academy Trust may also have Co-opted Governors if agreed by the Diocesan Board of Education

The term of office for all governors, except the Headteacher, is four years. The Headteacher's term of office runs in parallel with his contract of employment. The governors who were in office at 31 August 2013 who served throughout the year, except where shown, are listed on page 1.

Organisational Structure

As specified in the Memorandum of Association, the governors are responsible for setting general policy, adapting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and senior staff appointments. The governors are responsible for the monitoring and performance of the Headteacher.

The Senior Leadership Team (SLT) members for the Academy are the Headteacher, Deputy Headteacher and Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group the SLT are responsible for the authorisation of spending within agreed budgets and the appointment of staff, through appointment boards for the post of the SLT always containing a Governor. Some spending control is devolved to members of the Leadership Team, with limits above which a Senior Manager must countersign. The SLT are supported by members of the extended SLT, that is the Pastoral Coordinator and Specialist School Coordinator.

Policies and Procedures Adopted for the Induction and Training of Governors

During the year under review the governors held 6 meetings. An induction pack is provided for all new governors. Where necessary an induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and pupils. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors of the Charitable Company.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (eg in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting new staff and visitors) and internal financial controls (see below) to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover where this can be put into place. The Academy has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

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**Report of the governors (incorporating the directors' report)**  
**for the year ended 31 August 2013**

Governors' Indemnities

Trustees indemnity insurance is purchased by the academy school to protect the governors in carrying out their work with due diligence

South Lakes Federation

Cartmel Priory Church of England School is a member of the South Lakes Federation, a soft foundation. The South Lakes Federation is made up of eight secondary schools, Kendal College and a special school within the South Lakes area. There is close collaboration between all the schools within the Federation providing an opportunity for curriculum enrichment, access for pupils to vocational courses and support for Gifted and Talented pupils.

**Financial review**

Financial Statements

Cartmel Priory Church of England School Academy Trust has produced financial statements for the year from 1 September 2012 – 31 August 2013.

The vast majority of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the related expenditure are shown as restricted funds in the statement of financial activities.

Financial and Risk Management Objectives and Policies

The governors rigorously assess and monitor any risks and uncertainties facing the Academy Trust on an annual basis.

Under Financial Reporting Standard 17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover. The current percentages used to calculate contributions will not change before 2014.

Going Concern

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

Reserve Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of the reserves. The governors will keep the level of reserves under review.

Reserves at the end of the year were made up of fixed asset funds £74,455, restricted income funds £186,659, the pension deficit £(376,000) and unrestricted funds of £79,298, a total deficit of £(35,588). This is an improvement of the position last year of £(93,721) reflecting the surplus of £58,133 in the year. The surplus included £35,000 improvement in the actuarial valuation for the pension reserve.



**Cartmel Priory Church of England School Academy Trust**  
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**Report of the governors (incorporating the directors' report)**  
**for the year ended 31 August 2013**

Investment Policy

The academy school holds funds only to be assured of liquidity to finance current expenditure and neither has nor expects to acquire funds for investment to generate income or cover significant capital provisions

Plans for Future Periods

The Academy Trust is focusing on improving literacy through literacy across the curriculum and the newly introduced Accelerated Reader Programme

Funds held as Custodian Trustee on behalf of others

The academy does not hold funds as custodian trustee

**Statement as to disclosure of information to auditors**

In so far as the governors are aware

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

Approved by order of the members of the Governing Body on 11 December 2013 and signed on its behalf  
by

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Stephen Chambers  
**Chairman**

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Governance statement**  
**for the year ended 31 August 2013**

**Scope of responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cartmel Priory Church of England School Academy Trust and the Secretary of State for Education. The RO via the Governors' Finance Committee are responsible for reporting to the Governing Body any material weaknesses or breakdown in internal control.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint an internal auditor as the Responsible Officer (RO). The company is Stables, Thompson and Briscoe Chartered Accountants and Registered Auditors. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis the RO provides a report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of governor responsibilities. The governing body has formally met six times during the year and attendance during the year at these meetings was averaged at 78%.

The governing body of Cartmel Priory Church of England School Academy Trust consists of the Full Governing Body and four sub-committees which are Steering, Finance and Premises, Curriculum and Pay.

The Full Governing Body and its sub-committees cover self-evaluation and planning in the areas of finance, premises, curriculum, teaching and learning, leadership and management, staffing, ethos and achievement.

The above structure worked well and the main particular challenge for the board and sub-committees was the conversion to academy status and the associated work including financial planning, risk assessment, policy review and ensuring adequate and appropriate services were in place. Governors worked extremely hard to ensure the conversion was successful, whilst supporting the school in continuing to strive for excellent GCSE results.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in

**Cartmel Priory Church of England School Academy Trust**  
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**Governance statement**  
**for the year ended 31 August 2013**

place in Cartmel Priory Church of England School Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements

**Capacity to handle risk**

The governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**The risk and control framework**

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

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

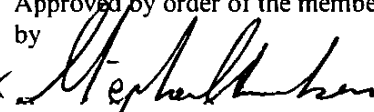
**Review of effectiveness**

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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the governing body on 11 December 2013 and signed on its behalf by

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Stephen Chambers (Chair)



Dr Paul Williams (Accounting officer)

**Cartmel Priory Church of England School Academy Trust**  
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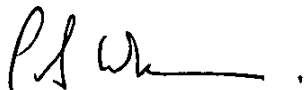
**Statement on regularity, propriety and compliance**  
**for the year ended 31 August 2013**

As accounting officer of Cartmel Priory Church of England School Academy Trust I have considered my responsibility to notify the Academy Trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Approved on 11 December 2013 and signed by



**Dr Paul Williams**  
Accounting officer

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Statement of governors's responsibilities**  
**for the year ended 31 August 2013**

The governors (who act as trustees for charitable activities and are also directors of the Academy for the purposes of company law) are responsible for preparing the Governor's Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation

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

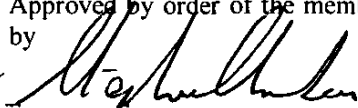
The governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the governors are aware

- there is no relevant audit information of which the Academy's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by order of the members of the Governing Body on 11 December 2013 and signed on its behalf by

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**Stephen Peter Chambers (Chair)**

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's report to the members of Cartmel Priory Church of England School Academy Trust**

We have audited the financial statements of Cartmel Priory Church of England School Academy Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

**Respective responsibilities of the governors and auditors**

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

**Opinion on other matters prescribed by the Companies Act 2006**

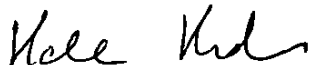
In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Cartmel Priory Church of England School Academy Trust**  
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**Matters on which we are required to report by exception**

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

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



**Helen Holmes BSc FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Stables Thompson & Briscoe**  
**Statutory Auditor**  
**Lowther House**  
**Lowther Street**  
**Kendal**  
**LA9 4DX**

Date 11 December 2013

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to**  
**Cartmel Priory Church of England School Academy Trust and the**  
**Education Funding Agency**

In accordance with the terms of our engagement letter dated 8 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cartmel Priory Church of England School Academy Trust during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

**Respective responsibilities of Cartmel Priory Church of England School Academy Trust's**  
**accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cartmel Priory Church of England School Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

**Approach**

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

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

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

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



**Cartmel Priory Church of England School Academy Trust**  
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We obtained information on the Academy's control environment and activities and considered whether these complied with the Academies Accounts Direction 2013 and whether the activities conformed to the Academy Trust's framework of authorities

When testing expenditure the authorisation was checked and the nature of the activity was confirmed as permissible within the Academy Trust's framework of authorities

A review was made of related parties and the register of business interests. This was used to identify any related party transactions

Consideration of the accounting officer's statement on regularity, propriety and compliance including a review of the most recent Financial Management and Governance Evaluation was made together with walkthrough tests of the systems described. The general control environment of the Academy Trust was also considered

Formal representations were obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence was not available

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



**Stables Thompson & Briscoe**  
**Lowther House**  
**Lowther Street**  
**Kendal**  
**LA9 4DX**

Date 11 December 2013

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating the income and expenditure account)**

**For the year ended 31 August 2013**

	Notes	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Year ended 31/08/13 Total £	Year ended 31/08/12 Total £
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income	2	3,605	3,525	-	7,130	14,073
Assets introduced from predecessor school	2	-	-	-	-	(131,562)
Activities for generating funds	3	26,207	6,024	-	32,231	33,895
Investment income		1,736	-	-	1,736	182
Incoming resources from charitable activities	4	-	2,028,094	-	2,028,094	1,766,839
Trips and other incoming resources	5	8,910	41,704	-	50,614	60,391
<b>Total incoming resources</b>		<u>40,458</u>	<u>2,079,347</u>	<u>-</u>	<u>2,119,805</u>	<u>1,743,818</u>
<b>Resources expended</b>						
Costs of generating funds		-	12,352	-	12,352	16,073
Charitable activities						
Academy's educational operations	7	32,472	2,027,636	17,277	2,077,385	1,734,216
Governance costs	8	-	6,935	-	6,935	30,250
<b>Total resources expended</b>		<u>32,472</u>	<u>2,046,923</u>	<u>17,277</u>	<u>2,096,672</u>	<u>1,780,539</u>
<b>Net incoming/(outgoing) resources before transfers</b>		<u>7,986</u>	<u>32,424</u>	<u>(17,277)</u>	<u>23,133</u>	<u>(36,721)</u>
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) for the year</b>		<u>7,986</u>	<u>32,424</u>	<u>(17,277)</u>	<u>23,133</u>	<u>(36,721)</u>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	25	-	35,000	-	35,000	(57,000)
<b>Net movement in funds</b>		<u>7,986</u>	<u>67,424</u>	<u>(17,277)</u>	<u>58,133</u>	<u>(93,721)</u>
Total funds brought forward		<u>71,312</u>	<u>(256,765)</u>	<u>91,732</u>	<u>(93,721)</u>	<u>-</u>
<b>Total funds carried forward</b>		<u>79,298</u>	<u>(189,341)</u>	<u>74,455</u>	<u>(35,588)</u>	<u>(93,721)</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared. All of the above amounts relate to continuing activities.

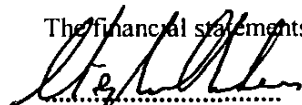
**The notes on pages 18 to 33 form an integral part of these financial statements.**

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Balance sheet**  
**as at 31 August 2013**

	Notes	31/08/13		31/08/12	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		74,455		91,732
<b>Current assets</b>					
Stocks		3,285		4,423	
Debtors	16	218,035		86,704	
Cash at bank and in hand		460,553		339,209	
		<u>681,873</u>		<u>430,336</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(415,916)</u>		<u>(227,789)</u>	
<b>Net current assets</b>			<u>265,957</u>		<u>202,547</u>
<b>Total assets less current liabilities</b>			<u>340,412</u>		<u>294,279</u>
<b>Net assets excluding pension liability</b>			<u>340,412</u>		<u>294,279</u>
Pension scheme liability			<u>(376,000)</u>		<u>(388,000)</u>
<b>Net assets including pension liability</b>			<u>(35,588)</u>		<u>(93,721)</u>
<b>Funds of the academy</b>	18				
<b>Restricted funds:</b>					
Fixed asset funds			74,455		91,732
Restricted income funds			186,659		131,235
Pension reserve			<u>(376,000)</u>		<u>(388,000)</u>
<b>Total restricted funds</b>			<u>(114,886)</u>		<u>(165,033)</u>
<b>Unrestricted income funds</b>			<u>79,298</u>		<u>71,312</u>
<b>Total funds</b>			<u>(35,588)</u>		<u>(93,721)</u>

The financial statements were approved by the board on 11 December 2013 and signed on its behalf by



**Stephen Chambers**  
**Director**

**Company Limited by Guarantee**  
**Registration Number 7740632**

**The notes on pages 18 to 33 form an integral part of these financial statements.**

**Cartmel Priory Church of England School Academy Trust**  
**(A company limited by guarantee)**

**Cash flow statement**  
**for the year ended 31 August 2013**

		<b>Year ended 31/08/13 £</b>	<b>Year ended 31/08/12 £</b>
	<b>Notes</b>		
Net incoming/(outgoing) resources for the year		23,132	(36,721)
Depreciation and impairment		17,277	21,360
Transfer of pension deficit	25	-	313,000
FRS 17 pension cost increase	25	10,000	1,000
FRS 17 pension finance (income)/costs	25	13,000	17,000
Decrease in stocks		1,139	(4,423)
Increase in debtors		(131,330)	(86,704)
Increase in creditors		188,126	227,789
<b>Net cash inflow from operating activities</b>		<b>121,344</b>	<b>452,301</b>
Capital expenditure	22	-	(113,092)
<b>Increase in cash in the year</b>		<b>121,344</b>	<b>339,209</b>
<b>Reconciliation of net cash flow to movement in net debt</b>	23		
Decrease in cash in the year		121,344	339,209
Net debt at 1 September 2012		339,209	-
<b>Net debt at 31 August 2013</b>		<b>460,553</b>	<b>339,209</b>

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

**1.1. Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP 2005), the Annual Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006.

**1.2. Going concern**

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

**1.3. Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

**Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**Donations**

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

**Other income**

Other income, including educational activities and visits, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

**Donated services and gifts in kind**

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

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**1.4. Resources expended**

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

**Costs of generating funds**

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

**Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

**Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5. Tangible fixed assets and depreciation**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

ICT equipment	- 20% reducing balance
Fixtures, fittings and equipment	- 15% reducing balance

Where assets were acquired from the predecessor school, the fair value (being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item) at 31 August 2011 has been estimated. The depreciation charge to the academy each year is calculated on the basis of this value.

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

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**1.5. Tangible fixed assets and depreciation (continued)**

The Academy uses buildings and land held by the Carlisle Diocesan Board of Finance Limited free of charge. The school site is an asset held in trust with the Board of Finance as trustee. As such the value of the site has not been brought onto the Academy balance sheet and instead the value is shown by way of note. Under the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005) the use of the asset should be represented by showing a market rent and an equivalent donation, however obtaining a market value for the rent was felt to be an unnecessary expense in the circumstances and so a nominal figure for this amount has been used in the accounts.

**1.6. Stock**

Stock is valued at the lower of cost and net realisable value.

**1.7. Defined benefit pension schemes**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1.8. Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education or other funders.

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**2. Voluntary income**

	Unrestricted	Restricted	Fixed Asset	Year ended 31/08/13	Year ended 31/08/12
	£	£	£	£	£
Donations	3,605	3,525	-	7,130	14,073
	<u>3,605</u>	<u>3,525</u>	<u>-</u>	<u>7,130</u>	<u>14,073</u>
Assets from predecessor school	-	-	-	-	(131,562)
	<u>3,605</u>	<u>3,525</u>	<u>-</u>	<u>7,130</u>	<u>(117,489)</u>

	Unrestricted	Restricted	Fixed Asset	Year ended 31/08/13	Year ended 31/08/12
		£	£	£	£
<b>Assets from predecessor school</b>					
Assets transferred at valuation	-	-	-	-	110,519
Funding received from predecessor school	-	-	-	-	70,919
Pension scheme deficit on conversion	-	-	-	-	(313,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,562)</u>

**3. Activities for generating funds**

	Unrestricted	Restricted	Year ended 31/08/13	Year ended 31/08/12
		funds	funds	Total
		£	£	£
Lettings and keep fit club	4,957	-	4,957	3,095
Fundraisers	-	6,024	6,024	7,122
Goods supplied and other income	16,741	-	16,741	18,732
Minibus usage	4,509	-	4,509	4,946
	<u>26,207</u>	<u>6,024</u>	<u>32,231</u>	<u>33,895</u>



**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**4 Funding for academy's educational operations**

	Unrestricted funds	Restricted funds	Year ended 31/08/13 Total	Year ended 31/08/12 Total
	£	£	£	£
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,582,031	1,582,031	1,621,909
Start up grants	-	-	-	25,000
Other DfE/EFA grants	-	446,063	446,063	119,930
	<u>-</u>	<u>2,028,094</u>	<u>2,028,094</u>	<u>1,766,839</u>
<b>Other government grants</b>				
Local authority grants	-	-	-	-
Special educational projects	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>2,028,094</u>	<u>2,028,094</u>	<u>1,766,839</u>

**5. Trips and other incoming resources**

	Unrestricted	Restricted funds	Year ended 31/08/13 funds	Year ended 31/08/12 Total
	£	£	£	£
Other income	8,910	1,795	10,705	6,959
Educational Activities and Visits	-	39,909	39,909	53,432
	<u>8,910</u>	<u>41,704</u>	<u>50,614</u>	<u>60,391</u>

**6. Resources expended**

	Staff costs	Premises costs	Other costs	Year ended 31/08/13 Total	Year ended 31/08/12 Total
	£	£	£	£	£
Direct costs	1,105,666	-	203,567	1,309,233	1,267,343
Allocated support costs	269,362	50,798	447,992	768,152	466,873
	<u>1,375,028</u>	<u>50,798</u>	<u>651,559</u>	<u>2,077,385</u>	<u>1,734,216</u>
Governance costs including allocated support costs	-	-	6,935	6,935	30,250
	<u>1,375,028</u>	<u>50,798</u>	<u>658,494</u>	<u>2,084,320</u>	<u>1,764,466</u>

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**7. Charitable activities - Academy's educational operations**

	Unrestricted funds £	Restricted funds £	Year ended 31/08/13 Total £	Year ended 31/08/12 Total £
<b>Direct costs</b>				
Teaching and educational support staff costs	6,293	1,094,631	1,100,924	1,065,095
Staff development	-	4,742	4,742	6,953
Educational supplies	21,669	36,956	58,625	45,600
Examination fees	-	24,151	24,151	22,356
Equipment	-	17,563	17,563	14,388
Technology costs	-	21,431	21,431	27,340
Professional fees	-	9,215	9,215	6,959
Other direct costs	-	3,234	3,234	3,233
Printing, postage and stationery	-	6,440	6,440	5,924
Educational activities and visits	-	39,908	39,908	52,495
Pension finance (income)/costs	-	23,000	23,000	17,000
	<u>27,962</u>	<u>1,281,271</u>	<u>1,309,233</u>	<u>1,267,343</u>
<b>Allocated support costs</b>				
Support staff costs	-	269,362	269,362	257,063
Rates & water	-	10,993	10,993	10,510
Light & heat	-	39,805	39,805	39,225
Repairs & maintenance	-	342,329	342,329	42,600
Insurance	-	30,824	30,824	31,308
Health & safety	-	10,431	10,431	11,882
Catering	-	3,887	3,887	7,247
Minibus, motor & travel expenses	4,510	3,926	8,436	8,068
Maintenance of office equipment	-	11,167	11,167	14,071
Professional fees	-	14,730	14,730	16,821
Telephone	-	1,729	1,729	2,404
Other costs	-	7,182	7,182	4,314
	<u>4,510</u>	<u>746,365</u>	<u>750,875</u>	<u>445,513</u>
	<u>32,472</u>	<u>2,027,636</u>	<u>2,060,108</u>	<u>1,712,856</u>
Depreciation & impairment	-	17,277	17,277	21,360
	<u>-</u>	<u>17,277</u>	<u>17,277</u>	<u>21,360</u>
	<u>32,472</u>	<u>2,044,913</u>	<u>2,077,385</u>	<u>1,734,216</u>

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**8. Governance costs**

	<b>Restricted funds £</b>	<b>Year ended 31/08/13 funds £</b>	<b>Year ended 31/08/12 Total £</b>
Accountancy fees	4,335	4,335	2,750
Auditor remuneration	2,600	2,600	2,500
Legal and professional fees	-	-	25,000
	<u>6,935</u>	<u>6,935</u>	<u>30,250</u>

**9. Net incoming resources for the year**

	<b>Year ended 31/08/13 £</b>	<b>Year ended 31/08/12 £</b>
Net incoming resources is stated after charging		
Depreciation and other amounts written off tangible fixed assets	17,277	21,360
Operating leases	7,441	7,837
Auditors' remuneration (Note 10)	2,600	2,500

**10. Auditors' remuneration**

	<b>Year ended 31/08/13 £</b>	<b>Year ended 31/08/12 £</b>
Auditors' remuneration - audit of the financial statements	2,600	2,500
Auditors' remuneration - other fees		
- Provision of Internal Auditor	990	1,000
- Accounts and annual report preparation	1,775	1,750
- Other	1,570	-
	<u>6,935</u>	<u>5,250</u>

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**11. Staff costs**

<b>Employment costs</b>	<b>Year ended 31/08/13 £</b>	<b>Year ended 31/08/12 £</b>
Wages and salaries	1,136,493	1,089,960
Social security costs	80,840	81,267
Pension costs	152,953	150,931
Other costs	4,742	6,953
	<u>1,375,028</u>	<u>1,329,111</u>

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance income and other recognised gains and losses

**Number of employees**

The number of employees (including the governors) who earned more than £60,000 during the year was as follows

	<b>Year ended 31/08/13 Number</b>	<b>Year ended 31/08/12 Number</b>
£60,001 to £70,000	<u>1</u>	<u>1</u>

The number of higher paid employees accruing pension benefit was

	<b>Year ended 31/08/13 Number</b>	<b>Year ended 31/08/12 Number</b>
Teachers Pension Scheme	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for this member of staff amounted to £8,856 (2012 £8,642)

The average monthly numbers of employees (including the governors) during the year, calculated on the basis of full time equivalents, was as follows

	<b>Year ended 31/08/13 Number</b>	<b>Year ended 31/08/12 Number</b>
Teachers	19	19
Teaching assistants	6	4
Administration and support	11	11
	<u>36</u>	<u>34</u>

**Cartmel Priory Church of England School Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2013**

**12. Governors' remuneration and expenses**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The value of governor remuneration was as follows -

P Williams (principal and trustee)	£70,000 - £75,000	(2012 £65,000 - £70,000)
C Ashcroft (staff trustee)	£55,000 - £60,000	(2012 £55,000 - £60,000)
S Lewis (staff trustee)	£25,000 - £30,000	(2012 £25,000 - £30,000)
E Vickers (staff trustee)	£15,000 - £20,000	(2012 £15,000 - £20,000)

During the year ended 31 August 2013 travel, subsistence and other expenses were reimbursed to governors totalling £1,119 (2012 nil)

**13. Governors' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was included within the insurance charge in the accounts.

**14. Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

<b>15. Tangible fixed assets</b>	<b>Land and buildings freehold</b>	<b>IT equipment</b>	<b>Fixtures, plant and fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 September 2012	-	87,930	25,162	-	113,092
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
	<u>-</u>	<u>87,930</u>	<u>25,162</u>	<u>-</u>	<u>113,092</u>
At 31 August 2013	-	87,930	25,162	-	113,092
<b>Depreciation</b>					
At 1 September 2012	-	17,586	3,774	-	21,360
Charge for the year	-	14,069	3,208	-	17,277
Disposals	-	-	-	-	-
	<u>-</u>	<u>31,655</u>	<u>6,982</u>	<u>-</u>	<u>38,637</u>
At 31 August 2013	-	31,655	6,982	-	38,637
<b>Net book value</b>					
At 31 August 2013	-	56,275	18,180	-	74,455
At 31 August 2012	-	70,344	21,388	-	91,732

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The Academy uses buildings and land held by the Carlisle Diocesan Board of Finance Limited free of charge. The school site is an asset held in trust with the Board of Finance as trustee. As such the value of the site has not been brought onto the Academy balance sheet and instead the value is shown by way of note. The value as determined by the EFA was £2,755,825. The other assets were assessed by the school making an inventory of assets in the school at the point of transfer and assessing the likely second hand value.

**16. Debtors**

	Year ended 31/08/13	Year ended 31/08/12
	£	£
Trade debtors	8,978	29,450
Other debtors	194,757	12,231
Prepayments and accrued income	14,300	45,023
	<u>218,035</u>	<u>86,704</u>

In the year the school successfully applied to the Academies Capital Maintenance Fund to refurbish the roof and the boiler and heating system. Significant amounts towards these projects were paid in the year and other debtors included £147,299 relating to grants due at the year end.

**17. Creditors: amounts falling due  
within one year**

	Year ended 31/08/13	Year ended 31/08/12
	£	£
Trade creditors	127,853	65,653
Other taxation and social security	23,529	23,525
Other creditors	20,496	19,249
Accruals and deferred income	245,038	119,362
	<u>415,916</u>	<u>227,789</u>

In the year the school successfully applied to the Academies Capital Maintenance Fund to refurbish the roof and the boiler and heating system. Significant amounts towards these projects were paid in the year and accruals included £153,479 relating to amounts contracted for but not paid at the year end.

<b>Deferred income</b>	<b>£</b>	<b>£</b>
Accruals and deferred income includes		
Deferred income at 1 September 2012	51,763	-
Resources deferred in the year	51,176	51,763
Amounts released from previous years	(51,763)	-
Deferred income at 31 August 2013	<u>51,176</u>	<u>51,763</u>

Deferred Income as at 31 August 2013 relates to SEN funding received in the year which relates to the period from 1 September 2013 to 31 March 2014 and some other restricted income such as for trips and productions to happen next year.

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**18. Funds**

	Balance at 1 Sept 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2013 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	103,346	1,582,031	(1,518,074)	-	167,303
Other DfE/YPLA grants	24,471	446,063	(451,971)	-	18,563
Other restricted general funds	3,418	51,253	(53,878)	-	793
	<u>131,235</u>	<u>2,079,347</u>	<u>(2,023,923)</u>	<u>-</u>	<u>186,659</u>
<b>Restricted fixed asset funds</b>					
Fixed assets transferred from Predecessor school	91,732	-	(17,277)	-	74,455
	<u>91,732</u>	<u>-</u>	<u>(17,277)</u>	<u>-</u>	<u>74,455</u>
<b>Restricted pension reserve funds</b>					
Pension reserve	(388,000)	-	(23,000)	35,000	(376,000)
<b>Total restricted funds</b>	<u>(165,033)</u>	<u>2,079,347</u>	<u>(2,064,200)</u>	<u>-</u>	<u>(114,886)</u>
<b>Unrestricted funds</b>					
Unrestricted funds	71,312	40,458	(32,472)	-	79,298
<b>Total unrestricted funds</b>	<u>71,312</u>	<u>40,458</u>	<u>(32,472)</u>	<u>-</u>	<u>79,298</u>
<b>Total funds</b>	<u>(93,721)</u>	<u>2,119,805</u>	<u>(2,096,672)</u>	<u>35,000</u>	<u>(35,588)</u>

Other restricted general funds include restricted donations

**19. Analysis of net assets between funds**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	74,455	74,455
Current assets	79,298	602,575	-	681,873
Current liabilities	-	(415,916)	-	(415,916)
Pension scheme liability	-	(376,000)	-	(376,000)
	<u>79,298</u>	<u>(189,341)</u>	<u>74,455</u>	<u>(35,588)</u>

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**20. Financial commitments**

	Year ended 31/08/13 £	Year ended 31/08/12 £
<b>Operating leases</b>		
At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows		
Expiring within one year	-	2,682
Expiring within two and five years inclusive	4,759	4,759
Expiring in over five years	-	-
	<u>4,759</u>	<u>7,441</u>

**21. Related party transactions**

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

**22. Gross cash flows**

	Year ended 31/08/13 £	Year ended 31/08/12 £
<b>Capital expenditure</b>		
Payments to acquire tangible assets	-	(113,092)
	<u>-</u>	<u>(113,092)</u>

**23. Analysis of changes in net funds**

	At 1 Sept 2012 £	Cash Flows £	At 31 Aug 2013 £
Cash at bank and in hand	339,209	121,344	460,553
	<u>339,209</u>	<u>121,344</u>	<u>460,553</u>
<b>Net funds</b>	<u>339,209</u>	<u>121,344</u>	<u>460,553</u>



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**24. Pension costs**

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Your Pension Service (YPS) for Cumbria County Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries  
The latest actuarial valuation of the TPS was 31st March 2004 and of the LGPS 31st March 2010

There was £20,066 (2012 £18,652) due in outstanding contributions at the end of the financial year and are included within creditors

**Teachers pension scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 These regulations apply to teachers in school that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change in contract Teachers and lecturers are able to opt out of the TPS

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

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

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the

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notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

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**25. Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2013 was £69,000, of which employer's contributions totalled £53,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 19% for employers and 5% to 7.5% for employees.

**Principal actuarial assumptions**

	<b>31/08/13</b>	<b>31/08/12</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	4.15	3.95
Rate of increase in pensions in payment	2.40	2.20
Discount rate	4.50	4.30
Inflation assumption	2.40	2.20
Commutation of pensions to lump sums	50.00	50.00

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

	<b>31/08/13</b>	<b>31/08/12</b>
Retiring today		
Males	22.2	22.2
Females	24.9	24.8
Retiring in 20 years		
Males	24.1	24.0
Females	26.9	26.8

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus/(deficit) are

	<b>Expected rate of return expected</b>	<b>31/08/13 Assets</b>	<b>Expected rate of return expected</b>	<b>31/08/12 Assets</b>
	<b>%</b>	<b>£</b>	<b>%</b>	<b>£</b>
Equities	7.0	309,000	7.0	216,000
Government bonds	3.4	80,000	2.5	70,000
Other bonds	4.4	83,000	3.4	72,000
Property	5.7	33,000	6.0	27,000
Cash/liquidity	0.5	4,000	0.5	7,000
Other	7.0	27,000	7.0	37,000
Total market value of assets		<u>536,000</u>		<u>429,000</u>
Present value of scheme liabilities		<u>(912,000)</u>		<u>(817,000)</u>
Surplus/(Deficit) in the scheme		<u>(376,000)</u>		<u>(388,000)</u>

The actual return on scheme assets was £58,000 (2012 - £36,000)

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**Amounts recognised in the statement of financial activities**

	<b>Year ended 31/08/13 £</b>	<b>Year ended 31/08/12 £</b>
Current service cost (net of employee contributions)	(63,000)	(50,000)
Past service cost	-	-
Transfer of LGPS deficit upon conversion	-	(313,000)
<b>Total operating charge</b>	<b>(63,000)</b>	<b>(363,000)</b>

	<b>Year ended 31/08/13 £</b>	<b>Year ended 31/08/12 £</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	23,000	20,000
Interest on pension liabilities	(36,000)	(37,000)
<b>Pension finance income / (costs)</b>	<b>(13,000)</b>	<b>(17,000)</b>

The actual gains and losses for the current year are recognised in the statement of financial activities  
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities  
since the adoption of FRS 17 is a £22,000 loss

**Movement in the present value of defined benefit  
Obligations were as follows:**

	<b>Year ended 31/08/13 £</b>	<b>Year ended 31/08/12 £</b>
At 1 September 2012	817,000	-
Current service cost	63,000	50,000
Interest on pension liabilities	36,000	37,000
Member contributions	16,000	15,000
Actuarial (gain)/loss	-	73,000
Benefits paid	(20,000)	-
Past Service cost	-	-
Business combinations	-	642,000
<b>Benefit obligation at 31 August 2013</b>	<b>912,000</b>	<b>817,000</b>

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

	<b>Year ended 31/08/13</b>	<b>Year ended 31/08/12</b>
At 1 September 2012	429,000	-
Expected return on assets	23,000	20,000
Actuarial gain/(loss)	35,000	16,000
Business combinations	-	329,000
Employer contributions	53,000	49,000
Member contributions	16,000	15,000
Benefits paid	(20,000)	-
	<hr/>	<hr/>
<b>At 31 August 2013</b>	<b>536,000</b>	<b>429,000</b>
	<hr/>	<hr/>
<b>Deficit in the scheme as at 31st August 2013</b>	<b>376,000</b>	<b>388,000</b>
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31st August 2014 is £53,000

**The history of experience adjustments is as follows:**

	<b>Year ended 31/08/13</b>	<b>Year ended 31/08/12</b>
Present value of defined benefit obligations	912,000	817,000
Fair value of share of scheme assets	536,000	429,000
	<hr/>	<hr/>
<b>Surplus/(Deficit) in the scheme</b>	<b>(376,000)</b>	<b>(388,000)</b>
	<hr/>	<hr/>
<b>Experience adjustments on share of scheme assets</b>	<b>35,000</b>	<b>-</b>
<b>Experience adjustments on scheme liabilities:</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

**26. Company limited by guarantee**

Cartmel Priory Church of England School Academy Trust is a company limited by guarantee and accordingly does not have a share capital

Every member of the company undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member