

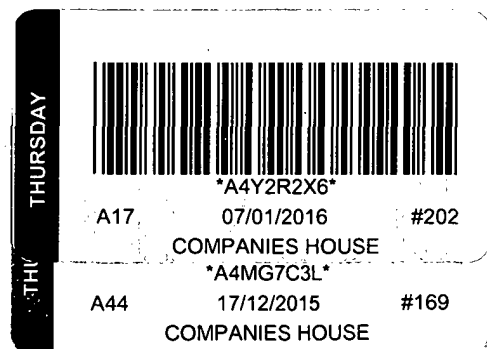
Registration number: 07740632

Cartmel Priory Church of England School Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015



Stables Thompson & Briscoe
Chartered Accountants & Registered Auditors
Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Cartmel Priory Church of England School Academy Trust

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Cartmel Priory Church of England School Academy Trust

Reference and Administrative Details

| | |
|--|---|
| Members | Reverend Nick Ash Carlisle Diocesan Board of Finance The Right Reverend James Newcome The Ven Reverend Penny Driver Mr M Hill Director of Education, Carlisle Diocese |
| Governors | Susan Dean, Vice Chairperson Penelope Maralyn Hollander Dorothy Janette Mary Lownds, Chairperson Reverend Nick Devenish Sarah Smith, Staff Governor Kirsten Ross, LA Governor (resigned 31 August 2015) Lesley Spring Stephen Bell Krysia Carmichael David Nicholson Elaine Charnock, Staff Governor (resigned 24 April 2015) Joanne Claire Coulston, Staff Governor Irene Allan Ms Louise Shrapnel Miss Gemma Brown, Staff Governor (appointed 1 September 2015) |
| Company Secretary | Joanne Claire Coulston |
| Head Teacher | Doctor Paul Stanley Williams |
| Senior Management Team | Doctor Paul Williams, Principal Catherine Louise Ashcroft Joanne Claire Coulston |
| Principal and Registered Office | Cartmel Priory Church of England School Headless Cross Cartmel Grange-over-Sands Cumbria LA11 7SA |
| Company Registration Number | 07740632 |

Cartmel Priory Church of England School Academy Trust

Reference and Administrative Details (continued)

| | |
|-------------------|---|
| Auditors | Stables Thompson & Briscoe Chartered Accountants & Registered Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX 22 October 2014 |
| Bankers | Barclays Bank Plc |
| Solicitors | Schofield Sweeney Springfield House 76 Wellington Street Leeds West Yorkshire LS1 2AY |

Cartmel Priory Church of England School Academy Trust

Trustees' Report for the Year Ended 31 August 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07740632.

The governors act as the trustees for the charitable activities of Cartmel Priory Church of England School Academy Trust and are also the directors of the charitable company for the purposes of company law.

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

Membership

There will be five members of the academy trust, comprising:

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

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Cartmel Priory Church of England School Academy Trust

Trustees' Report for the Year Ended 31 August 2015 (continued)

Method of recruitment and appointment or election of Trustees

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 Trustees

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 Director of Pastoral Care and the Director of Specialist Science School.

Risk management

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

Connected organisations, including related party relationships

Cartmel Priory Church of England School is a member of the South Lakes Federation. The South Lakes Federation is made up of nine 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 students to vocational courses and support for Gifted and Talented students. The federation also provides a strong and rigorous accountability structure which ensures all members are monitored and supported in their aspiration to provide the very best education for the students of the South Lakes Federation area.

Cartmel Priory Church of England School Academy Trust

Trustees' Report for the Year Ended 31 August 2015 (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. This is supported by our chosen scripture quote John 10:10 'I have come that you may have life and live it to the full'.

The governor's specific objectives for 2014-15 were:

- To support the school in achieving its academic targets for 2014-2015;
- To effectively manage resources in order to achieve the Academy Trust's Objectives;
- To ensure every child's welfare and academic progress is core to the work of the school;
- To ensure that the school's distinctive Christian ethos is reflected in all areas of school life;
- To support the continued development of high quality teaching and learning; and
- 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 2014-17 which has detailed actions under each of the following key headings:

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

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.

Cartmel Priory Church of England School Academy Trust

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Achievements and performance

Academic Achievement

Cartmel Priory Church of England School was judged to be good by Ofsted in June 2013 and outstanding by SIAMS in March 2015. 57% of pupils achieved 5+ A*-C (EM) in June 2015, this was below the school target of 63%. However, performance in both maths (74% EP and 49% BEP) and English (80% EP and 35% BEP) was well above the national average for June 2015, the cohort having ended KS2 below the national average. Progress was very good with a Progress 8 score of +0.50, which means students scored half a GCSE grade per subject better than students of similar ability nationally. RS continued to perform well, achieving results in line with English. E-Baccalaureate subjects performed well, especially languages and humanities, but there were many other subjects that performed well including catering and ICT.

All students were found appropriate post-16 destinations on leaving school, with A levels, vocational studies at level 2 and level 3, apprenticeships and on the job training being the routes followed.

Other achievements

The school production, The Addams Family Musical, was excellent. Individual performances were exceptional, culminating in a superb school production. Students were involved in acting, singing, sound and lighting production, stage management and make up design. Sixty one year 8 students completed the John Muir Discovery Award. This involved a retreat (theme 'Our Wonderful World'), science day (theme 'The Rainforest'), a residential at Tower Wood (theme 'The Lake District National Park) and bush craft day and conservation activity day in school. The school entered a team of 4 Y10 and Y11 students for the BAE "Top of the Form" competition, the students reaching the final and being runners up. In sport, the school's orienteering team again came 3rd in the British Schools Orienteering Competition. Students have been selected for county teams and one student for the England Girls development squad. As well as the usual broad range of sporting activities, a wide range of other extra-curricular activities have been offered, including maths master classes, chess, caving, pottery and dance platform. Students contributed to charities through non uniform days and a variety of other activities. Charities supported included MacMillan, Jeans for Genes, the Children's Society, Manna House, The Royal British Legion, Children in Need as well as other local, national and international and children's charities chosen by students.

The school now has an established Mission Group, including students from each year group, which focuses on developing the Christian ethos of the school. This group has been instrumental in establishing a Youth Service once a month in the Priory Church.

Attendance and Exclusions

Overall attendance for the year 2014-15 was 95.7%, with unauthorised absence at 0.3%. The percentage of pupils who are classed as persistent absentees (attendance < 85%) was 2.2%. The figures are very good and likely to be better than those for similar schools based on free school meals. For the eighth year in a row, there were no permanent exclusions. 0.9% of pupils were excluded during the year, well below the national average.

Christian character and ethos

SIAMS identified the following strengths:

- The quotation from John 10:10 'I have come that they may have life and have life to the full' is clearly the guiding principle for all decisions made in the school and ensures that a wide range of opportunities is available for students and staff, including those that promote their personal well-being and spiritual, moral, social and cultural (SMSC) development;
- The deeply embedded and explicitly articulated belief that all people are loved by God ensures that staff and students alike receive care and support of the highest quality;
- Close, positive relationships with local clergy and churches enrich the Christian ethos of the school and develop a good understanding of diverse Christian traditions;
- The school, through its distinctive Christian character is outstanding in meeting the needs of all learners.

Cartmel Priory Church of England School Academy Trust

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

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 continues to adopt 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.

Principal risks and uncertainties

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.

Financial review

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 2015 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.

Reserves at the end of the year were made up of fixed asset funds £98,312, restricted income funds £242,360, the pension deficit £(495,000) and unrestricted funds of £140,467, a total deficit of £(13,861). This is an improvement on last year of £(34,250) which would have been significantly better without the increase in the pension deficit of £41,000.

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.

Cartmel Priory Church of England School Academy Trust

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Plans for future periods

The academy trust is intending on continuing with internal and external improvements to the building in line with the premises plan including, but not limited to, the replacement of ceilings and lighting which will result in a further reduction in the energy consumption. The provision of a new sports hall facility is a high priority but funding streams are not readily available and the trust actively seeks external funding to ensure this can go ahead in future years.

Cartmel Priory Church of England School Academy Trust

Trustees' Report for the Year Ended 31 August 2015 (continued)

Funds held as Custodian Trustee on behalf of others

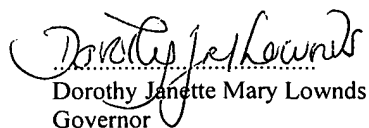
The academy does not hold funds as custodian trustee.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 9 December 2015 and signed on its behalf by:


Dorothy Janette Mary Lownds
Governor

Cartmel Priory Church of England School Academy Trust

Governance Statement

Statement on governance and 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.

Scope of responsibility

As trustees, 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 Doctor Paul Stanley Williams, 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. They are 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|--------------------------|--------------------------|
| Irene Allan | 6 | 6 |
| Reverend Nick Ash | 4 | 6 |
| Stephen Bell | 3 | 6 |
| Krysia Carmichael | 6 | 6 |
| Elaine Charnock | 2 | 4 |
| Joanne Claire Coulston | 4 | 6 |
| Susan Dean | 5 | 6 |
| Reverend Nick Devenish | 2 | 6 |
| Penelope Maralyn Hollander | 4 | 6 |
| Sarah Smith | 5 | 6 |
| Dorothy Janette Mary Lownds | 5 | 6 |
| David Nicholson | 4 | 6 |
| Kirsten Ross | 2 | 6 |
| Lesley Spring | 5 | 6 |
| Doctor Paul Stanley Williams | 6 | 6 |
| Ms Louise Shrapnel | 5 | 6 |

Cartmel Priory Church of England School Academy Trust

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 Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is 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;
- consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year;
- 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;
- 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;
- 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;
- 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;
- 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;
- receive auditors' reports and to recommend to the full governing body action as appropriate in response to audit findings;
- recommend to the full governing body the appointment or reappointment of the auditors of the academy;
- 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;
- oversee arrangements for repairs and maintenance to the site and premises;
- establish and keep under review a Premises Management Plan;
- ensure and review the implementation of the lettings policy;
- 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 during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| Susan Dean | 6 | 6 |
| Joanne Claire Coulston | 6 | 6 |
| Lesley Spring | 6 | 6 |
| Kirsten Ross | 3 | 6 |
| Doctor Paul Stanley Williams | 6 | 6 |
| Ms Louise Shrapnel | 4 | 6 |

Cartmel Priory Church of England School Academy Trust

Governance Statement (continued)

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 during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|--------------------------|--------------------------|
| Dorothy Janette Mary Lownds | 4 | 5 |
| Reverend Nick Devenish | 3 | 5 |
| David Nicholson | 4 | 5 |
| Lesley Spring | 5 | 5 |
| Doctor Paul Stanley Williams | 5 | 5 |

Cartmel Priory Church of England School Academy Trust

Governance Statement (continued)

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;
- 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;
- receive and consider any school, Local Authority, diocesan or national curricular reports on school improvement;
- receive reports on school exam results on an annual basis;
- oversee and monitor arrangements for individual governors to act as curriculum link governors and to monitor this subject based link governor system;
- receive regular curriculum presentations on a rotational basis from subject leaders accompanied by their link governors;
- monitor the school's curriculum development initiatives;
- receive reports and updates on primary and post 16 liaison;
- 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 during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|--------------------------|--------------------------|
| Stephen Bell | 3 | 5 |
| Reverend Nick Devenish | 2 | 5 |
| Dorothy Janette Mary Lownds | 5 | 5 |
| Krysia Carmichael | 5 | 5 |
| Elaine Charnock | 2 | 3 |
| Doctor Paul Stanley Williams | 5 | 5 |

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.

Attendance at meetings during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|--------------------------|--------------------------|
| Susan Dean | 2 | 2 |
| Irene Allan | 2 | 2 |
| David Nicholson | 2 | 2 |
| Doctor Paul Stanley Williams | 2 | 2 |

Cartmel Priory Church of England School Academy Trust

Governance Statement (continued)

Review of value for money

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

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

- Regularly reviewing the staffing structure
- Collaboration with the South Lakes Federation and the Cumbrian Association of System Leaders
- Using a number of approved suppliers in order to obtain the best prices
- Obtaining several quotations for utility contracts and comparing contract lengths in order to secure the best deals

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 2015 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 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.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Stables Thompson & Briscoe as responsible officer (RO)

Cartmel Priory Church of England School Academy Trust

Governance Statement (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Three times a year, 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.

There were no material control or other issues reported by the RO to date.

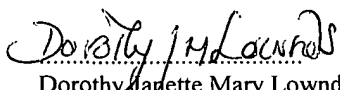
Review of effectiveness


As Accounting Officer, Doctor Paul Stanley Williams 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 executive 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 Audit Committee 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 9 December 2015 and signed on its behalf by:


Dorothy Harlette Mary Lownds
Governor


Doctor Paul Stanley Williams
Accounting officer
Head Teacher

Cartmel Priory Church of England School Academy Trust

Statement on Regularity, Propriety and Compliance

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 for Education. 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 Governing Body and EFA.



.....
Doctor Paul Stanley Williams
Accounting officer

Cartmel Priory Church of England School Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

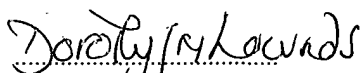
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 9 December 2015 and signed on its behalf by:


Dorothy Jagette Mary Lownds
Governor

Cartmel Priory Church of England School Academy Trust

Independent Auditor's Report on the Financial Statements 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 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), the trustees (who are also the directors of the charitable company 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

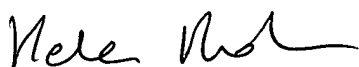
Matters on which we are required to report by exception

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:

Cartmel Priory Church of England School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Cartmel Priory Church of England School Academy Trust (continued)

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



Helen Holmes BSc FCA (Senior Statutory Auditor)
For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

9 December 2015

Cartmel Priory Church of England School Academy Trust

Independent Reporting Accountant's 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 22 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015, 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 period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency. 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.

The work undertaken to draw to our conclusion includes:


- We obtained information on the Academy's control environment and activities and considered whether these have been complied with the Academies Accounts Direction 2014 to 2015 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.
- 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.

Cartmel Priory Church of England School Academy Trust

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

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 from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Helen Holmes BSc FCA

For and on behalf of Stables Thompson & Briscoe, Chartered Accountants & Registered Auditors

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

9 December 2015

Cartmel Priory Church of England School Academy Trust

**Statement of Financial Activities for the Year Ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2015 £ | Total 2014 £ |
|---|------|----------------------------|-------------------------------------|---|--------------------|--------------------|
| Incoming resources | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| Voluntary income | 2 | 15,876 | 3,095 | - | 18,971 | 14,508 |
| Activities for generating funds | 3 | 22,829 | 2,779 | - | 25,608 | 25,799 |
| Investment income | 4 | 2,253 | - | - | 2,253 | 2,643 |
| <i>Incoming resources from charitable activities:</i> | | | | | | |
| Funding for the Academy's educational operations | 5 | 8,412 | 1,965,377 | - | 1,973,789 | 1,892,584 |
| Other Incoming Resources | | <u>13,249</u> | <u>-</u> | <u>-</u> | <u>13,249</u> | <u>2,143</u> |
| Total incoming resources | | <u>62,619</u> | <u>1,971,251</u> | <u>-</u> | <u>2,033,870</u> | <u>1,937,677</u> |
| Resources expended | | | | | | |
| <i>Cost of generating funds:</i> | | | | | | |
| Costs of generating voluntary income | | - | 14,069 | - | 14,069 | 13,086 |
| <i>Charitable activities:</i> | | | | | | |
| Academy's educational operations | | 9,207 | 1,943,326 | 14,534 | 1,967,067 | 1,850,673 |
| Governance costs | 8 | <u>-</u> | <u>6,345</u> | <u>-</u> | <u>6,345</u> | <u>6,580</u> |
| Total resources expended | 6 | <u>9,207</u> | <u>1,963,740</u> | <u>14,534</u> | <u>1,987,481</u> | <u>1,870,339</u> |
| Net incoming/(outgoing) resources before transfers | | 53,412 | 7,511 | (14,534) | 46,389 | 67,338 |
| Gross transfers between funds | | <u>-</u> | <u>(39,392)</u> | <u>39,392</u> | <u>-</u> | <u>-</u> |
| Net income/(expenditure) for the year | | 53,412 | (31,881) | 24,858 | 46,389 | 67,338 |
| Other recognised gains and losses | | | | | | |
| Actuarial gains on defined benefit pension schemes | 24 | <u>-</u> | <u>(26,000)</u> | <u>-</u> | <u>(26,000)</u> | <u>(66,000)</u> |
| Net movement in funds/(deficit) | | 53,412 | (57,881) | 24,858 | 20,389 | 1,338 |

Cartmel Priory Church of England School Academy Trust

**Statement of Financial Activities for the Year Ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)**

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2015 £ | Total 2014 £ |
|---|-------------|-------------------------------------|---|---|-----------------------------|-----------------------------|
| Reconciliation of funds | | | | | | |
| Total Funds/(deficit) brought forward at 1 September 2014 | | <u>87,055</u> | <u>(194,759)</u> | <u>73,454</u> | <u>(34,250)</u> | <u>(35,588)</u> |
| Total Funds/(deficit) carried forward at 31 August 2015 | | <u>140,467</u> | <u>(252,640)</u> | <u>98,312</u> | <u>(13,861)</u> | <u>(34,250)</u> |

All of the Academy's activities derive from continuing operations during the above two periods.

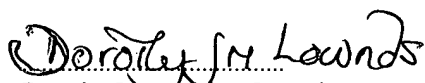
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Cartmel Priory Church of England School Academy Trust

(Registration number: 07740632)
Balance Sheet as at 31 August 2015

| | Note | 2015 £ | 2014 £ |
|--|-------------|------------------------|------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 98,312 | 73,454 |
| Current assets | | | |
| Stocks | 13 | 3,328 | 3,827 |
| Debtors | 14 | 77,396 | 69,489 |
| Cash at bank and in hand | | <u>572,747</u> | <u>554,285</u> |
| | | 653,471 | 627,601 |
| Creditors: Amounts falling due within one year | 15 | <u>(270,644)</u> | <u>(281,305)</u> |
| Net current assets | | <u>382,827</u> | <u>346,296</u> |
| Total assets less current liabilities | | <u>481,139</u> | <u>419,750</u> |
| Net assets excluding pension liability | | 481,139 | 419,750 |
| Pension scheme liability | 24 | <u>(495,000)</u> | <u>(454,000)</u> |
| Net liabilities including pension liability | | <u><u>(13,861)</u></u> | <u><u>(34,250)</u></u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | | 242,360 | 259,241 |
| Restricted fixed asset fund | | 98,312 | 73,454 |
| Restricted pension fund | | <u>(495,000)</u> | <u>(454,000)</u> |
| | | (154,328) | (121,305) |
| Unrestricted funds | | | |
| Unrestricted general fund | | <u>140,467</u> | <u>87,055</u> |
| Total funds | | <u><u>(13,861)</u></u> | <u><u>(34,250)</u></u> |

The financial statements on pages 22 to 43 were approved by the Trustees, and authorised for issue on 9 December 2015 and signed on their behalf by:


Dorothy Janette Mary Lownds
Governor

Cartmel Priory Church of England School Academy Trust

Cash Flow Statement for the Year Ended 31 August 2015

| | Note | 2015 £ | 2014 £ |
|---|------|-----------------|-----------------|
| Net cash inflow from operating activities | 19 | 55,601 | 106,910 |
| Returns on investments and servicing of finance | 20 | 2,253 | 2,643 |
| Capital expenditure and financial investment | 21 | <u>(39,392)</u> | <u>(15,821)</u> |
| Increase in cash in the year | 22 | <u>18,462</u> | <u>93,732</u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Increase in cash in the year | | 18,462 | 93,732 |
| Net funds at 1 September 2014 | | <u>554,285</u> | <u>460,553</u> |
| Net funds at 31 August 2015 | | <u>572,747</u> | <u>554,285</u> |

All of the cash flows are derived from continuing operations during the above two periods.

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention 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 2014 to 2015 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.

Going concern

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

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.

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 restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

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.

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

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.

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.

All resources expended are inclusive of irrecoverable VAT.

Cost 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.

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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 of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 (the academy trust company) occupies land (including buildings) which are owned by its Trustees who are Carlisle Diocesan Board of Finance Limited. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

As the academy only has a right to occupy free of charge and no formal lease the trustees consider that the notional rental value would be unnecessarily costly to procure and would not improve the readers understanding of the accounts and have therefore not included a notional donation from the Diocese and equivalent notional rent charge in the accounts.

| Asset class | Depreciation method and rate |
|-------------------------|-------------------------------------|
| Computer equipment | 20% reducing balance |
| Furniture and equipment | 15% reducing balance |

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

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.

Pension benefits

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. As stated in the notes to the financial statements, 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.

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 trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other 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.

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

2 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|-----------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Donations | <u>15,876</u> | <u>3,095</u> | <u>18,971</u> | <u>14,508</u> |

3 Activities for generating funds

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|--------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Hire of facilities | 5,523 | - | 5,523 | 3,733 |
| Other sales | <u>17,306</u> | <u>2,779</u> | <u>20,085</u> | <u>22,066</u> |
| | <u>22,829</u> | <u>2,779</u> | <u>25,608</u> | <u>25,799</u> |

4 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|-----------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Public Bank Interest | 2,070 | - | 2,070 | 2,489 |
| Private Bank Interest | <u>183</u> | <u>-</u> | <u>183</u> | <u>154</u> |
| | <u>2,253</u> | <u>-</u> | <u>2,253</u> | <u>2,643</u> |

5 Funding for Academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|-------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 1,672,542 | 1,672,542 | 1,627,948 |
| Other DfE/EFA Grants | <u>-</u> | <u>144,104</u> | <u>144,104</u> | <u>213,630</u> |
| | <u>-</u> | <u>1,816,646</u> | <u>1,816,646</u> | <u>1,841,578</u> |

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Academy's educational operations (continued)

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Non-government grants and other income | | | | |
| Catering Income | - | 99,445 | 99,445 | - |
| Educational Trips and Visits | - | 49,286 | 49,286 | 43,891 |
| Music Tuition Fees | 8,412 | - | 8,412 | 7,115 |
| | <u>8,412</u> | <u>148,731</u> | <u>157,143</u> | <u>51,006</u> |
| Total grants | <u>8,412</u> | <u>1,965,377</u> | <u>1,973,789</u> | <u>1,892,584</u> |

6 Resources expended

| | Staff costs £ | Premises £ | Other costs £ | Total 2015 £ | Total 2014 £ |
|--|--------------------------|-----------------------|--------------------------|-----------------------------|-----------------------------|
| Costs of generating voluntary income | - | - | 14,069 | 14,069 | 13,086 |
| Academy's educational operations | | | | | |
| Direct costs | 1,161,044 | - | 184,888 | 1,345,932 | 1,319,985 |
| Allocated support costs | <u>354,371</u> | <u>165,645</u> | <u>101,119</u> | <u>621,135</u> | <u>530,688</u> |
| | 1,515,415 | 165,645 | 286,007 | 1,967,067 | 1,850,673 |
| Governance costs including allocated support costs | <u>-</u> | <u>-</u> | <u>6,345</u> | <u>6,345</u> | <u>6,580</u> |
| | <u>1,515,415</u> | <u>165,645</u> | <u>306,421</u> | <u>1,987,481</u> | <u>1,870,339</u> |

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

| | 2015 | 2014 |
|---------------------------------|--------------|--------------|
| | £ | £ |
| Fees payable to auditor - audit | <u>3,350</u> | <u>3,305</u> |

7 Charitable activities

| | Total | Total |
|---|-------------------------|-------------------------|
| | 2015 | 2014 |
| | £ | £ |
| Direct costs - educational operations | | |
| Teaching and educational support staff costs | 1,161,044 | 1,137,445 |
| Technology costs | 18,982 | 27,597 |
| Educational supplies | 121,069 | 97,682 |
| Examination fees | 17,113 | 26,895 |
| Staff development | 9,542 | 7,653 |
| Educational consultancy | 8,655 | 10,513 |
| Other direct costs | <u>9,527</u> | <u>12,200</u> |
| | <u>1,345,932</u> | <u>1,319,985</u> |
| Support costs - educational operations | | |
| Support staff costs | 339,371 | 276,116 |
| FRS 17 service cost adjustment | 15,000 | 12,000 |
| Depreciation | 14,534 | 16,821 |
| Maintenance of premises and equipment | 66,840 | 91,529 |
| Rent, rates and utilities | 48,872 | 49,679 |
| Insurance | 35,399 | 33,566 |
| Security and transport | 8,186 | 5,406 |
| Catering | 55,203 | 5,049 |
| Bank interest and charges | 674 | 173 |
| Professional fees | 16,558 | 15,973 |
| Other support costs | <u>20,498</u> | <u>24,376</u> |
| | <u>621,135</u> | <u>530,688</u> |
| Total direct and support costs | <u><u>1,967,067</u></u> | <u><u>1,850,673</u></u> |

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

8 Governance costs

| | Total 2015 £ | Total 2014 £ |
|-------------------------------|-----------------------------|-----------------------------|
| Legal and professional fees | 2,995 | 3,275 |
| Auditors' remuneration | | |
| Audit of financial statements | <u>3,350</u> | <u>3,305</u> |
| | <u><u>6,345</u></u> | <u><u>6,580</u></u> |

9 Staff

Staff costs

| | 2015 £ | 2014 £ |
|--|-------------------------|-------------------------|
| Staff costs during the year were: | | |
| Wages and salaries | 1,242,518 | 1,176,623 |
| Social security costs | 82,358 | 79,355 |
| Pension costs | <u>190,539</u> | <u>169,583</u> |
| | <u><u>1,515,415</u></u> | <u><u>1,425,561</u></u> |

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

| | 2015 No | 2014 No |
|------------------------------|--------------------|--------------------|
| Charitable Activities | | |
| Teachers | 18 | 19 |
| Administration and support | 18 | 15 |
| Management | <u>3</u> | <u>3</u> |
| | <u><u>39</u></u> | <u><u>37</u></u> |

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

| | 2015 No | 2014 No |
|-------------------|--------------------|--------------------|
| £60,001 - £70,000 | <u><u>1</u></u> | <u><u>1</u></u> |

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Staff (continued)

1 (2014 - 1) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £9,258 (2014 - £8,945).

10 Related party transactions - trustees' remuneration and expenses

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

Doctor Paul Stanley Williams (Principal and Trustee):

Remuneration: £65,000 - £70,000 (2014 - £60,000 - £65,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

Sarah Smith (Staff Trustee):

Remuneration: £25,000 - £30,000 (2014 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2014 - £0 - £5,000)

Joanne Claire Coulston (Staff Trustee):

Remuneration: £30,000 - £35,000 (2014 - £25,000 - £30,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

Elaine Chamock (Staff Trustee (resigned 24/04/15)):

Remuneration: £25,000 - £30,000 (2014 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2014 - £5,000 - £10,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £661 (2014 - £295) were reimbursed or paid directly to 4 trustees (2014 - 4).

Other related party transactions involving the trustees are set out in note 25.

11 Trustees' 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 2015 was £Nil (2014 - £Nil).

The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

12 Tangible fixed assets (continued)

| | Furniture and equipment £ | Computer equipment £ | Total £ |
|-----------------------|--|-------------------------------------|--------------------|
| Cost | | | |
| At 1 September 2014 | 25,162 | 103,750 | 128,912 |
| Additions | <u>28,814</u> | <u>10,578</u> | <u>39,392</u> |
| At 31 August 2015 | <u>53,976</u> | <u>114,328</u> | <u>168,304</u> |
| Depreciation | | | |
| At 1 September 2014 | 9,709 | 45,749 | 55,458 |
| Charge for the year | <u>2,811</u> | <u>11,723</u> | <u>14,534</u> |
| At 31 August 2015 | <u>12,520</u> | <u>57,472</u> | <u>69,992</u> |
| Net book value | | | |
| At 31 August 2015 | <u>41,456</u> | <u>56,856</u> | <u>98,312</u> |
| At 31 August 2014 | <u>15,453</u> | <u>58,001</u> | <u>73,454</u> |

13 Stock

| | 2015 £ | 2014 £ |
|-------|-------------------|-------------------|
| Stock | <u>3,328</u> | <u>3,827</u> |

14 Debtors

| | 2015 £ | 2014 £ |
|-----------------|-------------------|-------------------|
| Trade debtors | 4,632 | 3,933 |
| Prepayments | 45,866 | 31,789 |
| VAT recoverable | 19,890 | 19,581 |
| Other debtors | <u>7,008</u> | <u>14,186</u> |
| | <u>77,396</u> | <u>69,489</u> |

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

15 Creditors: amounts falling due within one year

| | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 75,873 | 79,082 |
| Other taxation and social security | 24,409 | 22,291 |
| Other creditors | 24,208 | 20,310 |
| Accruals | 34,566 | 78,077 |
| Deferred income | 111,588 | 81,545 |
| | <u>270,644</u> | <u>281,305</u> |
| | | 2015 |
| | | £ |

Deferred income

| | |
|--|-----------------|
| Deferred income at 1 September 2014 | 81,545 |
| Resources deferred in the period | 111,588 |
| Amounts released from previous periods | <u>(81,545)</u> |
| Deferred income at 31 August 2015 | <u>111,588</u> |

Deferred Income as at 31 August 2015 relates to SEN funding received in the period which relates to the period from 1 September 2015 to 31 March 2016 and some other restricted income such as for trips and productions to happen next year.

16 Funds

| | Balance at 1 September 2014 | Incoming resources | Resources expended | Gains, losses and transfers | Balance at 31 August 2015 |
|-------------------------------------|--|-------------------------------|-------------------------------|--|--|
| | £ | £ | £ | £ | £ |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 239,430 | 1,672,542 | (1,630,220) | (39,392) | 242,360 |
| Other DfE Grants | 15,600 | 144,104 | (159,704) | - | - |
| Other Restricted General Funds | 4,211 | 154,606 | (158,817) | - | - |
| | <u>259,241</u> | <u>1,971,252</u> | <u>(1,948,741)</u> | <u>(39,392)</u> | <u>242,360</u> |
| Restricted fixed asset funds | | | | | |
| Fixed Asset Fund | 73,454 | - | (14,534) | 39,392 | 98,312 |
| Restricted pension funds | | | | | |
| Pension Reserve | <u>(454,000)</u> | <u>-</u> | <u>(15,000)</u> | <u>(26,000)</u> | <u>(495,000)</u> |
| Total restricted funds | <u>(121,305)</u> | <u>1,971,252</u> | <u>(1,978,275)</u> | <u>(26,000)</u> | <u>(154,328)</u> |

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds (continued)

| | Balance at 1 September 2014 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2015 £ |
|----------------------------|--|----------------------------|----------------------------|--|--------------------------------------|
| Unrestricted funds | | | | | |
| Unrestricted general funds | 87,055 | 62,619 | (9,207) | - | 140,467 |
| Total funds | <u>(34,250)</u> | <u>2,033,871</u> | <u>(1,987,482)</u> | <u>(26,000)</u> | <u>(13,861)</u> |

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 2015

17 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|----------------------------------|---|------------------|
| Tangible fixed assets | - | - | 98,312 | 98,312 |
| Current assets | 140,467 | 513,004 | - | 653,471 |
| Current liabilities | - | (270,644) | - | (270,644) |
| Pension scheme liability | - | (495,000) | - | (495,000) |
| Total net assets | <u>140,467</u> | <u>(252,640)</u> | <u>98,312</u> | <u>(13,861)</u> |

18 Financial commitments

Operating leases

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

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

18 Financial commitments (continued)

Operating leases which expire:

| | 2015 | 2014 |
|--------------------------|---------------------|---------------------|
| | £ | £ |
| Other | | |
| Within one year | 2,125 | 397 |
| Within two to five years | <u>5,876</u> | <u>4,249</u> |
| | <u><u>8,001</u></u> | <u><u>4,646</u></u> |

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

| | 2015 | 2014 |
|---|----------------------|-----------------------|
| | £ | £ |
| Net income | 46,389 | 67,338 |
| Depreciation | 14,534 | 16,821 |
| Interest receivable | (2,253) | (2,643) |
| FRS17 service cost adjustment | 15,000 | 12,000 |
| Decrease/(increase) in stocks | 499 | (542) |
| (Increase)/decrease in debtors | (7,907) | 148,547 |
| Decrease in creditors | <u>(10,661)</u> | <u>(134,611)</u> |
| Net cash inflow from operating activities | <u><u>55,601</u></u> | <u><u>106,910</u></u> |

20 Returns on investments and servicing of finance

| | 2015 | 2014 |
|--|---------------------|---------------------|
| | £ | £ |
| Interest received | <u>2,253</u> | <u>2,643</u> |
| Net cash inflow from returns on investments and servicing of finance | <u><u>2,253</u></u> | <u><u>2,643</u></u> |

21 Capital expenditure and financial investment

| | 2015 | 2014 |
|-----------------------------------|------------------------|------------------------|
| | £ | £ |
| Purchase of tangible fixed assets | <u><u>(39,392)</u></u> | <u><u>(15,820)</u></u> |

22 Analysis of changes in net funds

| | At 1 September 2014 | Cash flows | At 31 August 2015 |
|--------------------------|------------------------------------|----------------------|------------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | <u><u>554,285</u></u> | <u><u>18,462</u></u> | <u><u>572,747</u></u> |

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

23 Members' liability

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

24 Pension and similar obligations

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 . Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £88,066 (2014: £61,000).

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2015 was £91,000, of which employer's contributions totalled £73,000 and employees' contributions totalled £18,000. 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.

Principal actuarial assumptions

| | At 31 August 2015 % | At 31 August 2014 % |
|--|---------------------------|---------------------------|
| Rate of increase in salaries | 3.70 | 3.60 |
| Rate of increase for pensions in payment/inflation | 2.20 | 2.10 |
| Discount rate for scheme liabilities | 3.90 | 3.90 |
| Inflation assumptions (CPI) | 2.20 | 2.10 |
| Commutation of pensions to lump sums | <u>50.00</u> | <u>50.00</u> |

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

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

| | At 31 August 2015 | At 31 August 2014 |
|------------------------------|------------------------------|------------------------------|
| Retiring today | | |
| Males retiring today | 23.00 | 23.00 |
| Females retiring today | 26.00 | 26.00 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 26.00 | 26.00 |
| Females retiring in 20 years | <u>29.00</u> | <u>29.00</u> |

The academy's share of the assets and liabilities in the scheme were:

| | At 31 August 2015 | At 31 August 2014 |
|--|------------------------------|------------------------------|
| | £ | £ |
| Equities | 352,000 | 320,000 |
| Government bonds | 122,000 | 95,000 |
| Other bonds | 48,000 | 40,000 |
| Property | 74,000 | 40,000 |
| Cash | 19,000 | 44,000 |
| Other | <u>54,000</u> | <u>17,000</u> |
| Total market value of assets | 669,000 | 556,000 |
| Present value of scheme liabilities - funded | <u>(1,164,000)</u> | <u>(1,010,000)</u> |
| Deficit in the scheme | <u>(495,000)</u> | <u>(454,000)</u> |

The expected rates of return were:

| | At 31 August 2015 | At 31 August 2014 |
|------------------|------------------------------|------------------------------|
| | % | % |
| Equities | 7.00 | 7.00 |
| Government bonds | 3.00 | 3.00 |
| Other bonds | 4.00 | 4.00 |
| Property | 6.00 | 6.00 |
| Cash | 1.00 | 1.00 |
| Other | <u>7.00</u> | <u>7.00</u> |

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £25,000 (2014 - £84,000).

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 2015 | 2014 |
|------------------------|----------------------|----------------------|
| | £ | £ |
| Current service cost | <u>75,000</u> | <u>61,000</u> |
| Total operating charge | <u><u>75,000</u></u> | <u><u>61,000</u></u> |

Analysis of pension finance income/(costs)

| | 2015 | 2014 |
|--|------------------------|------------------------|
| | £ | £ |
| Expected return on pension scheme assets | 30,000 | 32,000 |
| Interest on pension liabilities | <u>(43,000)</u> | <u>(43,000)</u> |
| Pension finance costs | <u><u>(13,000)</u></u> | <u><u>(11,000)</u></u> |

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 (£233,000) (2014 - (£207,000)).

Movements in the present value of defined benefit obligation

| | 2015 | 2014 |
|------------------------|-------------------------|-------------------------|
| | £ | £ |
| At 1 September | 1,010,000 | 912,000 |
| Current service cost | 75,000 | 61,000 |
| Interest cost | 43,000 | 43,000 |
| Employee contributions | 18,000 | 16,000 |
| Actuarial losses | 22,000 | - |
| Benefits paid | (4,000) | (18,000) |
| Past service cost | <u>-</u> | <u>(4,000)</u> |
| At 31 August | <u><u>1,164,000</u></u> | <u><u>1,010,000</u></u> |

Movements in the fair value of academy's share of scheme assets

| | 2015 | 2014 |
|---------------------------|-----------------------|-----------------------|
| | £ | £ |
| At 1 September | 556,000 | 536,000 |
| Expected return on assets | 30,000 | 32,000 |
| Actuarial losses | (4,000) | (84,000) |
| Employer contributions | 73,000 | 60,000 |
| Employee contributions | 18,000 | 16,000 |
| Benefits paid | <u>(4,000)</u> | <u>(4,000)</u> |
| At 31 August | <u><u>669,000</u></u> | <u><u>556,000</u></u> |

The estimated value of employer contributions for next period is £67,000 (2014 - £62,000).

Cartmel Priory Church of England School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current and previous 3 periods are as follows:

| | 2015 £ | 2014 £ | 2013 £ | 2012 £ |
|--|------------------|------------------|------------------|------------------|
| Present value of scheme liabilities | (1,164,000) | (1,010,000) | (912,000) | (817,000) |
| Fair value of scheme assets | <u>669,000</u> | <u>556,000</u> | <u>536,000</u> | <u>429,000</u> |
| Deficit in the scheme | <u>(495,000)</u> | <u>(454,000)</u> | <u>(376,000)</u> | <u>(388,000)</u> |
| | 2015 £ | 2014 £ | 2013 £ | 2012 £ |
| Experience adjustments arising on scheme assets | (4,000) | - | 35,000 | - |
| Experience adjustments arising on scheme liabilities | <u>-</u> | <u>48,000</u> | <u>-</u> | <u>-</u> |

Comparative figures have not been restated as permitted by FRS 17.

25 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.