



THE CRYPT SCHOOL
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 11TH JANUARY 2011
TO 31ST AUGUST 2011

**Company Registration Number :
07489196 (England and Wales)**

THE CRYPT SCHOOL

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THE CRYPT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	R D James - Chairman	appointed 11th January 2011
	G Webster - Vice Chair	appointed 11th January 2011
	G Stevens - Parent Governor, Responsible Officer	appointed 4th April 2011
	A Campbell - Parent Governor	appointed 4th April 2011
	K Barrett - Parent Governor	appointed 4th April 2011
	J Horsey	appointed 4th April 2011
	P Burdett	appointed 4th April 2011
	J Bird - Parent Governor	appointed 4th April 2011
	G Taylor - Staff Governor	appointed 4th April 2011
	A Birkett - Staff Governor	appointed 4th April 2011
	R Baker	appointed 4th April 2011
	R Kingston	appointed 4th April 2011
		and resigned 18th July 2011
	J Standen - Headmaster and Principal Accounting Officer	appointed 11th January 2011
Company Secretary	J Hitchings	
Senior Leadership Team	Headteacher - J Standen	
	Deputy Headteacher - N Dyer	
	Assistant Headteacher - A Courteney	
	Assistant Headteacher - J Waterston	
	Assistant Headteacher - M Brough	
	Assistant Headteacher - P Stanlake	
	Finance Manager - J Hitchings	
	Business Manager - H Baldwin	
Registered Office	Podsmead Road Gloucester GL2 5AE	
Company Registration Number	07489196 (England and Wales)	
Independent Auditor	Davies Mayers Barnett LLP Pillar House 113/115 Bath Road Cheltenham Gloucestershire GL53 7LS	
Bankers	Yorkshire Bank Ground Floor Epsilon House The Square Gloucester Business Park Brockworth Gloucester GL3 4AD	
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ	

THE CRYPT SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy was incorporated on 11th January 2011 and commenced as an Academy Trust from 1st April 2011. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of The Crypt School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Crypt School.

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

Members' Liability

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

GOVERNORS INDEMNITIES

The Crypt School has Governors Liability insurance with Zurich Municipal.

Principal Activities

The purposes of the Academy are those set out in the Memorandum of Association and the Funding Agreement.

To advance for the public benefit education in the United Kingdom by establishing, carrying on, managing and developing a school offering a broad and balanced curriculum, as specified in our funding agreement.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The members may appoint up to 12 Governors from outside the school plus additional staff governors including the Headmaster. The staff Governors must not exceed a third of the total Governing Body. In addition there will be a minimum of 2 parent Governors who are elected by parents of registered pupils at the Academy. A parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

Policies and Procedures Adopted for the Induction and Training of Governors

Induction is carried out by the Headmaster and Chair of Governors. The Clerk to the Governor's ensures that all Governor's attend any mandatory training required for their roles and keeps them informed of any optional training available through the Local Authority and local professional firms.

THE CRYPT SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011
(continued)

ORGANISATIONAL STRUCTURE

The Governors who have served throughout the year are set out on page 1. Governors are expected to serve for a 4 year term. The Full Governing body meets 5 times per year. The committees, authorised by the Governing Body, are Resources, Staff and Pay, Property Health and Safety, Audit and Admissions which meet according to their terms of reference. The Full Governing Body has an approved scheme of delegation which sets out appropriate levels for decision making for committees and senior management. Certain key decisions, such as the overall approval of pay levels and budget approval are reserved for the Full Governing Body.

RISK MANAGEMENT

Governors have considered the risks to which the school may be exposed and are satisfied that procedures have been established to review these risks regularly. A Risk Register considering strategic, financial, compliance and governance risks among others has been put in place. This allows risks to be scored and prioritised in terms of their likelihood of occurrence and potential operational and financial impact. The control procedures put in place to mitigate the risks have also been identified and where significant risk still remains they have ensured adequate insurance is in place.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Trust works with a range of external partners including other academies to help to achieve its objectives. For example grants made by Gloucester United Schools provided funding for the equipment in the New Food Technology room and new IT equipment in the school.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Crypt School is an 11-18 selective boys' grammar school with a co-educational sixth form. We have a long and distinguished tradition of academic excellence dating back to 1539, when the school was founded at the church of St Mary de Crypt in the centre of Gloucester. We moved to our present site in 25 acres of grounds on the Southern Outskirts of the city in the 1940's. There are currently just over 800 students on roll, including 220 in the Sixth Form.

We have the highest expectations for all our pupils in both academic and extra-curricular pursuits. We aim to ensure that every pupil achieves their potential and leaves school fully prepared for and confident in facing the challenges of life as well rounded young adults. Most importantly we want our pupils to feel valued, cheerful and secure at school. In later life we hope that they retain fond memories of their school days, and will be able to feel that they were a part of something very special.

The school is forward looking and will continue to embrace new teaching technologies and methodologies to ensure high quality outcomes for our students. CPD is important, and we place a high emphasis on helping staff to develop the skills they need to do their job well. Our culture supports staff in trying new ideas. At the same time we place a high emphasis upon traditional grammar school values: excellence and the celebration of learning, valued for its own sake, determination in the face of difficulties and the inevitable challenges that life throws our way, leadership opportunities, care and celebrating every individual's worth.

THE CRYPT SCHOOL

REPORT OF THE GOVERNORS

FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011
(continued)

OBJECTIVES AND ACTIVITIES - continued

Objectives, Strategies and Activities

Governors annually approve the school improvement plan and review progress against targets

The Crypt School aims to provide a high quality education. It ensures its students achieve excellent examination results and whilst at the same time our broad and balanced curriculum helps them to develop into well rounded young adults with the skills and qualities required for adult life. The foundation for this is built upon a safe working environment where students enjoy school and there is an excellent relationship between the school and its parents.

In the last 12 months there has been a particular focus on

- driving up still further the % of A* and A grades at GCSE,
- the % of A* to B grades at A level,
- the % of students gaining entry to their first choice of university, most particularly Russell Group universities and equivalents

Public Benefit

The governors have fulfilled their duty to have due regard to their requirement to comply with public benefit as set out by the Charities Commission.

The Crypt School is a selective Grammar School and Governors in particular feel that it has met its requirements through its focus on the aforementioned strategies.

ACHIEVEMENTS AND PERFORMANCE

- This has been a hugely impressive year at The Crypt. Results at A levels have been the best ever with 58% grades awarded A* to B up 15% on our previous best of 2010. 5 students secured their places at Oxford and Cambridge and a third of the Cohort secured places at the most highly successful University's in the land. 100% of students wishing to go to university succeeded in their goal, with 87% securing a place at their first choice university. At GCSE 100% achieved 5+ A* to C passes, including English and Maths. The % achieving 8 or more A* to A passes has again risen significantly.
- The school has preserved its broad and balanced curricula offer and indeed it has added new subjects e.g. Spanish at GCSE and Government and Politics and Philosophy and Ethics at A level.
- The school is full and indeed oversubscribed in every year group due to our burgeoning reputation and decisions of the independent appeal panel.
- There was a low level turnover of staff in 2011 and it was pleasing to note the strength of the various fields of applicants enabling the school to recruit high calibre teachers and professional support staff.

THE CRYPT SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011
(continued)

ACHIEVEMENTS AND PERFORMANCE - continued

Going Concern

After making appropriate enquiries, the Governing Body believes 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.

KEY FINANCIAL PERFORMANCE INDICATORS

The accounts show that the Academy Trust is in a strong financial position. The Finance Manager is responsible for monitoring expenditure against budget at regular intervals throughout the year, and reports to Resources, Staff and Pay Committee. The RSP Committee establishes the parameters within which the Senior Leadership Team operates. The School Development Plan is supported by the Budget. The school's increasing success and reputation highlights the success of the current and previous SDPs, which are reviewed annually by the Full Governing Body.

Financial Review

- Conversion to Academy status was successfully achieved on 1st April bringing with it increased control of our finances and independence from the Local Authority
- The Academy's financial position is strong and the accounts show a modest surplus
- The Academy's estate has been developed markedly. The food technology block project, an investment in the region £450k, has been completed on schedule extending the curriculum
- £35k was secured from the Wolfson Foundation for investment in state of the art scientific equipment
- Over £900k has been secured from central government for 2 exciting projects to be completed by March 2012. This involves converting the old gymnasium into 2 spaces: a drama and dance suite and a modern gymnasium with cardiovascular equipment and weights. The second project will see the school entrance remodelled to enhance Health and Safety and the drive will be resurfaced.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy has completed a thorough review of its financial and risk management objectives in its risk register document.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme and under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, that is provided to support staff, to the restricted fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £221,000. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in the future, although this may not be achieved until stock market investment values start to recover.

THE CRYPT SCHOOL**REPORT OF THE GOVERNORS**

FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011
(continued)

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy in future years are twofold. Firstly the main source of the Academy's income, grants from the Young Peoples Learning Agency is "flat cash" until 2013, at a time when there is pressure on budgets due to inflationary cost pressures particularly in the energy sector. The second key risk is the Department for Education's plan to reduce per head funding in the 6th form for 2 years and fluctuations in the size of the Academy's 6th form each September. Governors have carefully considered these risks as part of a 3 year budget plan and are well aware of critical times in the financial year. The management team has prepared a range of options for reducing costs should they be required.

Due to accounting requirements the Local Government Pension Scheme for the professional support staff is shown as a liability on the Academy balance sheet. Although this is significant it is not immediately repayable, the deficit is recovered over 20 years through employers contributions.

Reserves Policy

Governors have approved the level of reserve funding and feel that is a prudent level given expected reductions in income in the forthcoming Academic year whilst ensuring that it does not affect our current operational activities.

Free reserves are the funds available to the Academy after excluding restricted reserves. They are set at a level that enables the Academy to meet short term cashflow requirements and potential emergency expenditure.

Investment Policy

The Governors follow a low risk investment policy with all balances held within bank accounts and immediately accessible. The Governors will be reviewing their investment policy over the next 12 months.

PLANS FOR FUTURE PERIODS

The school development plan is agreed annually in the December meeting of Governors. Progress is reviewed in June and very good progress was noted for the 2010 to 2011 school plan.

The focus for the next 12 months will be on the aforementioned academic objectives and significant investment from the Academies Capital Maintenance Fund on the projects to improve access to the school and multi-functional gymnasium.

THE CRYPT SCHOOL**REPORT OF THE GOVERNORS****FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011****(continued)****FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

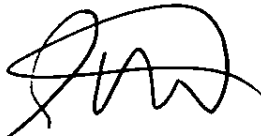
The Academy holds funds within its bank accounts on behalf of The Crypt School Association, a separate charitable entity. The funds are maintained on a system outside of the Academy's finance package and are appropriately ringfenced.

The objects of The Crypt School Association are to advance the education of the pupils at The Crypt School by providing and assisting in the provision of facilities for education at the school (not normally provided by the local education authority). The objects are therefore in line with those of The Crypt School.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the governors are aware there is no relevant audit information of which the charitable company's auditor is unaware, and the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body on 21st November 2011 and signed on its behalf by



.....
Glenn Webster
Vice Chairman

THE CRYPT SCHOOL**STATEMENT ON INTERNAL CONTROL****FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011****SCOPE OF RESPONSIBILITY**

Governors, acknowledge their overall responsibility for ensuring that the school has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Crypt School 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.

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 Crypt for the period ended 31st August 2011 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 period ending 31st August 2011 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 Resources, Staff and Pay 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 CRYPT SCHOOL**STATEMENT ON INTERNAL CONTROL**

FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011
(continued)

THE RISK AND CONTROL FRAMEWORK - continued

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed G Stevens, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The RO has carried out quarterly visits and covered the requirements in the Academies Financial Handbook. There are no material control issues although the RO and the Finance Manager are working together to see what improvements can be made to the internal control systems. This work will incorporate any recommendations and findings of the Audit Committee and the external Auditors.

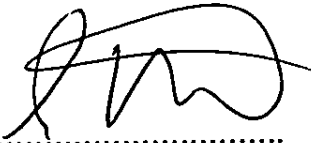
Review of Effectiveness

As Accounting Officer, J Standen has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

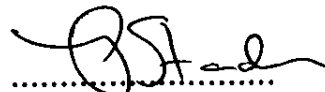
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources, Staff and Pay 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 21st November 2011 and signed on its behalf by



.....
Glenn Webster
Vice Chairman



.....
Jonathan Standen
Accounting Officer

THE CRYPT SCHOOL**STATEMENT OF GOVERNORS' RESPONSIBILITIES****FOR THE PERIOD 11TH JANUARY 2011 TO 31ST AUGUST 2011**

The Governors (who are also the directors of The Crypt School for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make 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 Academy will continue in operation

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

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

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

Approved by order of the members of the Governing Body on 21st November 2011 and signed on its behalf by



.....
Glenn Webster
Vice Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

THE CRYPT SCHOOL **PERIOD ENDED 31ST AUGUST 2011**

We have audited the financial statements of The Crypt School for the period ended 31st August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of governors and auditor

As explained more fully in the Governors' Responsibilities Statement (set out on page 9), the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31st August 2011, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial period for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**THE CRYPT SCHOOL
PERIOD ENDED 31ST AUGUST 2011
(continued)****Matters on which we are required to report by exception**

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

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

Opinion on other matters prescribed by the academy's funding agreement with the Secretary of State for Education

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency in respect of the relevant financial period,
- proper accounting records have been kept, and
- grants made by the Young People's Learning Agency have been applied for the purposes intended



N S Smith
Senior Statutory Auditor
DAVIES MAYERS BARNETT LLP
Chartered Accountants
Statutory Auditors
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

21st November 2011

THE CRYPT SCHOOL**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE PERIOD ENDED 31ST AUGUST 2011****(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Period ended 2011 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	3	215,788	202,807	18,438,033	18,856,628
Activities for generating funds	4	5,693	-	-	5,693
Investment income	5	-	403	-	403
Incoming resources from charitable activities					
Funding for the Academy Trust's educational operations	6	-	1,659,270	913,095	2,572,365
TOTAL INCOMING RESOURCES		221,481	1,862,480	19,351,128	21,435,089
RESOURCES EXPENDED					
Cost of generating funds					
Costs of generating voluntary income		75,863	104,430	-	180,293
Charitable activities					
Academy Trust's educational operations	8	-	1,546,492	156,277	1,702,769
Governance costs	9	-	26,309	-	26,309
TOTAL RESOURCES EXPENDED	7	75,863	1,677,231	156,277	1,909,371
Net incoming resources before transfers		145,618	185,249	19,194,851	19,525,718
Gross transfers between funds	16	(5,520)	(13,983)	19,503	-
Net income for the year		140,098	171,266	19,214,354	19,525,718
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	16,26	-	(221,000)	-	(221,000)
NET MOVEMENT OF FUNDS		140,098	(49,734)	19,214,354	19,304,718
Reconciliation of funds					
Funds brought forward at 11th January 2011	16	-	-	-	-
Funds carried forward at 31st August 2011		140,098	(49,734)	19,214,354	19,304,718

All of the Academy Trust's activities derive from continuing operations during the above financial period

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

THE CRYPT SCHOOL**REGISTERED NUMBER : 07489196****BALANCE SHEET****AT 31ST AUGUST 2011**

		2011	
	<u>Notes</u>	£	£
FIXED ASSETS			
Tangible assets	13		18,170,723
CURRENT ASSETS			
Debtors	14	734,964	
Cash at bank and in hand		<u>1,037,299</u>	
			1,772,263
CURRENT LIABILITIES			
Creditors Amounts falling due within one year	15	<u>(417,268)</u>	
			<u>(417,268)</u>
NET CURRENT ASSETS			1,354,995
TOTAL ASSETS LESS CURRENT LIABILITIES			19,525,718
NET ASSETS EXCLUDING PENSION LIABILITY			19,525,718
Pension scheme liability	26		(221,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>19,304,718</u>
FUNDS OF THE ACADEMY TRUST			
Restricted Funds			
Fixed asset fund	16		19,214,354
General fund	16		171,266
Pension reserve			<u>(221,000)</u>
TOTAL RESTRICTED FUNDS			<u>19,164,620</u>
UNRESTRICTED FUNDS			
General fund	16		<u>140,098</u>
TOTAL UNRESTRICTED FUNDS			<u>140,098</u>
TOTAL FUNDS			<u>19,304,718</u>

The financial statements were approved by the Governors, and authorised for issue on 21st November 2011 and are signed on their behalf by -


Glenn Webster
Vice Chairman

THE CRYPT SCHOOL
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST AUGUST 2011

	<u>Notes</u>	2011 £
Net cash inflow from operating activities	20	12,768
Returns on investments and servicing of finance	21	403
Capital expenditure	22	1,024,128
		<hr/>
Increase in cash in the year	23	1,037,299
		<hr/>
Reconciliation of net cash flow to movement in net funds		
Net funds at 11th January 2011		-
		<hr/>
Net funds at 31st August 2011		1,037,299
		<hr/>

THE CRYPT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2011

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable UK Accounting Standards, the Charity Commission "Statement of Recommended Practice Accounting and Reporting by Charities" ("SORP 2005"), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, are set out below.

Going Concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. On review, the Governors have concluded they are happy to adopt the going concern basis in preparing the annual 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.

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.

THE CRYPT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Incoming Resources (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.

Long Leasehold Buildings

The Academy has a 125 year lease for the property it operates from. The terms and conditions attached to the lease have been considered by the Governors and they have concluded that the risk and rewards of ownership have substantially transferred to the Academy and therefore a Long Leasehold Buildings asset has been recognised within fixed assets and depreciated in line with the accounting policy. The valuation of the Long Leasehold Buildings has also been considered by the Governors and included at what they consider a reasonable and reliable estimate of the current market value.

Resources Expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit.

All resources expended are exclusive of recoverable VAT.

THE CRYPT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

Assets costing £250 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 the restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows

Long leasehold buildings	2% on cost
Leasehold improvements	10% on cost
Plant and machinery	20% on cost
Fixtures and fittings	20% on cost
Computer equipment	25% on cost

Long leasehold buildings are depreciated over 50 years based on an assessment of remaining economic life when the assets were acquired.

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.

Finance Lease Commitments

Assets obtained under finance lease are capitalised in the balance sheet. Those finance leases are depreciated over their useful economic lives or the lease term, whichever is shorter.

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

THE CRYPT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

1. STATEMENT OF 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.

Pensions 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.

Pensions Benefits - continued

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 Note 26, 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.

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011**
(continued)**1. STATEMENT OF ACCOUNTING POLICIES (continued)****Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency, Partnership for Schools and Private Sponsors, where the asset acquired or created is held for a specific purpose

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency, Department for Education, Private Sponsors and School Fund accounts

2	GENERAL ANNUAL GRANT (GAG)	2011 £
	a. Results and Carry Forward for the Year	
	GAG allocation for current year	<u>1,600,814</u>
	Total GAG available to spend	1,600,814
	Recurrent expenditure from GAG	<u>(1,521,868)</u>
	Fixed assets purchased from GAG	<u>(19,503)</u>
	GAG carried forward to next year	59,443
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>(192,098)</u>
	GAG to surrender to DfE (12% rule breached if result is positive)	<u>(132,655)</u>
		(no breach)

3 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	Total 2011 £
Predecessor school surplus	6,073	-	192,659	198,732
Donations – capital	-	-	18,224,718	18,224,718
School funds	173,937	167,875	-	341,812
Private sponsorship	-	34,932	20,656	55,588
Other donations	35,778	-	-	35,778
	<u>215,788</u>	<u>202,807</u>	<u>18,438,033</u>	<u>18,856,628</u>

Total voluntary income – net donated assets

The Academy lease land and buildings from Gloucester United Schools Limited. The current market value of the assets has been capitalised as a fixed asset with a corresponding amount shown as voluntary income

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011**
(continued)**4 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £	Restricted General Funds £	Total 2011 £
Course attendance	-	-	-
Hire of facilities	4,853	-	4,853
Other income	840	-	840
	<u>5,693</u>	<u>-</u>	<u>5,693</u>

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted General Funds £	Total 2011 £
Short term deposits	-	403	403
	<u>-</u>	<u>403</u>	<u>403</u>

6 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £
DfE/YPLA capital grant				
Academy main building grants	-	-	7,088	7,088
Partnership for Schools grant	-	-	906,007	906,007
	<u>-</u>	<u>-</u>	<u>913,095</u>	<u>913,095</u>
DfE/YPLA revenue grants				
General Annual Grant (GAG) (note 2)	-	1,600,814	-	1,600,814
Start up grants	-	25,000	-	25,000
Other DfE/YPLA grants	-	-	-	-
	<u>-</u>	<u>1,625,814</u>	<u>-</u>	<u>1,625,814</u>
Other Government grants				
Special educational projects	-	33,456	-	33,456
	<u>-</u>	<u>33,456</u>	<u>-</u>	<u>33,456</u>
	<u>-</u>	<u>1,659,270</u>	<u>913,095</u>	<u>2,572,365</u>

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011****(continued)****7 RESOURCES EXPENDED**

	Non-Pay Expenditure			Total 2011
	Staff Costs	Premises	Other costs	£
	£	£	£	
Costs of generating voluntary income	-	-	180,293	180,293
Academy's education operations				
- Direct costs	1,067,270	-	198,976	1,266,246
- Allocated support costs	140,863	251,437	44,223	436,523
	1,208,133	251,437	243,199	1,702,769
Governance costs	-	-	26,309	26,309
	1,208,133	251,437	449,801	1,909,371
				Total 2011 £
Incoming/outgoing resources for the period include:				
Operating leases				20,143
Depreciation – owned assets				4,677
Depreciation – leased assets				151,600
Fees payable to auditor				
- Audit				8,500

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011**

(continued)

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
DIRECT COSTS			
Teaching and educational support staff costs	-	1,067,269	1,067,269
Educational supplies and services	-	100,125	100,125
Examination fees	-	78,372	78,372
Staff development	-	9,664	9,664
Other direct costs	-	10,816	10,816
	-	1,266,246	1,266,246
ALLOCATED SUPPORT COSTS			
Support staff costs	-	140,864	140,864
Depreciation	-	156,277	156,277
Maintenance of premises and equipment	-	44,163	44,163
General administration and reception	-	12,640	12,640
Cleaning	-	5,391	5,391
Rent and rates	-	13,191	13,191
Heat and light	-	11,412	11,412
Insurance	-	21,003	21,003
Security	-	1,511	1,511
Transport	-	3,750	3,750
Catering	-	4,850	4,850
Other support costs	-	21,471	21,471
	-	436,523	436,523
	-	1,702,769	1,702,769

9 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted General Funds £	Total 2011 £
Legal and professional fees	-	17,809	17,809
Auditors' remuneration	-	8,500	8,500
-Audit of financial statements	-	26,309	26,309

THE CRYPT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

10 STAFF COSTS

Staff costs during the period were

	2011 £
Wages and salaries	990,642
Social security costs	74,017
Other pension costs	142,137
	<u>1,206,796</u>

The average number of persons (including Senior Leadership Team) employed by the Academy during the period expressed as full time equivalents was as follows

	2011 No.
Charitable Activities	
Teachers	44
Administration and support	23
Management	<u>8</u>

The number of employees whose annual equivalent emoluments fell within the following bands was

	2011 No.
£80,001 - £90,000	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31st August 2011 pension contributions for this member of staff amounted to £4,714

11 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. During the period, the value of the Principal's remuneration was £33,435. The value of staff governors' remuneration was £24,845.

During the period ended 31st August 2011, no travel and subsistence expenses were reimbursed to Governors.

Related party transactions involving the Governors are set out in note 27.

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011****(continued)****12 GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5 million on any one claim and the cost for the period ended 31st August 2011 was £1,400.

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

13 TANGIBLE FIXED ASSETS

	Long Leasehold Buildings £	Leasehold Improvements £	Plant & Machinery £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost						
Additions	18,192,000	65,917	12,742	15,578	40,763	18,327,000
Disposals	-	-	-	-	-	-
At 31st August 2011	18,192,000	65,917	12,742	15,578	40,763	18,327,000
Depreciation						
Charged in year	151,600	122	690	976	2,889	156,277
Disposals	-	-	-	-	-	-
At 31st August 2011	151,600	122	690	976	2,889	156,277
Net book value						
At 31st August 2011	18,040,400	65,795	12,052	14,602	37,874	18,170,723

Sources of funding for assets acquired (cumulative to date):

	2011 £
Gifts in kind on conversion	18,202,187
Gifts in kind on conversion – Gloucester United Schools Fund	22,531
General annual grant	19,503
Gloucester United Schools fund	7,151
The Wolfson Foundation	10,655
The Crypt School Association	1,986
Local Authority capital close down	62,987
	18,327,000

THE CRYPT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

13 TANGIBLE FIXED ASSETS (continued)

Fixed assets, included in the above, which are held under finance leases are as follows

	Long Leasehold Buildings £	Total £
Cost		
Additions	18,192,000	18,192,000
Disposals	-	-
At 31st August 2011	18,192,000	18,192,000
Depreciation		
Charged in year	151,600	151,600
Disposals	-	-
At 31st August 2011	151,600	151,600
Net book value		
At 31st August 2011	18,040,400	18,040,400

14 DEBTORS

	2011 £
Trade debtors	12,695
Other debtors	170,373
Prepayments and accrued income	551,896
	734,964

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £
Trade creditors	182,634
Social security and other taxes	54,813
Other creditors	107,850
Accruals and deferred income	71,971
	417,268

Deferred Income

Income received during the period ended 31st August 2011 specific to funding for future periods has been deferred accordingly

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011****(continued)****16 FUNDS**

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes -

	Balance at 11 01 11 £	Incoming Resources £	Resources Expended £	Gains, losses & transfers £	Balance at 31.08.11 £
Restricted General Funds					
General Annual Grant (GAG)	-	1,580,244	(1,501,297)	(19,503)	59,444
Start up Grant	-	25,000	(17,478)	-	7,522
Other DfE/YPLA Grants	-	20,570	(20,570)	-	-
Other Government Grants	-	33,456	(33,456)	-	-
School Fund Account	-	167,875	(69,498)	5,520	103,897
Private Sponsorship	-	34,932	(34,932)	-	-
Investment Income	-	403	-	-	403
Pension reserve	-	-	-	(221,000)	(221,000)
	-	1,862,480	(1,677,231)	(234,983)	(49,734)
Restricted Fixed Asset Funds					
DfE/YPLA Capital Grants	-	913,095	-	-	913,095
Predecessor School Surplus	-	192,659	-	-	192,659
Donations - Capital	-	18,224,718	(153,043)	-	18,071,675
Capital expenditure from GAG	-	-	-	19,503	19,503
Private Sponsorship	-	20,656	(3,234)	-	17,422
	-	19,351,128	(156,277)	19,503	19,214,354
Total restricted funds	-	21,213,608	(1,833,508)	(215,480)	19,164,620
Unrestricted funds					
Unrestricted funds	-	221,481	(75,863)	(5,520)	140,098
Total unrestricted funds	-	221,481	(75,863)	(5,520)	140,098
Total Funds	-	21,435,089	(1,909,371)	(221,000)	19,304,718

The specific purposes for which the funds are to be applied are as follows

The Restricted General Fund includes GAG and other grants receivable from the YPLA, Local Authority and Private Sponsors towards the Academy's educational activities. School funds held in respect of education visits and events are also included in the Restricted General Fund.

The Restricted Fixed Asset Fund includes amounts receivable from the YPLA, Partnership for Schools and Private Sponsors in respect of tangible fixed assets held for Academy use. Transfers between the GAG Fund and the Restricted Fixed Asset Fund relate to asset purchases from this fund.

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011****(continued)****17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	18,170,723	18,170,723
Current assets	140,098	588,534	1,043,631	1,772,263
Current liabilities	-	(417,268)	-	(417,268)
Pension scheme liability	-	(221,000)	-	(221,000)
Total net assets	140,098	(49,734)	19,214,354	19,304,718

18 CAPITAL COMMITMENTS2011
£

Contracted for, but not provided in the financial statements

-

19 FINANCIAL COMMITMENTS**Operating leases**

At 31st August 2011 the Academy had annual commitments under non-cancellable operating leases as follows

2011
£**Other**

Expiring within one year

-

Expiring within two and five years inclusive

10,863

Expiring in over five years

1,671

12,534

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011****(continued)****20 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2011 £
Net income	19,525,718
Depreciation (note 13)	156,277
Capital grants from DfE and other capital income	(1,126,410)
Gifts in kind (non cash)	(18,224,718)
Interest receivable (note 5)	(403)
FRS 17 pension cost less contributions payable (note 26)	-
FRS 17 pension finance income (note 26)	-
(Increase)/decrease in stocks	-
Increase in debtors	(734,964)
Increase in creditors	417,268
Net cash inflow from operating activities	<u>12,768</u>

21 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011 £
Interest received	403
Net cash inflow from returns on investments and servicing of finance	<u>403</u>

22 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2011 £
Purchase of tangible fixed assets	(18,327,000)
Capital grants from DfE and other capital income	1,126,410
Gifts in kind (non cash)	18,224,718
Net cash inflow from capital expenditure and financial investment	<u>1,024,128</u>

23 ANALYSIS OF CHANGES IN NET FUNDS

	At 11th January 2011 £	Cash Flows £	At 31st August 2011 £
Cash in hand and at bank	-	1,037,299	1,037,299
	<u>-</u>	<u>1,037,299</u>	<u>1,037,299</u>

THE CRYPT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

24 CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the funding agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to

- a) The value at that time of the Academy's site and premises and other assets held for the purposes of the company, and
- b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement

25 MEMBERS' LIABILITY

Each member of the Academy 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

26 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 Both are defined-benefit schemes

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

Costs incurred in the period relating to TPS were £112,116 and relating to LGPS were £30,021

Contributions amounting to £40,459 were payable to the schemes at 31st August 2011 and are included within other creditors (£32,957 TPS, £7,502 LGPS)

Teachers' Pension Scheme (TPS)

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

THE CRYPT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

26 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (TPS) - continued

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31st March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teachers' Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1st April 2011 to 31st August 2011 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

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 period 1st April 2011 to 31st August 2011 was £38,000, of which employer's contributions totalled £30,000 and employees' contributions totalled £8,000. The agreed contribution rates for future years are 19.7% for employers and for employees will vary according to salary banding and will be between 5.5% - 7.5%.

Initial Funding Position of the New Scheduled Body

As Crypt School gained academy status with effect from 1st April 2011 and has become a scheduled body, the manager of the LGPS has made allowance for a proportionate transfer of the deficit within the Fund from Gloucestershire Council to the Academy.

As a result of which the initial deficit allocation for the Academy is the capitalised value of the deficit contributions which it had been due to make over the recovery period for Gloucestershire Council at the 2010 valuation, i.e. 20 years.

This approach gives a deficit allocated to the Academy at commencement of approximately £214,000.

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011**
(continued)**26 PENSION AND SIMILAR OBLIGATIONS (continued)****Employer Contributions**

The contribution rate payable is made up of a normal rate for future service plus additional amounts in relation to the deficit taken on. On this basis the contribution rate which applies from 1st April 2011 is a normal future service contribution rate of 16.3% of pensionable pay per annum plus additional contributions in relation to the deficit.

An allowance is included within the above future service contribution rate for the expected costs associated with ill health early retirements and also for the administrative costs of running the Fund. The cost of any non-ill health early retirements, however, should be payable via additional contributions.

To recover the above deficit of £214,000 via additional contributions, based on a recovery period of 20 years, the additional contribution rate required is 3.5% of pensionable pay per annum (the same rate identified for Gloucestershire Council at the 2010 valuation), leading to an overall employer contribution rate applicable from 1st April 2011 of 19.8% of pensionable pay.

Principal Actuarial Assumptions

	At 31st August 2011
Rate of increase in salaries	4.4%
Rate of increase for pensions in payment/inflation	2.6%
Discount rate for scheme liabilities	5.4%
Inflation assumption (CPI)	2.7%
Commutation of pensions to lump sum	50.0%

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011****(continued)****26 PENSION AND SIMILAR OBLIGATIONS (continued)****Sensitivity Analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

Change in assumptions at year ended 31st August 2011	Approximate increase to employer liability %	Approximate monetary amount £'000
0.5% decrease in Real Discount Rate	11	42
1 year increase in member life expectancy	3	11
0.5% increase in the Salary Increase Rate	4	16
0.5% increase in the Pension Increase Rate	7	26

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

	At 31st August 2011 %
Retiring today	
Males	21.7
Females	23.6
Retiring in 20 years	
Males	23.5
Females	25.8

THE CRYPT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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(continued)

26 PENSION AND SIMILAR OBLIGATIONS (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were -

	Expected Return at 31st August 2011 %	Fair Value at 31st August 2011 £'000
Equities	6.8	100
Government Bonds	4.6	40
Property	4.8	9
Cash/liquidity	3.9	5
Total market value of assets		<u>154</u>
 Present value of scheme liabilities - Funded		 <u>(375)</u>
 Surplus/(Deficit) in the scheme		 <u>(221)</u>

The actual return on scheme assets was £2,000 gain

The "actual return" is the difference between the actual and expected return on assets. The expected rate of return is the assumed return the assets of the fund will achieve over the entire life of the related obligations based on market expectations at the beginning of the period.

Amounts recognised in the Statement of Financial Activities

	2011 £'000
Current service cost (net of employee contributions)	25
Past service cost	-
Total operating charge	<u>25</u>

Analysis of pension finance costs/(income)

	2011 £'000
Expected return on pension scheme assets	(4)
Interest on pension liabilities	8
Pension finance costs/(income)	<u>4</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 £Nil.

THE CRYPT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2011
(continued)

26 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2011
	£'000
Opening Defined Benefit Obligation	342
Current service cost	25
Interest cost	8
Employee contributions	9
Actuarial (gain)/loss	(9)
Benefits paid	-
Past Service cost	-
Business combinations	-
At 31st August 2011	375

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

	2011
	£'000
Opening Fair Value of Employer Assets	121
Expected return on assets	4
Actuarial gain/(loss)	(9)
Employer contributions	29
Employee contributions	9
Business combinations	-
Benefits paid	-
At 31st August 2011	154

The estimated value of employer contributions for the year ended 31st August 2012 is £69,000

A summary of experience adjustments for this period is as follows:-

	2011
	£'000
Present value of defined benefit obligations	(375)
Fair value of share of scheme assets	154
Deficit in the scheme	(221)
Experience adjustments on share of scheme assets	
Amount £'000	(9)
Experience adjustments on scheme liabilities	
Amount £'000	-

THE CRYPT SCHOOL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST AUGUST 2011****(continued)****27 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.

A member of the Governing Body was also a councillor for Gloucester City Council during the year. In addition, a member of the Governing Body's son is an employee of Gloucestershire County Council. These roles do not involve any significant influence over pricing of Service Level Agreements or other Academy and Educational decisions and the disclosure of transactions between Gloucester City Council or Gloucestershire County Council and the Academy is therefore not considered necessary.