

**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 2014**

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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 Priory Church of England School Headless Cross Cartmel LA11 7SA
<b>Trustees and members</b>	The Reverend Nick Ash The Right Reverend James Newcome The Venerable Penny Driver Stephen Peter Chambers Resigned 31/03/14 Dorothy Janette Mary Lownds Appointed 31/03/14 Mr Michael Mill, Carlisle Diocesan Board of Finance
<b>Company Secretary</b>	Joanne Claire Coulston
<b>Clerk to the governors</b>	Emma Wright Appointed 01/09/13
<b>Directors and governors</b>	The Reverend Nick Ash Stephen Peter Chambers (Chair to 31/03/14) Resigned 31/03/14 Susan Dean (Vice Chair) Penelope Maralyn Hollander Dorothy Janette Mary Lownds (Chair from 31/03/14) Reverend David Sidney Simon Resigned 31/03/14 Reverend Nick Devenish Sarah Lewis* Kirsten Ross (LA governor) Lesley Spring Stephen Bell Dr Paul Stanley Williams (Principal)* Krysia Carmichael Appointed 01/09/13 David Nicholson Appointed 01/09/13 Elaine Charnock* Appointed 01/09/13 Joanne Claire Coulston* Appointed 01/09/13 Irene Allan Appointed 02/04/14 *Staff governors
<b>Senior Management Team</b>	Dr Paul Williams (Principal) Catherine Louise Ashcroft Joanne Claire Coulston
<b>Independent Auditor</b>	Stables Thompson & Briscoe Lowther House, Lowther Street Kendal, LA9 4DX
<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)**

#### **Governors' report**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the twelve month period ended 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report including a strategic report under company law.

#### **Structure, Governance and Management**

##### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Cartmel Priory Church of England School Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as Cartmel Priory Church of England School Academy Trust.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1

##### **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 Chair 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.

##### **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.

##### **Governors' Indemnities**

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

**Cartmel Priory Church of England School Academy Trust**  
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**Governors' report (continued)**

**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 nine foundation governors – appointed by the trust members
- up to three staff governors – appointed by the trust members after being elected by members of staff
- up to one Local Authority governor – appointed by the Local Authority
- two 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 their contract of employment.

**Policies and Procedures Adopted for the Induction and Training of Governors**

During the period under review, the governors held six 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.

**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 is 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 is supported by members of the extended SLT, that is the Pastoral Coordinator and Specialist School Coordinator.

**Connected Organisations including Related Party Relationships**

Cartmel Priory Church of England School is a member of the South Lakes Federation, a soft federation. 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.

**Cartmel Priory Church of England School Academy Trust**  
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**Governors' report (continued)**

**Objectives and Activities**

**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.

**Objectives, Strategies and Activities**

This school is founded on Christian principles of care and mutual respect, and a belief that all children are loved by God. The school provides excellent support for its students in a secure and happy environment where each individual student is challenged to reach their full potential.

Our mission statement Run Faster; Reach Further; Aim Higher; Grow Tall; Work Harder; Think Deeper; Laugh Louder; Love All reflects our commitment to do our best to help every pupil to fulfil their potential academically, physically, socially, morally and spiritually.

The governor's specific objectives for 2013-14 were:

- To achieve the academies academic targets for 2013-14;
- 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
- 

**Principal Activities**

The academy trust's object is to advance education for the public benefit 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. The academy trust offers 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.

**Cartmel Priory Church of England School Academy Trust**  
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**Governors' report (continued)**

**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.

**Strategic Report**

**Achievement and Performance**

**Academic Achievement**

Cartmel Priory CofE School was judged to be good by Ofsted in June 2013. 60% of pupils achieved 5+ A\*-C (EM) in June 2014, this was below the school target of 70%. However, performance in both maths (75% A\*-C) and English (68% A\*-C) was well above the national average for June 2014, the cohort having ended KS2 broadly in line with the national average. Progress was, therefore, good. There was some variation between subjects. Geography, history and ICT performed particularly well, RS performed well (73% A\*-C and 27% A\*/A). Drama, music and PE performed well below expectations.

**Other achievements**

The school production was Annie and, as usual, a large variety of pupils of all abilities contributed on and off stage. The performances were exceptional and this was one of the best school productions the school has staged.

Eleven year 8 and 9 pupils completed the John Muir Explorer Award. The year 7 retreat (theme 'Our Wonderful World'), science day (theme 'The Rainforest') and residential (theme 'The Lake District National Park') were brought together to form a coherent experience as part of an opportunity for students to complete the John Muir Discovery Award.

The school's Young Enterprise team, Quirky, did extremely well and Emilio was awarded the 'Journey Award' for the North East and Cumbria and was awarded second place across the country as a whole.

The school entered a team of year 9 students into the GSK Go4Set competition. The team were voted the best team by the other students for their research project into mental health in schools.

In sport, the school's orienteering team came 3rd in the British Schools Orienteering Competition and two students were selected for the GB Baseball Team. As well as the usual broad range of sporting activities, a wide range of other extra-curricular activities have been offered including maths masters, chess, canoeing, pottery and dance platform.

Pupils contributed to charities through non uniform days and a variety of other activities. Charities supported included MacMillan, Jeans for Genes and the Children's Society.

**Attendance**

Overall attendance for the year 2013-14 was 95.1%, with unauthorised absence at 0.3%. The percentage of pupils who are classed as persistent absentees (attendance<85%) was 4.8%. The figures are very good and likely to be better than those for similar schools.

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**Governors' report (continued)**

**Exclusions**

For the seventh year in a row, there were no permanent exclusions. 1.5% of pupils were excluded during the year (total number of days 10.0), 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 being by a wide variety of students, staff and others, including members of the local clergy.

**Going Concern**

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy Trust 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 Statement of Accounting Policies note of the financial statements.

**Financial Review**

**Financial Statements**

Cartmel Priory Church of England School Academy Trust financial statements are for the period from 1 September 2013 to 31 August 2014.

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 period ended 31 August 2014 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 have been assessed and the contributions rate has been amended as per the guidance 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 now not change before 2017.

**Reserves Policy**

The level of reserves held takes into account the nature of the 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.



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**Governors' report (continued)**

Reserves at the end of the year were made up of fixed asset funds £73,454, restricted income funds £259,241, the pension deficit £(454,000) and unrestricted funds of £87,055, a total deficit of £(34,250). This is a slight improvement on last year of £(35,588) which would have been significantly better without the increase in the pension deficit of £66,000.

**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.

**Principal Risk and Uncertainties**

**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, or reviewed a number of systems, to assess risks that the school faces, in particular in operational areas (e.g. in relation to teaching, health and safety, safeguarding and educational visits) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of staff, procedures for visitors etc.) 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.

**Plans for Future Periods**

The academy trust is intending to submit bids to the Education Funding Agency's Conditions Improvement Fund to update the school's lighting which will result in a reduction in energy consumption and for the provision of a new sports hall facility.

**Funds held as Custodian Trustee on behalf of others**

The academy does not hold funds as custodian trustee.

**Auditor**

*In so far as the governors are aware:*

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The governors have taken all measures 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.

Approved by order of the members of the Governing Body on 10 December 2014 and signed on its behalf by:



Mrs Dorothy Lownds

Chair of Governors

## **Cartmel Priory Church of England School Academy Trust**

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#### **Governance Statement**

As Governors, we acknowledge that 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 reduce and 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 that 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 Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustee's Responsibilities.

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 strategy, self-evaluation and planning in the areas of finance, premises, curriculum, teaching and learning, leadership and management, staffing, ethos and achievement.

The board of governors have formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Irene Allan	3	4
Nick Ash	3	6
Cathy Ashcroft (acting head)	2	2
Steve Bell	4	6
Krysia Carmichael	5	6
Steve Chambers	3	3
Elaine Charnock	5	6
Joanne Coulston	4	6
Sue Dean	5	6
Nick Devenish	1	6
Penny Hollander	3	6
Sarah Lewis	6	6
Dorothy Lownds	6	6
Jon Miller	1	2
David Nicholson	4	6
Kirsten Ross	2	6
David Simon	3	4
Leslie Spring	6	6
Paul Williams	5	6

**Cartmel Priory Church of England School Academy Trust**  
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**Governance Statement (continued)**

**Governance reviews**

The Governors have introduced their own self-evaluation processes in order to review their effectiveness and this has already led to a closer linking of the school development plan priorities to the work of individual sub-committees and the introduction of on-going process of self-review which is being led and developed further under the guidance of the Chair of Governors.

**The Steering Committee**

The Steering Committee is a sub-committee of the main board of trustees.

Its purpose is to:

- Establish and keep under review policies and procedures, other than those specifically identified for other sub committees;
- Ensure suitable arrangements are in place for formulating and monitoring the School Improvement Plan, including school self-evaluation procedures;
- Make recommendations to the governing body to establish exceptional working arrangements where particular circumstances arise, e.g. a joint committee to oversee a building project;
- Be available and respond to matters of particular difficulty, sensitivity or emergency and offer advice to the Headteacher in relation to staffing issues;
- Undertake tasks delegated to them by the governing body;
- Ensure the school staffing complement supports the school's Christian Ethos and is affordable including determining staffing levels and the staffing structure;
- Support strategic planning for staffing;
- Review the Appraisal Policy and its implementation in line with National and Local guidelines and report to the governing body;
- Oversee the appointment and induction procedures for all staff;
- Ensure policies are in place for staff discipline, grievance, capability and redundancy based on appropriate guidance;
- Keep under review staff work/life balance, working conditions and well-being including the monitoring of absence;
- Review professional development for all staff;
- Ensure the Annual Report is prepared;
- Monitor school marketing and publicity.
- There has been a particular focus on developing effective self-evaluation by the governors this year.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Steve Chambers	3	4
Sue Dean	6	6
Nick Devenish	6	6
Dorothy Lownds	6	6
David Nicholson	2	4
Leslie Spring	3	3
Paul Williams/Cathy Ashcroft	6	6
Jon Miller	1	1

**Cartmel Priory Church of England School Academy Trust**  
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**Governance Statement (continued)**

**The Finance and Premises Committee**

The Finance and Premises Committee is a sub-committee of the main board of trustees.

Its purpose is to:

- To consider the academy's indicative funding, notified annually by the DfE, and to assess its implications for the academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the governing body;
- To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year;
- To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the academy;
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan;
- To monitor and review the income and expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the governing body;
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement;
- To prepare the financial statement to form part of the annual report of the governing body to parents and for filing in accordance with Companies Act and Charity Commission requirements;
- To receive auditors' reports and to recommend to the full governing body action as appropriate in response to audit findings;
- To recommend to the full governing body the appointment or reappointment of the auditors of the academy;
- To advise the Governing Body on priorities, including Health and Safety for the maintenance and development of the school's premises subject to governing body policy;
- To oversee arrangements for repairs and maintenance to the site and premises;
- To establish and keep under review a Premises Management Plan;
- To ensure and review the implementation of the lettings policy;
- To perform the role of the Health & Safety Committee.

The most significant issue for the committee has been to ensure the continued sound financial status of the school in a time of falling rolls when we continue to be hampered by severe capping of our budget due to historical underfunding by Cumbria Local Authority.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Steve Chambers	2	3
Sue Dean	6	6
Joanne Coulston	6	6
Leslie Spring	6	6
George Rawsthorne	5	5
Kirsten Ross	5	6
David Simon	2	4
Paul Williams	5	6

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**Governance Statement (continued)**

**The Curriculum Committee**

The Curriculum Committee is a sub-committee of the main board of trustees.

Its purpose is:

- To consider, become familiar with and inform the governing body on, standards and other matters, including statutory requirements and the school's curriculum policy;
- To consider curricular issues which may arise from time to time (e.g. those having implications on budgetary and personnel decisions) and to make recommendations to the Full Governing Body when appropriate;
- To receive and consider any school, Local Authority, diocesan or national curricular reports on school improvement;
- To receive reports on school exam results on an annual basis;
- To oversee and monitor arrangements for individual governors to act as curriculum link governors and to monitor this subject based link governor system;
- To receive regular curriculum presentations on a rotational basis from subject leaders accompanied by their link governors;
- To monitor the school's curriculum development initiatives;
- To receive reports and updates on primary and post 16 liaison;
- To oversee the implementation and monitoring of the SEN policy, Library policy, Combined Learning, Teaching & Assessment Policy, Literacy policy and Careers and Work Related Learning;
- Self-evaluate committee effectiveness on an annual basis.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Steve Bell	5	5
Nick Devenish	3	5
Dorothy Lownds	4	5
Krysia Carmichael	3	5
Elaine Charnock	4	5
Paul Williams	5	5

**The Pay Committee**

The Pay Committee is a sub-committee of the main board of trustees.

Its purpose is to:

- Establish and review (annually) the school pay policy. Take decisions regarding the pay of the head teacher, deputy head teacher, classroom teachers and support staff following consideration of the recommendations of pay reviewers and the advice of the head teacher, or in the case of the head teacher following consideration of the recommendations of those governors responsible for the head teacher's performance review and for considering requests for pay reviews based on changes to job requirements. The committee is also responsible for submitting reports of these decisions to the governing body.

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**Governance Statement (continued)**

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Sue Dean	2	2
Dorothy Lownds	2	2
David Nicholson	1	1
Paul Williams	2	2

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

The system of internal control is designed to reduce and 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 place in Cartmel Priory Church of England School Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The governing body undertakes an annual risk analysis against all potential risks in order to identify the key risks to which the academy trust is exposed this assessment covers governance, management, operational, financial, statutory legislation, personnel and external risks. This process is regularly reviewed by the governing body.

The current key risk areas and the mitigation in place for each are:

1. Lack of effective succession planning and/or capacity at senior leadership/management level: The academy trust has an extended Leadership team which meets every 2 weeks in order to broaden the Senior Leadership Team;
2. Out of date IT systems/no longer supported: Increased funding has been allocated to upgrade core ICT resources;
3. Dependency on key income streams & increasing competition for same incomes sources: The school aims to maintain an attractive curriculum and positive school reputation through good performance and effective publicity and to continue to seek additional income streams;
4. Inability to attract/retain volunteers: The school newsletter and other media are used to attract further PTFA members.

**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 to ensure best value with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;

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**Governance Statement (continued)**

- identification and management of risks.
- setting targets to measure performance;

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Stables Thompson & Briscoe, the external auditor, to perform additional checks.

The Responsible Officer's (RO) role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

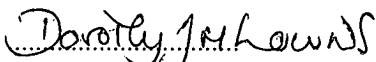
**Review of effectiveness**

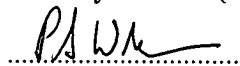
As accounting officer, Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work and reports of the staff within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the Finance and Premises Committee;
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-evaluation and risk assessment processes;

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 Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the governing body on 10 December 2014 and signed on its behalf by:

  
Dorothy Lownds (Chair)

  
Dr Paul Williams (Accounting officer)

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

**Statement on regularity, propriety and compliance**  
**for the year ended 31 August 2014**

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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

Approved on 10 December 2014 and signed by:



**Dr Paul Williams**  
Accounting officer



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

**Statement of governors' responsibilities**  
**for the year ended 31 August 2014**

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 Directions published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws 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, for that 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 and;
- 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

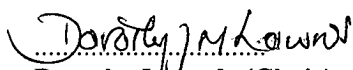
The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Governing Body on 10 December 2014 and signed on its behalf by:

  
Dorothy Lownds (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 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members as a body, for our audit work, for this report, or for the 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 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

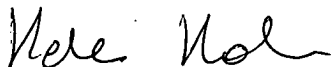
In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**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.....16/12/14.....

**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 to 2014, 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 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cartmel Priory Church of England School 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, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 to 2014 issued by 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**  
**(A company limited by guarantee)**

The work undertaken to drawn to our conclusion includes:

We obtained information on the Academy's control environment and activities and considered whether these complied with the Academies: Accounts Direction 2013 to 2014 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 period 1 September 2013 to 31 August 2014 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*

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

Date..... *16/12/14* .....

**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 2014**

		Unrestricted	Restricted	Restricted	Year	Year
		funds	funds	fixed asset	ended	ended
	Notes	£	£	funds	31/08/14	31/08/13
				£	Total	Total
					£	£
<b>Incoming resources</b>						
Incoming resources from generating funds:						
Voluntary income	2	3,548	3,930	-	7,478	7,130
Activities for generating funds	3	18,758	7,040	-	25,798	32,231
Investment income	4	2,643	-	-	2,643	1,736
Incoming resources from charitable activities						
	5	-	1,841,578	-	1,841,578	2,028,094
Other incoming resources	6	16,365	43,813	-	60,178	50,614
<b>Total incoming resources</b>		<u>41,314</u>	<u>1,896,361</u>	<u>-</u>	<u>1,937,675</u>	<u>2,119,805</u>
<b>Resources expended</b>						
Costs of generating funds			13,084		13,084	12,352
Charitable activities						
Academy's educational operations	8	33,557	1,800,295	16,821	1,850,673	2,077,385
Governance costs	9	-	6,580	-	6,580	6,935
<b>Total resources expended</b>		<u>33,557</u>	<u>1,819,959</u>	<u>16,821</u>	<u>1,870,337</u>	<u>2,096,672</u>
<b>Net income/(expenditure) for the period before transfers</b>		<u>7,757</u>	<u>76,402</u>	<u>(16,821)</u>	<u>67,338</u>	<u>23,133</u>
Gross transfers between funds		-	(15,820)	15,820	-	-
<b>Net income/(expenditure) for year</b>		<u>7,757</u>	<u>60,582</u>	<u>(1,001)</u>	<u>67,338</u>	<u>23,133</u>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	24	-	(66,000)	-	(66,000)	35,000
<b>Net movement in funds</b>		<u>7,757</u>	<u>(5,418)</u>	<u>(1,001)</u>	<u>1,338</u>	<u>58,133</u>
Total funds brought forward		79,298	(189,341)	74,455	(35,588)	(93,721)
<b>Total funds carried forward</b>		<u>87,055</u>	<u>(194,759)</u>	<u>73,454</u>	<u>(34,250)</u>	<u>(35,588)</u>

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

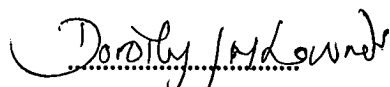
The notes on pages 23 to 40 form an integral part of these financial statements.

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

**Balance sheet**  
**as at 31 August 2014**

	Notes	31/08/14 £	31/08/13 £
<b>Fixed assets</b>			
Tangible assets	15	73,454	74,455
<b>Current assets</b>			
Stocks		3,827	3,285
Debtors	16	69,488	218,035
Cash at bank and in hand		554,286	460,553
		<u>627,601</u>	<u>681,873</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(281,305)</u>	<u>(415,916)</u>
<b>Net current assets</b>		<u>346,296</u>	<u>265,957</u>
<b>Total assets less current liabilities</b>		<u>419,750</u>	<u>340,412</u>
<b>Net assets excluding pension liability</b>		<u>419,750</u>	<u>340,412</u>
Pension scheme liability		<u>(454,000)</u>	<u>(376,000)</u>
<b>Net assets including pension liability</b>		<u><u>(34,250)</u></u>	<u><u>(35,588)</u></u>
<b>Funds of the academy</b>	18		
<b>Restricted funds:</b>			
Fixed asset funds		73,454	74,455
Restricted income funds		259,241	186,659
Pension reserve		<u>(454,000)</u>	<u>(376,000)</u>
<b>Total restricted funds</b>		<u>(121,305)</u>	<u>(114,886)</u>
<b>Unrestricted income funds</b>		<u>87,055</u>	<u>79,298</u>
<b>Total funds</b>		<u><u>(34,250)</u></u>	<u><u>(35,588)</u></u>

Approved by the Governing Body on 10 December 2014 and signed on its behalf and authorised for issue by:

  
**Dorothy Lownds**  
**Director**

Company Limited by Guarantee  
**Registration Number 7740632**

The notes on pages 23 to 40 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 2014**

		<b>Year ended 31/08/14 £</b>	<b>Year ended 31/08/13 £</b>
	<b>Notes</b>		
Net incoming resources for the year		67,338	23,132
Depreciation and impairment		16,821	17,277
FRS 17 pension cost increase		1,000	10,000
FRS 17 pension finance (income)/costs	24	11,000	13,000
Increase in stocks		(542)	1,139
Decrease in debtors		148,547	(131,330)
Decrease in creditors		(134,611)	188,126
<b>Net cash inflow from operating activities</b>		<b>109,553</b>	<b>121,344</b>
Capital expenditure	23	(15,820)	-
<b>Increase in cash in the period</b>		<b>93,733</b>	<b>121,344</b>
		<b>=====</b>	<b>=====</b>
<b>Reconciliation of net cash flow to movement in net debt</b>	22		
<b>Increase in cash in the period</b>		<b>93,733</b>	<b>121,344</b>
<b>Net funds at 1 September 2013</b>		<b>460,553</b>	<b>339,209</b>
		<b>=====</b>	<b>=====</b>
<b>Net debt at 31 August 2014</b>		<b>554,286</b>	<b>460,553</b>
		<b>=====</b>	<b>=====</b>

The notes on pages 23 to 40 form an integral part of these financial statements.



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

**Notes to the financial statements**  
**for the year ended 31 August 2014**

**1. Accounting policies**

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

**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 Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**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 recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. 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 period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

**Notes to the financial statements**  
**for the year ended 31 August 2014**

**Donated services and gifts in kind (continued)**

category and depreciated over the useful economic life in accordance with Academy Trust's policies.

**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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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.

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

**Notes to the financial statements**  
**for the year ended 31 August 2014**

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

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.

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 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**

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

**1.7. 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.

**1.8. 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, 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

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

**Notes to the financial statements**  
**for the year ended 31 August 2014**

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

**2. Voluntary income**

	Unrestricted Funds £	Restricted funds £	Year ended 31/08/14 £	Year ended 31/08/13 £
Donations	3,548	3,930	7,478	7,130
	<u>3,548</u>	<u>3,930</u>	<u>7,478</u>	<u>7,130</u>

**3. Activities for generating funds**

	Unrestricted funds £	Restricted funds £	Year ended 31/08/14 Total £	Year ended 31/08/13 Total £
Lettings and keep fit club	3,733	-	3,733	4,957
Fundraisers	-	2,125	2,125	6,024
Goods supplied and other income	10,369	4,915	15,284	16,741
Minibus usage	4,656	-	4,656	4,509
	<u>18,758</u>	<u>7,040</u>	<u>25,798</u>	<u>32,231</u>

**4. Investment income**

	Unrestricted funds £	Restricted funds £	Year ended 31/08/14 £	Year ended 31/08/13 £
Short term deposits	2,643	-	2,643	1,736
	<u>2,643</u>	<u>-</u>	<u>2,643</u>	<u>1,736</u>

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

**Notes to the financial statements**  
**for the year ended 31 August 2014**

**5. Funding for academy's educational operations**

	Unrestricted funds	Restricted funds	Year ended 31/08/14 Total	Year ended 31/08/13 Total
	£	£	£	£
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,627,948	1,627,948	1,582,031
Other DfE/EFA grants	-	213,630	213,630	446,063
	<u>-</u>	<u>1,841,578</u>	<u>1,841,578</u>	<u>2,028,094</u>
<b>Other government grants</b>				
Local authority grants	-	-	-	-
Special educational projects	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,841,578</u>	<u>1,841,578</u>	<u>2,028,094</u>

**6. Trips and other incoming resources**

	Unrestricted funds	Restricted funds	Year Ended 31/08/14 Total	Year ended 31/08/13 Total
	£	£	£	£
Other income	16,365	(78)	16,287	10,705
Educational activities and visits	-	43,891	43,891	39,909
	<u>16,365</u>	<u>43,813</u>	<u>60,178</u>	<u>50,614</u>

**7. Resources expended**

	Staff costs	Premises costs	Other costs	Year ended 31/08/14 Total	Year ended 31/08/13 Total
	£	£	£	£	£
Direct costs	1,142,671	-	189,314	1,331,985	1,309,233
Allocated support costs	276,116	48,257	194,315	518,688	768,152
	<u>1,418,787</u>	<u>48,257</u>	<u>383,629</u>	<u>1,850,673</u>	<u>2,077,385</u>
Governance costs including allocated support costs	-	-	6,580	6,580	6,935
	<u>1,418,787</u>	<u>48,257</u>	<u>390,209</u>	<u>1,857,253</u>	<u>2,084,320</u>

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**for the year ended 31 August 2014**

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

	Unrestricted funds £	Restricted funds £	Year ended 31/08/14 Total £	Year ended 31/08/13 Total £
<b>Direct costs</b>				
Teaching and educational support staff costs	5,543	1,131,903	1,137,446	1,100,924
Staff development	-	5,225	5,225	4,742
Educational supplies	16,243	28,016	44,259	58,625
Examination fees	-	26,895	26,895	24,151
Equipment	-	7,822	7,822	17,563
Technology costs	-	27,597	27,597	21,431
Professional fees	7,114	5,827	12,941	9,215
Other direct costs	-	6,040	6,040	3,234
Printing, postage and stationery	-	7,584	7,584	6,440
Educational activities and visits	-	44,176	44,176	39,908
Pension finance (income)/costs	-	12,000	12,000	23,000
	<u>28,900</u>	<u>1,303,085</u>	<u>1,331,985</u>	<u>1,309,233</u>
<b>Allocated support costs</b>				
Support staff costs	-	276,116	276,116	269,362
Rates & water	-	11,791	11,791	10,993
Light & heat	-	36,466	36,466	39,805
Repairs & maintenance	-	79,378	79,378	342,329
Insurance	-	33,566	33,566	30,824
Health & safety	-	11,513	11,513	10,431
Catering	-	5,049	5,049	3,887
Minibus, motor & travel expenses	4,657	750	5,407	8,436
Maintenance of office equipment	-	12,152	12,152	11,167
Professional fees	-	15,972	15,972	14,730
Telephone	-	1,422	1,422	1,729
Other costs	-	6,839	6,839	7,182
Bad debts	-	6,196	6,196	-
	<u>4,657</u>	<u>497,210</u>	<u>501,867</u>	<u>750,875</u>
	<u>33,557</u>	<u>1,800,295</u>	<u>1,833,852</u>	<u>2,060,108</u>
Depreciation & impairment	-	16,821	16,821	17,277
	<u>-</u>	<u>16,821</u>	<u>16,821</u>	<u>17,277</u>
	<u>33,557</u>	<u>1,817,116</u>	<u>1,850,673</u>	<u>2,077,385</u>

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**9. Governance costs**

	<b>Restricted funds £</b>	<b>Year ended 31/08/14 Total £</b>	<b>Year ended 31/08/13 Total £</b>
Accountancy fees	3,275	3,275	4,335
Auditor remuneration	3,305	3,305	2,600
Legal fees and professional fees	-	-	-
	<u>6,580</u>	<u>6,580</u>	<u>6,935</u>

**10. Net incoming resources for the period**

	<b>Year ended 31/08/14 £</b>	<b>Year ended 31/08/13 £</b>
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	16,821	17,277
Operating leases	6,884	7,441
Auditors' remuneration (Note 10)	3,305	2,600

**11. Auditors' remuneration**

	<b>Year ended 31/08/14 £</b>	<b>Year ended 31/08/13 £</b>
Auditors' remuneration - audit of the financial statements	3,305	2,600
Auditors' remuneration - other fees:		
- Provision of internal auditor	800	990
- Accounts and annual report preparation	2,000	1,775
- Other	475	1,570
	<u>6,580</u>	<u>6,935</u>

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**Notes to the financial statements**  
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**12. Staff costs**

<b>Employment costs</b>	<b>Year ended 31/08/14 £</b>	<b>Year ended 31/08/13 £</b>
Wages and salaries	1,176,623	1,136,493
Social security costs	79,355	80,840
Pension costs	157,584	152,953
Other costs	5,225	4,742
	<u>1,418,787</u>	<u>1,375,028</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 31/08/14 Number</b>	<b>Year ended 31/08/13 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 31/08/14 Number</b>	<b>Year ended 31/08/13 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 2014, pension contributions for this staff member amounted to £8,945 (2013: £8,642).

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

	<b>Year ended 31/08/14 Number</b>	<b>Year ended 31/08/13 Number</b>
Teachers	19	19
Teaching assistants	7	6
Administration and support	11	11
	<u>37</u>	<u>36</u>



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**Notes to the financial statements**  
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**13. Governors' remuneration and expenses**

The principal and other 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, other than expenses, from the academy in respect of their role as governors. The value of remuneration was as follows:

P Williams (principal and trustee):	£70,000 - £75,000 (2013: £70,000 - £75,000)
S Lewis (staff trustee):	£25,000 - £30,000 (2013: £25,000 - £30,000)
J Coulston (staff trustee):	£30,000 - £35,000 (2013: not applicable)
E Charnock (staff trustee):	£45,000 - £50,000 (2013: not applicable)

Remuneration as shown above includes on costs such as pension contributions.

During the year ended 31 August 2014 travel, subsistence and other expenses were reimbursed to governors totalling £295 (2012: £1,119).

**14. 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 2014 was included within the insurance charge in the accounts.

Other related party transactions involving the trustees are set out in note 26.

<b>15. Tangible fixed assets</b>	<b>Land and buildings freehold</b>	<b>ICT 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 2013	-	87,930	25,162	-	113,092
Additions	-	15,820	-	-	15,820
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	-	103,750	25,162	-	128,912
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 September 2013	-	31,655	6,982	-	38,637
Charge for the year	-	14,094	2,727	-	16,821
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	-	45,749	9,709	-	55,458
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 August 2014	-	58,001	15,453	-	73,454
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2013	-	56,275	18,180	-	74,455
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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**Notes to the financial statements**  
**for the year ended 31 August 2014**

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 into 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 31/08/14	Year ended 31/08/13
	£	£
Trade debtors	3,933	8,978
Other debtors	33,766	194,757
Prepayments and accrued income	31,789	14,300
	<u>69,488</u>	<u>218,035</u>

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

	Year ended 31/08/14	Year ended 31/08/13
	£	£
Trade creditors	79,082	126,853
Other taxation and social security	22,291	23,529
Other creditors	20,310	20,496
Accruals and deferred income	159,622	245,038
	<u>281,305</u>	<u>415,916</u>

**Deferred income**

Accruals and deferred income includes:

Deferred income at 1 September 2013	51,176
Resources deferred in the year	81,545
Amounts released from previous years	(51,176)
Deferred income at 31 August 2014	<u>81,545</u>

Deferred Income as at 31 August 2014 relates to SEN funding received in the period which relates to the period from 1 September 2014 to 31 March 2015 and some other restricted income such as for trips and productions to happen next year.

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**Notes to the financial statements**  
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**18. Funds**

	Balance at 1 Sept 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	167,303	1,627,948	(1,540,001)	(15,820)	239,430
Other DfE/YPLA grants	18,563	213,630	(216,593)	-	15,600
Other restricted general funds	793	54,783	(51,365)	-	4,211
	<u>186,659</u>	<u>1,896,361</u>	<u>(1,807,959)</u>	<u>(15,820)</u>	<u>259,241</u>
<b>Restricted fixed asset funds</b>					
Fixed assets transferred from Predecessor school	74,455	-	(16,821)	15,820	73,454
	<u>74,455</u>	<u>-</u>	<u>(16,821)</u>	<u>15,820</u>	<u>73,454</u>
<b>Restricted pension reserve funds</b>					
Pension reserve	(376,000)	-	(12,000)	(66,000)	(454,000)
<b>Total restricted funds</b>	<u>(114,886)</u>	<u>1,896,361</u>	<u>(1,836,780)</u>	<u>(66,000)</u>	<u>(121,305)</u>
<b>Unrestricted funds</b>					
Unrestricted funds	79,298	41,314	(33,557)	-	87,055
<b>Total unrestricted funds</b>	<u>79,298</u>	<u>41,314</u>	<u>(33,557)</u>	<u>-</u>	<u>87,055</u>
<b>Total funds</b>	<u>(35,588)</u>	<u>1,937,675</u>	<u>(1,870,337)</u>	<u>(66,000)</u>	<u>(34,250)</u>

Other restricted general funds include restricted donations.

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

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	73,454	73,454
Current assets	87,055	540,546	-	627,601
Current liabilities	-	(281,305)	-	(281,305)
Pension scheme liability	-	(454,000)	-	(454,000)
	<u>87,055</u>	<u>(194,759)</u>	<u>73,454</u>	<u>(34,250)</u>

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**Notes to the financial statements**  
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**20. Financial commitments**

	Year ended 31/08/14 £	Year ended 31/08/13 £
<b>Operating leases - Other</b>		
At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:		
Expiring within one year	397	-
Expiring within two and five years inclusive	4,249	4,759
Expiring in over five years	-	-
	<u>4,646</u>	<u>4,759</u>

**21. Gross cash flows**

	Year ended 31/08/14 £	Year ended 31/08/13 £
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(15,820)	(-)

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

	At 1 Sept 2013 £	Cash flows £	At 31 Aug 2014 £
Cash at bank and in hand	460,553	93,733	554,286
<b>Net funds</b>	<u>460,553</u>	<u>93,733</u>	<u>554,286</u>

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**23. 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Contributions amounting to £20,310 (2013: £20,066) were payable to the schemes at 31<sup>st</sup> August 2014 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) and, from 1 April 2014, by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change in contract, although they are able to opt-out.

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

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**Teachers' Pension Scheme Changes**

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

The key provisions of the reformed scheme include: a pension based on career average earnings; 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. Pension benefits built up before 1 April 2015 will be fully protected.

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

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

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

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

**24. 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 2014 was £66,000, of which employer's contributions totalled £50,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 18.2% for employers and 5.5% to 7.5% for employees.

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

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**Notes to the financial statements**  
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**Principal actuarial assumptions**

	<b>31/08/14</b>	<b>31/08/13</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.60	4.15
Rate of increase in pensions in payment	2.10	2.40
Discount rate	3.90	4.50
Inflation assumption	2.10	2.40
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>31/08/14</b>	<b>31/08/13</b>
Retiring today		
Males	23.0	22.2
Females	25.5	24.9
Retiring in 20 years		
Males	25.7	24.1
Females	28.7	26.9

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>31/08/14 Assets £</b>	<b>Expected rate of return expected %</b>	<b>31/08/13 Assets £</b>
Equities	7.0	320,000	7.0	309,000
Government bonds	2.9	95,000	3.4	80,000
Other bonds	3.8	40,000	4.4	83,000
Property	6.2	40,000	5.7	33,000
Cash/liquidity	0.5	44,000	0.5	4,000
Other	7.0	17,000	7.0	27,000
Total market value of assets		<u>556,000</u>		<u>536,000</u>
Present value of scheme liabilities		<u>(1,010,000)</u>		<u>(912,000)</u>
Surplus/(Deficit) in the scheme		<u>(454,000)</u>		<u>(376,000)</u>

The actual return on scheme assets was £84,000 (2013: £58,000).

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

	<b>Year ended 31/08/14 £</b>	<b>Year ended 31/08/13 £</b>
Current service cost (net of employee contributions)	(61,000)	(63,000)
Past service cost	-	-
<b>Total operating charge</b>	<b>(61,000)</b>	<b>(63,000)</b>
	<b>Year ended 31/08/14 £</b>	<b>Year ended 31/08/13 £</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	32,000	23,000
Interest on pension liabilities	(43,000)	(36,000)
<b>Pension finance income / (costs)</b>	<b>(11,000)</b>	<b>(13,000)</b>

The actuarial 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 an £88,000 loss. (2013: £22,000 loss).

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

	<b>Year Ended 31/08/14 £</b>	<b>Year ended 31/08/13 £</b>
At 1 September 2013	912,000	817,000
Current service cost	61,000	63,000
Interest on pension liabilities	43,000	36,000
Member contributions	16,000	16,000
Actuarial (gain)/loss	-	-
Benefits paid	(18,000)	(20,000)
Past Service cost	(4,000)	-
<b>Benefit obligation at 31 August 2014</b>	<b>1,010,000</b>	<b>912,000</b>



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

	Year ended 31/08/14 £	Year ended 31/08/13 £
At 1 September 2013	536,000	429,000
Expected return on assets	32,000	23,000
Actuarial gain/(loss)	(84,000)	35,000
Business combinations	-	-
Employer contributions	60,000	53,000
Member contributions	16,000	16,000
Benefits paid	(4,000)	(20,000)
<b>Fair value of plan assets as at 31 August 2014</b>	<b>556,000</b>	<b>536,000</b>
<b>Deficit in the scheme as at 31st August 2014</b>	<b>454,000</b>	<b>376,000</b>

The estimated value of employer contributions for the period ended 31st August 2015 is £62,000.

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

	Year ended 31/08/14 £	Year ended 31/08/13 £
Present value of defined benefit obligations	1,010,000	912,000
Fair value of share of scheme assets	556,000	536,000
<b>Surplus/(deficit) in the scheme</b>	<b>(454,000)</b>	<b>(376,000)</b>
<b>Experience adjustments on share of scheme assets:</b>	<b>-</b>	<b>35,000</b>
<b>Experience adjustment on scheme liabilities:</b>	<b>48,000</b>	<b>-</b>

**25. 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.

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**26. 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.